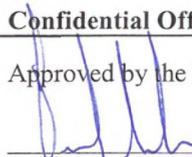
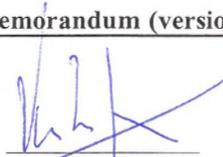


Confidential Offering Memorandum (version 4)	
Approved by the Board	
	
Name: <u>Guy Verhousma</u>	Name: <u>Eric van de Kerkhove</u>
Title: Director	Title: Director
Date: <u>14/12/2022</u>	Date: <u>14/12/2022</u>

CONFIDENTIAL OFFERING MEMORANDUM

December 2022

FORUM ALTERNATIVE

Société d'investissement à capital variable - fonds d'investissement alternatif réservé

APPLICATIONS FOR SUBSCRIPTION ARE RESERVED TO ELIGIBLE INVESTORS WHO, ON THE BASIS OF THIS CONFIDENTIAL OFFERING MEMORANDUM (THE **MEMORANDUM**), THE ARTICLES OF ASSOCIATION AND THE SUBSCRIPTION FORM, HAVE MADE THEIR OWN ASSESSMENT OF THE CONDITIONS OF THEIR PARTICIPATION IN THE COMPANY. ACCORDINGLY, IT IS THE RESPONSIBILITY OF PARTICIPATING INVESTORS TO DETERMINE WHETHER THEIR RIGHTS AND OBLIGATIONS AS INVESTORS ARE SUITABLE FOR THEM.

THE ATTENTION OF INVESTORS IS DRAWN TO THE FACT THAT THE COMPANY IS ESTABLISHED AS A LUXEMBOURG RESERVED ALTERNATIVE INVESTMENT FUND. AS SUCH, THE COMPANY IS NOT SUBJECT TO THE SUPERVISION OF THE LUXEMBOURG SUPERVISORY AUTHORITY, THE *COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER* (THE **CSSF**) AND THIS MEMORANDUM HAS NOT BEEN REVIEWED OR APPROVED BY THE CSSF.

BY ACCEPTING THIS MEMORANDUM THE RECIPIENT AGREES TO BE BOUND BY THE FOLLOWING:

This Memorandum is submitted on a confidential private placement basis to a number of Well-Informed Investors who have expressed an interest in investing in Forum Alternative, a Luxembourg *fonds d'investissement alternatif réservé* (reserved alternative investment fund) established in the form of a *société d'investissement à capital variable* (investment company with variable capital) and organised as a *société anonyme* (public limited liability company) in accordance with the RAIF Act 2016 (the **Company**). Unless otherwise defined, capitalised terms used throughout this Memorandum will have the meanings ascribed to such terms in the section "definitions".

This Memorandum has been prepared solely for the consideration of prospective Well-Informed Investors in the Company and is circulated to Well-Informed Investors on a confidential basis solely for the purpose of evaluating an investment in the Company. This Memorandum supersedes and replaces any other information provided by the Company and its respective representatives and agents in respect of the Company. However, the Memorandum is provided for information only, and is not intended to be and must not alone be taken as the basis for an investment decision. By accepting this Memorandum and any other information supplied to potential Investors by the Company, the recipient agrees that such information is confidential. Neither it nor any of its employees or advisors will use the information for any purpose other than for evaluating an investment in the Company or divulge such information to any other party and acknowledges that this Memorandum may not be photocopied, reproduced or distributed to others without the prior written consent of the Company. Each recipient hereof by accepting delivery of this Memorandum agrees to keep confidential the information contained herein and to return it and all related materials to the Company if such recipient does not undertake to purchase any of the Shares. The information contained in the Memorandum and any other documents relating to the Company may not be provided to Persons (other than professional advisors) who are not directly concerned with any Investor's decision regarding the investment offered hereby.

By accepting this Memorandum, potential Investors in the Company are not to construe the contents of this Memorandum or any prior or subsequent communications from the Company, the Directors, the Service Providers or any of their respective officers, members, employees, representatives or agents as investment, legal, accounting, regulatory or tax advice. Prior to investing in the Shares, potential Investors should conduct their own investigation and analysis of an investment in the Company and consult with their legal advisors and their investment, accounting, regulatory and tax advisors to determine the consequences of an investment in the Shares and arrive at an independent evaluation of such investment, including the applicability of any legal sales or investment restrictions without reliance on the Company, the Service Providers or any of their respective officers, members, employees, representatives or agents. Neither the Company, the Directors, the Service Providers nor any of their respective officers, members, employees, representatives or agents accepts any responsibility or liability whatsoever for the appropriateness of any potential Investors investing in the Company.

The text of the Articles is integral to the understanding of this Memorandum. Potential Investors should review the Articles carefully. In the event of any inconsistency between this Memorandum and the Articles, the Articles will prevail.

The Articles, the Depositary Agreement, the Central Administration Agreement, the AIFM Services Agreement, the Investment Management Agreement(s) (if any), the Investment Advisory Agreement(s) (if any), the Subscription Form (if any) and related documentation are described in summary form herein; these descriptions do not purport to be complete and each such summary description is subject to, and qualified in its entirety by reference to, the actual text of the Articles, the Service Agreements, the Subscription Form (if any) and related documentation, including any amendment thereto.

The following documents or information are available free of charge at the registered office of the Company upon request from Investors prior to their investment in the Company:

- the latest annual report of the Company (if any);
- the liquidity management policy and Valuation Policy;
- a description of any arrangement made by the Depositary to contractually discharge itself of liability in accordance with the AIFM Rules (or a confirmation that no such arrangement exists);
- the latest Net Asset Value of the relevant Class of Shares within the relevant Sub-fund; and
- the historical performance of the Company (and the relevant Sub-fund) (if any).

Marketing

No action has been taken which would permit a public offering of the Shares in any jurisdiction where action for that purpose would be required. The Memorandum and any other documents relating to the Company do not constitute an offer or solicitation in any jurisdiction in which an offer or solicitation is not authorised, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such an offer or solicitation. Any representation to the contrary is unlawful. No action has been taken by the Company that would permit a public offering of Shares or possession or distribution of information in any jurisdiction where action for that purpose is required.

The Shares have not been registered under the US Securities Act of 1933, as amended (the "US Securities Act") or the securities laws of any state or political subdivision of the US, and the Shares may not be offered, sold, transferred or delivered, directly or indirectly, in the US or to, or for the account or benefit of, any "US Person", as such term is defined in rule 902(k) of Regulation S under the Securities Act. The Company is not registered nor does it intend to register under the US Investment Company Act of 1940, as amended (the "US Investment Company Act"). Accordingly, the Shares are being offered and sold only outside the US to persons that are other than US Persons.

The Company may either subscribe to classes of shares of target funds likely to participate in offerings of US new issue equity securities (**US IPOs**) or directly participate in US IPOs. The Financial Industry Regulatory Authority (**FINRA**), pursuant to FINRA rules 5130 and 5131 (the **FINRA Rules**), has established prohibitions concerning the eligibility of certain persons to participate in US IPOs where the beneficial owner(s) of such accounts are financial services industry professionals (including, among other things, an owner or employee of a FINRA member firm or money manager) (a **Restricted Person**), or an executive officer or director of a US or non-US company potentially doing business with a FINRA member firm (a **Covered Person**). Accordingly, investors considered as Restricted Persons or Covered Persons under the FINRA Rules are not eligible to invest in the Company. In case of doubts regarding its status, the investor should seek the advice of its legal adviser.

The Company is an externally managed AIF managed by Edmond de Rothschild Asset Management (Luxembourg) as external AIFM (the **External AIFM**). The External AIFM is authorised in Luxembourg as an AIFM under the AIFM Act 2013. The External AIFM may therefore submit a notification to the CSSF authorisation to market the Shares to Professional Investors in Luxembourg. Furthermore, in accordance with article 30 of the AIFM Act 2013, the External AIFM may submit a passporting notification to the CSSF for the authorisation to market the Shares of the one or more Sub-funds to Professional Investors in any other EEA Member State. The Shares may not be marketed to Retail Investors within the EEA, unless the Company issues a key information document under Regulation (EU) No 1286/2017 of the European Parliament and of the Council dated 16 November 2014 on key information documents for packaged retail and insurance-based investment products. The External AIFM has not been appointed as distributor of the Company and will not be in charge of marketing or the distribution of the Company and its Shares and will only exercise the passporting notifications on behalf of the Company.

Certain statements contained in this Memorandum are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the markets in which the Company will operate, and the beliefs and assumptions of the Company. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "forecasts", "projects", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Among the factors that could cause actual results to differ materially are the general economic climate, inflationary trends, competition and the supply of and demand for Investments, interest rate levels, the availability of financing, changes in tax and corporate regulations, risk of policy formation and implementation, and other risks associated with the ownership and acquisition of Investments, including changes in the legal or regulatory environment or that operation costs may be greater than anticipated.

An investment in the Shares involves significant risks and there can be no assurance or guarantee as to positive return on any of the Company's Investments or that there will be any return on invested capital. Potential Investors should in particular refer in this Memorandum to Section 27 of the General Section and to specific risk factors that may be set out in the relevant Special Sections of the Sub-funds in which they intend to invest. The investment objectives of the Sub-funds are based on a number of assumptions which the Company believes reasonable, but there is no assurance that the investment objectives will be realised.

The Board has taken all reasonable care to ensure that the information contained in this Memorandum is accurate as of the date of this Memorandum (or such other date as stated herein). Other than as described below, the Company, the Directors and the External AIFM have no obligation to update this Memorandum.

Under no circumstances should the delivery of this Memorandum, irrespective of when it is made, create an implication that there has been no change in the affairs of the Company since such date. The Board reserves the right to modify any of the terms of the offering and the Shares described herein. This Memorandum may be updated and amended by a supplement and where such supplement is prepared this Memorandum will be read and construed with such supplement.

This Memorandum will be updated in accordance with Luxembourg Law.

No person has been authorised to give any information or to make any representation concerning the Company or the offer of the Shares other than the information contained in this Memorandum and any other documents relating to the Company, and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or any Service Provider.

Any translation of this Memorandum or of any other transaction document into any other language will only be for convenience of the relevant Investors having requested such translation. In the case of any

discrepancy due to translation, the English version of the Memorandum and of any other transaction document will prevail.

Data protection

In compliance with the Luxembourg applicable data protection laws and regulations, including but not limited to the Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (**GDPR**), as it may be implemented, completed or amended from time to time (collectively hereinafter referred to as the **Data Protection Laws**), the Company, acting as data controller (the **Data Controller**) processes personal data in the context of the investments in the Company. The term “processing” in this section has the meaning ascribed to it in the Data Protection Laws.

1. Categories of personal data processed

Any personal data as defined by the Data Protection Laws (including but not limited to the name, e-mail address, postal address, date of birth, gender, marital status, country of residence, identity card or passport, tax identification number and tax status, contact and banking details including account number and account balance, type of relationship, title or function, profession, resume, knowledge, experience, skills, wealth, risk rating, invested amount and the origin of the funds), transaction information, and contractual or other information or documentation) relating to (prospective) investors who are individuals and any other natural persons involved in or concerned by the Company’s professional relationship with investors, as the case may be, including but not limited to any representatives, contact persons, agents, Service Providers, persons holding a power of attorney, beneficial owners and/or any other related persons (each a **Data Subject**) provided in connection with (an) investment(s) in the Company (hereinafter referred to as the “Personal Data”) may be processed by the Data Controller.

2. Purposes of the processing

The processing of Personal Data may be made for the following purposes (the **Purposes**):

- (a) For the performance of the contract to which the investor is a party or in order to take steps at the investor’s request before entering into a contract

This includes, without limitation, the provision of investor-related services, administration of the shareholdings in the Company, handling of subscription, redemption and conversion orders, maintaining the register of shareholders, management of distributions, sending of notices, information and communications and more generally performance of service requests from and operations in accordance with the instructions of the investor.

The provision of Personal Data for this purpose:

- has a contractual nature or is a requirement necessary for the Company to enter into a contractual relationship with the investor; and
- is mandatory;

- (b) For compliance with legal and/or regulatory obligations

This includes (without limitation) compliance:

- with legal and/or regulatory obligations such as obligations on anti-money laundering and fight against terrorism financing, obligations on protection against late trading and market timing practices, accounting obligations;

- with identification and reporting obligations under foreign account tax compliance act (**FATCA**) and other comparable requirements under domestic or international exchange tax information mechanism such as the Organisation for Economic Co-operation and Development (**OECD**) and EU standards for transparency and automatic exchange of financial account information in tax matters (**AEOI**) and the common reporting standard (**CRS**) (hereinafter collectively referred to as **Comparable Tax Regulations**). In the context of FATCA and/or Comparable Tax Regulations, the Personal Data may be processed and transferred to the Luxembourg tax authorities who, in turn and under their control, may transfer such Personal Data to the competent foreign tax authorities, including, but not limited to, the competent authorities of the United States of America;
- with requests from, and requirements of, local or foreign authorities.

The provision of Personal Data for this purpose has a statutory/regulatory nature and is mandatory. In addition to the consequences mentioned at the end of this point 2, not providing Personal Data in this context may also result in incorrect reportings and/or tax consequences for the investor;

(c) For the purposes of the legitimate interests pursued by the Company

This includes the processing of Personal Data for risk management and for fraud prevention purposes, improvement of the Company’s services, disclosure of Personal Data to Processors (as defined below) for the purpose of effecting the processing on the Company’s behalf. The Company may also use Personal Data to the extent required for preventing or facilitating the settlement of any claims, disputes or litigations, for the exercise of its rights in case of claims, disputes or litigations or for the protection of rights of another natural or legal person.

The provision of Personal Data for this purpose:

- has a contractual nature or is a requirement necessary for the Company to enter into a contractual relationship with the investor; and
- is mandatory;

and/or

(d) For any other specific purpose to which the Data Subject has consented

This covers the use and further processing of Personal Data where the Data Subject has given his/her explicit consent thereto, which consent may be withdrawn at any time, without affecting the lawfulness of processing based on consent before its withdrawal (e.g. to receive marketing material (about the products and services of group companies or those of its commercial partners), recommendation about services.

Not providing Personal Data for the Purposes under items a) to c) hereabove or the withdrawal of consent under item d) hereabove may result in the impossibility for the Company to accept the investment in the Company and/or to perform investor-related services, or ultimately in termination of the contractual relationship with the investor.

3. Disclosure of personal data to third parties

The Personal Data may be transferred by the Company, in compliance with and within the limits of the Data Protection Laws, to its delegates, agents or Service Providers, other entities directly or indirectly affiliated with the Company and any other third parties who process the Personal Data for

providing their services to the Company, acting as data processors (collectively hereinafter referred to as Processors).

Such Processors may in turn transfer Personal Data to their respective agents, delegates, service providers, affiliates, such as (but not limited to) certain entities of Edmond de Rothschild Group, acting as sub-processors (collectively hereinafter referred to as **Sub-Processors**).

Personal Data may also be shared with Service Providers processing them on their own behalf as data controllers and third parties as may be required by applicable laws and regulations (including but not limited to administrations, local or foreign authorities (such as competent regulator, tax authorities, judicial authorities, etc)).

Personal Data may be transferred to any of these recipients in any jurisdiction including outside of the European Economic Area (**EEA**). The transfer of Personal Data outside of the EEA may be made to Sub-Processors located in countries ensuring (based on the European Commission's decision) an adequate level of protection or to other countries not ensuring such adequate level of protection. In the latter case, the transfer of Personal Data will be protected by appropriate or suitable safeguards if required by and in accordance with Data Protection Laws, such as standard contractual clauses approved by the European Commission. The Data Subject may obtain a copy of such safeguards by contacting the Company.

4. Rights of the Data Subjects in relation to the Personal Data

Under certain conditions set out by the Data Protection Laws and/or by applicable guidelines, regulations, recommendations, circulars or requirements issued by any local or European competent authority, such as the Luxembourg data protection authority (the **Commission Nationale pour la Protection des Données – CNPD**) or the European Data Protection Board, each Data Subject has the rights:

- to access his/her Personal Data and to know, as the case may be, the source from which his/her Personal Data originate and whether they came from publicly accessible sources;
- to ask for a rectification of his/her Personal Data in cases where they are inaccurate and/or incomplete,
- to ask for a restriction of processing of his/her Personal Data,
- to object to the processing of his/her Personal Data,
- to ask for erasure of his/her Personal Data, and
- to data portability with respect to his/her Personal Data.

Further details regarding the above rights are provided for in Chapter III of GDPR and in particular articles 15 to 21 of GDPR.

No automated decision-making is conducted.

To exercise the above rights and/or withdraw his/her consent regarding any specific processing to which he/she has consented, the Data Subject may contact the Company at the following address: 4, rue Robert Stumper, L-2557 Luxembourg, Grand Duchy of Luxembourg.

In addition to the rights listed above, should a Data Subject consider that the Company does not comply with the Data Protection Laws, or has concerns with regard to the protection of his/her Personal Data, the Data Subject is entitled to lodge a complaint with the CNPD.

5. Information on Data Subjects related to the investor

To the extent the investor provides Personal Data regarding Data Subjects related to him/her/it (e.g. representatives, beneficial owners, contact persons, agents, Service Providers, persons holding a power of attorney, etc.), the investor acknowledges and agrees that: (i) such Personal Data has been obtained, processed and disclosed in compliance with any applicable laws and regulations and its/his/her contractual obligations; (ii) the investor shall not do or omit to do anything in effecting this disclosure or otherwise that would cause the Company, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); (iii) the processing and transferring of the Personal Data as described herein shall not cause the Company, the Processors and/or Sub-Processors to be in breach of any applicable laws and regulations (including Data Protection Laws); and (iv) without limiting the foregoing, the investor shall provide, before the Personal Data is processed by the Company, the Processors and/or Sub-Processors, all necessary information and notices to such Data Subjects concerned, in each case as required by applicable laws and regulations (including Data Protection Laws) and/or its/his/her contractual obligations, including information on the processing of their Personal Data as described in this data protection section. The investor will indemnify and hold the Company, the Processors and/or Sub-Processors harmless for and against all financial consequences that may arise as a consequence of a failure to comply with the above requirements.

6. Data retention period

Personal Data will be kept in a form which permits identification of Data Subjects for at least a period of ten (10) years after the end of the financial year to which they relate or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes).

7. Recording of telephone conversations

Investors, including the Data Subjects related to him/her/it (who will be individually informed by the investors in turn) are also informed that for the purpose of serving as evidence of commercial transactions and/or any other commercial communications and then preventing or facilitating the settlement of any disputes or litigations, their telephone conversations with and/or instructions given to the Company, the Service Providers and/or any other agent of the Company may be recorded in accordance with applicable laws and regulations. These recordings are kept during a period of seven (7) years or any longer period as may be imposed or permitted by applicable laws and regulations, in consideration of the legal limitation periods (including for litigation purposes). These recordings shall not be disclosed to any third parties, unless the Company, the Service Providers and/or any other agent of the Company is/are compelled or has/have the right to do so under applicable laws and/or regulations in order to achieve the purpose as described in this paragraph.

DISCLOSURE OF IDENTITY

The Company, the External AIFM or the Depositary may be required by law, regulation or government authority or where it is in the best interests of the Company to disclose information in respect of the identity of the shareholders.

The Company is required under Luxembourg law to (i) obtain and hold accurate and up-to-date information (i.e. full names, nationality/ies, date and place of birth, address and country of residence, national identification number, nature and extent of the interest in the Company) about its beneficial owners (as such term is defined under the Luxembourg act of 12 November 2004 on the fight against money laundering and terrorist financing, as amended (the **AML Act**)) and relevant supporting evidence and (ii) file such information and supporting evidence with the Luxembourg Register of beneficial owners (the **RBO**) in accordance with the Luxembourg act of 13 January 2019 creating a Register of beneficial owners (the **RBO Act 2019**).

The attention of shareholders is drawn to the fact that the information contained in the RBO (save for the national identification number and address of the beneficial owner) is made available to the public, unless a limited access exemption is applied for and granted. Luxembourg national authorities and professionals (as referred to in the AML Act) may request that the Company gives them access to the information on the beneficial owner(s) of the Company (as well as its legal owners). Investors, their direct or indirect (share)holders who are natural persons, the natural person(s) who directly or indirectly control(s) the Company, the natural person(s) on whose behalf Investors may act, may qualify as beneficial owner(s), and beneficial ownership may evolve or change from time to time in light of the factual or legal circumstances. Beneficial owners are under a statutory obligation to provide to the Company all relevant information about them as referred to above. Non-compliance with this obligation may expose beneficial owners to criminal sanctions.

Each shareholder, by subscribing to Shares, accepts and agrees that the Company and any of its services providers cannot incur any liability for any disclosure about a beneficial owner made in good faith to comply with Luxembourg laws.

Each shareholder, by subscribing to Shares, accepts and agrees to make such representations and warranties that it will promptly provide upon request, all information, documents and evidence that the Company may require to satisfy its obligations under any applicable laws and in particular the RBO Act 2019.

For the purpose of the above and in accordance with the AML Act, the term "Beneficial owner" shall mean, any natural person(s) who ultimately owns or controls the entity or any natural person(s) on whose behalf a transaction or activity is being conducted. The concept of beneficial owner shall include at least:

- (a) in the case of corporate entities:
 - (i) any natural person who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, 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.

A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership;

- (ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point (i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), any natural person who holds the position of senior dirigeant (manager);
- (b) in the case of fiducies and trusts:
 - (i) the settlor;

- (ii) any fiduciaire or trustee;
 - (iii) the protector, if any;
 - (iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;
 - (v) any other natural person exercising ultimate control over the fiducie or trust by means of direct or indirect ownership or by other means;
- (c) in the case of legal entities such as foundations, and legal arrangements similar to trusts, any natural person holding equivalent or similar positions to those referred to in point (b).

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GENERAL INFORMATION

Registered Office

4, rue Robert Stumper
L – 2557 Luxembourg
Grand Duchy of Luxembourg

Directors

- Mr Guy Verhoustraeten, Edmond de Rothschild Asset Management (Luxembourg), Director
- Mr Stefan Molter, Independent Director, Director
- Mr Eric van de Kerkhove, Independent Director, Director

Initiator

Edmond de Rothschild Asset Management (Luxembourg)
4, rue Robert Stumper
L – 2557 Luxembourg
Grand Duchy of Luxembourg

External AIFM

Edmond de Rothschild Asset Management (Luxembourg)
4, rue Robert Stumper
L – 2557 Luxembourg
Grand Duchy of Luxembourg

Depositary and domiciliary agent

Edmond de Rothschild (Europe)
4, rue Robert Stumper
L – 2557 Luxembourg
Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers, société coopérative
2, rue Gerhard Mercator
L – 2182 Luxembourg
Grand Duchy of Luxembourg

Legal advisor

Allen & Overy, société en commandite simple
5, Avenue J.F. Kennedy
L – 1855 Luxembourg
Grand Duchy of Luxembourg

DEFINITIONS

Accumulation Class means a Class for which it is not intended to make distributions, as set out in the relevant Special Section.

Actualisation Interest has, in respect of each Sub-fund with a drawdown structure, the meaning given to it the relevant Special Section.

Administrative Agent means Edmond de Rothschild Asset Management (Luxembourg) in its capacity as administrative agent and registrar and transfer agent of the Company.

Affiliate of any Person means any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person (except in, all cases, any company or entity in which the Company holds an Investment) and "affiliated" should be construed accordingly.

Aggregate Commitments means, in relation to each Sub-fund, the total Commitments of Investors to such Sub-fund.

Aggregated Section has the meaning set out in Section 16.2(a) of the General Section.

AIF means an alternative investment fund within the meaning of the AIFM Directive.

AIFM means an alternative investment fund manager within the meaning of the AIFM Directive.

AIFM Act 2013 means the Luxembourg act of 12 July 2013 implementing the AIFM Directive, as may be amended from time to time.

AIFM Directive means Directive 2011/61/EU of the European Parliament and the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and regulations (EC) No 1060/2009 and (EU) No 1095/2010.

AIFMD-CDR means Commission Delegated Regulation 231/2013 of 19 December 2012 supplementing the AIFM Directive with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.

AIFM Rules means the AIFM Directive, the AIFMD-CDR, the AIFM Act 2013 as well as any implementing measures of the AIFM Directive or the AIFM Act 2013.

AIFM Services Agreement means the alternative investment fund manager services agreement entered into between the Company and the External AIFM, as may be amended from time to time.

Annual Report has the meaning set out in Section 16.2(a) of the General Section.

Articles means the articles of association of the Company, as amended from time to time.

Auditor means PricewaterhouseCoopers, société coopérative.

Benchmark Regulation means EU Regulation 2016/1011 of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

Board means the board of Directors of the Company.

Business Day means a day on which banks are generally open for business during the whole day in Luxembourg (excluding Saturdays, Sundays and public holidays).

Calculation Day means the Business Day on which the Net Asset Value is calculated in respect of a specific Valuation Day.

Capital Contribution means the cash contributed by an Investor to a Sub-fund with a drawdown structure (whether against the issuance of Shares or otherwise), to the exclusion of any Actualisation Interest or Equalisation Fee Payment that may be due to the relevant Sub-fund in accordance with that Sub-fund's Special Section.

Central Administration Agreement has the meaning set out in Section 2.9 of the General Section.

Circular 02/77 has the meaning set out in Section 13.13(g) of the General Section.

Circular 18/698 means the CSSF circular dated 23 August 2018 regarding the authorisation and organisation of investment fund managers incorporated under Luxembourg law; Specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent.

Class means a class of Shares of the Company (*catégorie d'actions*) as such term is understood under the Companies Act 1915.

Class S Shares has the meaning set out in Section 11 of the General Section.

Closed-ended Sub-fund means a Sub-fund the Shares of which are not redeemable at the request of Shareholders.

Closing means, in relation to any Sub-fund with a drawdown structure, any date on which Investors may commit to subscribe for Shares in the relevant Sub-fund, as determined by the Company in accordance with the relevant Special Section.

Closing Date means, in relation to each Sub-Fund, the end date of the Initial Offering Period or such other date as the Board may determine.

Commitment means, in relation to an Investor in a Sub-fund with a drawdown structure, the amount committed by it to the relevant Sub-fund (and whether or not such amount has been advanced in whole or in part and whether or not it has been repaid to the Investor in whole or in part), which must be at least equal to the Minimum Commitment, as set out in the Subscription Form duly executed by such Investor.

Companies Act 1915 means the Luxembourg act of 10 August 1915 concerning commercial companies, as may be amended from time to time.

Company means Forum Alternative.

Conflicts of Interest Policy has the meaning set out in Section 23.1 of the General Section.

CSSF means the *Commission de Surveillance du Secteur Financier*, the Luxembourg regulator for the financial sector.

Depository means Edmond de Rothschild (Europe), in its capacity as depository and domiciliary agent of the Company.

Depository Agreement has the meaning set out in Section 2.29 of the General Section.

Director means a member of the Board.

Directorship Agreement means an agreement between a Director and the Company which covers all the requirements relating to the services provided by the Director.

Distribution Class means a Class for which it is intended to make distributions, as set out in the relevant Special Section.

Drawdown Date means, in relation to each Sub-fund with a drawdown structure, any date on which Investors are called by the Company to make a Capital Contribution to the relevant Sub-fund (i.e., to pay a portion of their Commitment).

Drawdown Notice means, in relation to each Sub-fund with a drawdown structure, a notice whereby the Company informs the Investors of a drawdown and requests the relevant Investors to make a Capital Contribution to the relevant Sub-fund against an issue of Shares in accordance with the provisions of the relevant Special Section.

EEA means the European Economic Area.

EMIR means the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties (CCPs) and trade repositories (TRs) and its implementing measures.

Equalisation Fee Payment has, in respect of each Sub-fund with a drawdown structure, the meaning given to it in the relevant Special Section.

EU means the European Union.

EURIBOR means the rate for deposits in Euros for a period (as conclusively determined at whatever time and on whatever day by the Company), being the European interbank offered rate sponsored by the European Banking Federation (**EBF**) and the Association Cambiste Internationale (**ACI**) that is set using quotations from a panel of banks including banks from each member state of the EU participating in the Euro.

Euro, € or EUR means the single currency of the member States of the Economic and Monetary Union.

External AIFM means Edmond de Rothschild Asset Management (Luxembourg). References to the External AIFM in this Memorandum shall be construed as references to Edmond de Rothschild Asset Management (Luxembourg) acting in its capacity as either external AIFM of the Company or central administrative agent of the Company, as the context requires.

External Valuer means an external valuer within the meaning of article 17(4)(a) of the AIFM Act 2013 appointed by the External AIFM as external valuer in respect of one or more Sub-funds.

FATCA has the meaning set out in Section 4.21 of the General Section.

Final Closing means, in relation to each Sub-fund with a drawdown structure, the final closing of such Sub-fund, as stipulated in the relevant Special Section.

First Closing Date means, in relation to a Sub-fund with a drawdown structure, such date as determined by the Company and disclosed in the Special Section.

Fiscal Year means a 12 months period starting on 1 January and ending on 31 December.

Follow-on Investments means Investments made by a Sub-fund that are intended to preserve, protect or enhance the value of existing Investments.

GDPR means the EU Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

General Meeting means the general meeting of the shareholders of the Company.

General Section means the general section of the Memorandum that sets out the general terms and conditions applicable to all Sub-funds of the Company, unless otherwise provided in any of the Special Sections.

Global Fee means in respect of each Sub-fund, the global fee to be paid out of the assets of that Sub-fund to remunerate the External AIFM (in its capacity as external AIFM and administrative agent of the Company) and the Depositary, as set out in respect of each Sub-fund in the relevant Special Section.

Initial Offering Date or **Initial Offering Period** means, in relation to each Sub-fund, the first offering of Shares in a Sub-fund made pursuant to the terms of the Memorandum and the relevant Special Section.

Initial Sub-fund means Forum Alternative – PM Low Correlation.

Initial Subscription Price means, in relation to each Class in each Sub-fund, the amount stipulated in the relevant Special Section as the subscription price per Share for the relevant Class in connection with the Initial Offering Period or the Initial Offering Date.

Initiator means Edmond de Rothschild Asset Management (Luxembourg).

Intermediary Vehicle means any subsidiary or other company, entity or arrangement (such as a limited partnership, unit trust or trust) controlled, directly or indirectly, by the Company in which one or more Sub-fund(s) holds any direct or indirect interest (whether characterised as equity, debt or otherwise, including a co-investment or fractional interest), specifically established for the purpose of structuring the holding of one or more Investments, provided that (i) the Company must directly or indirectly at all times hold at least the majority of the share capital or voting rights in each Intermediary Vehicle (and be able to appoint or dismiss the members of the managing body of each such Intermediary Vehicle from time to time as it sees fit); (ii) each Intermediary Vehicle must be audited or have its accounts and financial statements reviewed by entities which are part of the network of the Auditor (or affiliated or duly approved local audit firms) and (iii) the fiscal and accounting year of each such Intermediary Vehicle must be identical to the Fiscal Year of the Company.

Investing Sub-fund has the meaning set out in Section 3.5(m) of the General Section.

Investment means any investment of the Company for the relevant Sub-fund that is in line with the investment objective, strategy and policy of and the Investment Restrictions applicable to the relevant Sub-fund.

Investment Adviser means such entity from time to time appointed as investment adviser of a particular Sub-fund as disclosed in the relevant Special Section.

Investment Advisory Agreement means an investment advisory agreement entered into with an Investment Adviser in respect of a Sub-fund, as may be amended from time to time.

Investment Manager means such person from time to time appointed by the External AIFM as the investment manager of a particular Sub-fund and disclosed in the relevant Special Section.

Investment Management Agreement means an investment management agreement entered into with an Investment Manager in respect of a Sub-fund, as may be amended from time to time.

Investment Management Fee means the investment management fee to which an Investment Manager is entitled out of the assets of a Sub-fund as set out in the relevant Special Section.

Investment Restrictions means, for each Sub-fund, the investment restrictions applicable to the Company as set out in Section 3 of the General Section, as may be amended or supplemented for that specific Sub-fund in the relevant Special Section.

Investor means any Person who contemplates to subscribe for Shares of the Company and, where the context requires, will include that person as a Shareholder of the Company.

Kick-off Period means the transitional period during which the portfolio of a relevant Sub-fund does not comply with the risk spreading requirements.

Late Trading means the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant day and the execution of such order at the price based on the net asset value applicable to such same date.

Leverage means any method by which the exposure of the Company or a Sub-fund is increased through borrowing of cash or securities, or leverage embedded in derivative position or by any other means.

LIBOR means the USD London Interbank Offered Rate.

Lock-Up Period means, for each Sub-fund, the window of time when Investor is not allowed to redeem or sell shares.

Luxembourg means the Grand Duchy of Luxembourg.

Luxembourg GAAP means Luxembourg Generally Accepted Accounting Principles.

Luxembourg Law means the applicable laws and regulations of Luxembourg.

Market Timing means an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the methods of determination of the net asset value of the undertaking for collective investment.

Memorandum means this offering memorandum, as amended or supplemented from time to time.

MiFID means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments as may be amended or replaced from time to time.

Minimum Commitment means such amount as may be stipulated as the minimum Commitment per Investor in a Sub-fund with a drawdown structure, and as set forth in the relevant Special Section, being acknowledged that the Company reserves the right to waive any such Minimum Commitment requirement in its discretion.

Minimum Holding Amount means, in relation to certain Classes in certain Sub-funds, the amount which is stipulated in the relevant Special Section as the minimum value or number of Shares which must be held at any time by an Investor, being acknowledged that the Company reserves the right to waive any such Minimum Holding Amount requirement in its discretion.

Minimum Subscription Amount means the amount (if any) or number of Shares which is stipulated in the relevant Special Section as the minimum aggregate subscription monies. The minimum number of Shares to which a Shareholder must subscribe in a particular Class in a particular Sub-fund, being acknowledged that the Company reserves the right to waive any such Minimum Subscription Amount requirement in its discretion.

Minimum Subsequent Commitment means the minimum amount of additional Commitment or investment (if any) from an existing Investor in a particular Class in a particular Sub-fund which may be accepted by the Company for such Class, as specified in its Special Section, being acknowledged that the Company reserves the right to waive any such Minimum Subsequent Commitment requirement in its discretion.

Minimum Subsequent Subscription Amount means the amount (if any) or number of Shares which may be stipulated in the relevant Special Section as the minimum subscription monies which subscriber must pay or the number of Shares to which a Shareholder must subscribe when subscribing for additional Shares of a particular Class in the relevant Sub-fund, being acknowledged that the Company reserves the right to waive any such Minimum Subsequent Subscription Amount requirement in its discretion.

Net Asset Value or **NAV** means the net asset value of the Company, each Sub-fund, each Class and each Share as determined in accordance with Section 14 of the General Section.

New Sub-fund has the meaning set out in Section 18.13 of the General Section.

OECD means the Organisation for Economic Co-operation and Development.

Open-ended Sub-fund means a Sub-fund where Shareholders may request redemption of all or part of their Shares from the Company, in accordance with the terms of the relevant Special Section.

OTC means over-the-counter.

OTC Derivative means any financial derivative instrument dealt in over-the-counter.

Performance Fee means the performance fee or any other performance related remuneration to which an Investment Manager may be entitled out of the assets of a Sub-fund as set out in the relevant Special Section.

Person means any natural person or entity, including a corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust, unincorporated association, government or governmental agency or authority.

Professional Investor means any Person who qualifies as a professional investor within the meaning of MiFID.

RAIF means a *fonds d'investissement alternatif réservé* (reserved alternative investment fund) in accordance with the RAIF Act 2016.

RAIF Act 2016 means the Luxembourg act of 23 July 2016 relating to RAIFs, as may be amended from time to time.

RCS means the *Registre de Commerce et des Sociétés de et à Luxembourg* (Luxembourg Trade and Companies Register).

Record Date has the meaning set out in Section 15.5 of the General Section.

Redemption Day means any Business Day, as specified for each Open-ended Sub-fund in the Special Section, on which redemption requests received before the applicable redemption deadline may be accepted by the Company.

Redemption Fee means the redemption fee levied by the Company in relation to the redemption of Shares of any Class in any Sub-fund as further detailed in the relevant Special Section.

Redemption Request means a written request by a Shareholder to have all or part of its Shares redeemed by the Company.

Reference Currency means, (i) in relation to the Company, the currency in which the Net Asset Value of the Company is calculated, i.e. the EUR, and (ii) in relation to each Sub-fund and Class, the currency in which the Net Asset Value of such Sub-fund or Class is calculated, as stipulated in the relevant Special Section.

Register means the register of Shareholders.

Regulated Market means a regulated market which operates regularly and is recognised and open to the public.

RESA means *Recueil électronique des sociétés et associations*.

Restricted Person has the meaning set out in Section 10.1 of the General Section.

Retail Investor means an Investor who is not a Professional Investor.

Risk Management Policy means the risk management policy established by the External AIFM in accordance with the AIFM Rules setting out the risk management systems that are implemented by the External AIFM in order to identify, measure, manage and monitor appropriately all risks relevant to the Company and the Shareholders.

Securities Financing Transaction or **SFT** means (i) a repurchase transaction; (ii) securities or commodities lending and securities or commodities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; (iv) a margin lending transaction as defined under the SFTR.

Series means any series of Shares created within a Class.

Service Agreements means the Depositary Agreement, the AIFM Service Agreement, the Investment Fund Services Agreement and any other agreement between the Company on account of one or more Sub-fund(s) and any other Service Provider.

Service Providers means the Depositary, the External AIFM (and its sub-contractor), each Investment Manager, each Investment Adviser and any other Person who provides services to the Company from time to time (including, for the avoidance of doubt, any Investment Manager or Investment Adviser).

SFT Agent means any person involved in SFTs and/or TRSs as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company's assets or any Sub-fund's assets (which can be the counterparty of a Sub-fund in an SFT and/or a TRS).

SFTR means Regulation (EU) 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 Regulation (EU) No 648/2012.

Shareholder means an owner of Shares.

Shares means all shares issued by the Company from time to time, representing the total outstanding share capital.

SICAV means a Luxembourg *société d'investissement à capital variable* (investment company with variable capital).

Side Pocket Investments has the meaning set out in Section 11 of the General Section.

SIF means a *fonds d'investissement spécialisé* (specialised investment fund) in accordance with the SIF Act 2007.

SIF Act 2007 means the Luxembourg act of 13 February 2007 relating to SIFs, as may be amended from time to time.

Special Section means each and every supplement to this Memorandum describing the specific features of a Sub-fund. Each such supplement is to be regarded as an integral part of the Memorandum.

Sub-fund means a separate portfolio of assets established for one or more Classes of the Company which is invested in accordance with a specific investment objective. The specifications of each Sub-fund will be described in their relevant Special Section.

Sub-fund Section has the meaning set out in Section 16.2(b) of the General Section.

Subscription Day means, in relation to each of the Sub-funds, the Valuation Day specified for such Sub-fund in the Special Section on which Shares in an existing Sub-fund can be subscribed.

Subscription Fee means the subscription fee which may be levied by the Company upon subscription of Shares in any Sub-fund, details of which are set out in the relevant Special Section.

Subscription Form means the form of subscription to a Sub-fund to be executed by each potential Investor pursuant to which, where accepted by the Company, the Investor will subscribe for Shares in the Sub-fund identified in such form.

Sustainability Regulation means the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Target Fund means any undertaking for collective investment, collective investment scheme or similar pooled investment vehicle (whether regulated or unregulated) in which a Sub-fund holds an Investment

Target Sub-fund has the meaning set out in Section 3.5(m) of the General Section.

Transfer has the meaning set out in Section 8.1 of the General Section.

TRS means total return swap, i.e., a derivative contract as defined in point (7) of article 2 of the SFTR in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

UCI means undertaking for collective investment.

UCI Act 2010 means the Luxembourg act of 17 December 2010 relating to undertakings for collective investment, as may be amended from time to time.

UK means the United Kingdom.

Undrawn Commitment means, in a Sub-fund with a drawdown structure, the amount of an Investor's outstanding Commitment which remains available to be drawn down by the Company in respect of that Sub-fund in accordance with the relevant Sub-fund's Special Section.

US means the United States of America.

USD or **\$** means the United States dollars.

Valuation Day has the meaning set out in Section 13.2 of the General Section.

Valuation Policy means the valuation policy and procedures established by the External AIFM and, if applicable, by the External Valuer, in accordance with the AIFM Rules with a view to ensure a sound,

transparent, comprehensive and appropriately documented valuation process of the Company's portfolio, as may be amended from time to time by the External AIFM and, if applicable, by the External Valuer.

Voting Policy means the voting policy established by the External AIFM in accordance with the AIFM Rules with a view to determine when and how any voting rights attached to instruments held in the Company's portfolio are to be exercised, to the exclusive benefit of the Company and the Shareholders.

Well-Informed Investors means any well-informed investors within the meaning of article 2 of the RAIF Act 2016. There exist three categories of well-informed investors:

- (a) investors who are institutional investors according to Luxembourg Law,
- (b) Professional Investors; and
- (c) any other investor who (i) adheres in writing to the status of experienced investor and (ii) either (a) commits to invest a minimum of EUR125,000 in the Company or (b) has obtained an assessment by a credit institution within the meaning of Directive 2013/36/UE, by an investment firm within the meaning of Directive 2014/65/UE, by a management company within the meaning of Directive 2009/65/EC or by an AIFM within the meaning of the AIFM Directive certifying its expertise, experience and knowledge in adequately appraising an investment in the Company.

For the avoidance of doubt, the Directors and the other Persons involved in the management of the Company are regarded as Well-Informed Investors for the purpose of article 2 of the RAIF Act 2016.

GENERAL SECTION

The General Section applies to all Sub-funds of the Company. The specific features of each Sub-fund and Class are set forth in the Special Sections.

1. THE COMPANY

Corporate form – Legal regime

- 1.1 The Company is a Luxembourg *société d'investissement à capital variable - fonds d'investissement alternatif réservé* (investment company with variable capital – reserved alternative investment fund), governed by the RAIF Act 2016, the Companies Act 1915 and the Articles.
- 1.2 The Company has adopted the form of a public limited liability company (*société anonyme*). The Company was incorporated on 16 April 2018 and is registered with the RCS under number B 223.832. Its Articles have been published in the RESA on 27 April 2018. The Company is registered on the official list of RAIFs held by the RCS further to a request sent by registered mail on behalf of the Company on 17 April 2018.
- 1.3 The capital of the Company is at all times equal to the value of its net assets. The Company was incorporated with an initial capital of EUR 30,000. The share capital of the Company must reach an amount of EUR 1,250,000 (being provided that Shares of a Target Sub-fund held by a Investing Sub-fund will not be taken into account for the purpose of the calculation of the EUR 1,250,000 minimum capital requirement) within a period of 12 months following its incorporation.
- 1.4 The Company is an AIF within the meaning of the AIFM Directive and the AIFM Act 2013 and the External AIFM acts as the Company's external AIFM, as further set out in Section 2.8 below.

Shareholders liability - Applicable Law - Jurisdiction

Investor rights against third party Service Providers or the Board

- 1.5 As the Company will have no employees and the Board will appoint the External AIFM as external AIFM of the Company, the Company will be reliant on the performance of third-party service providers, including, among others, the Service Providers.
- 1.6 No Investor will have any contractual claim against any Service Provider with respect to such Service Provider's default or breach of its obligations under the respective Service Provider agreement.
- 1.7 Investors in the Company will make a contractually binding subscription to the Company by the execution and delivery of the Subscription Agreement. The rights and obligations of the Investors are set out in this Memorandum, the Articles and the relevant Subscription Agreements as well as the laws of the Grand Duchy of Luxembourg. Investors will not acquire any direct legal interest in investments made by the Company.
- 1.8 Investors may have a claim against the Board for breach of a statutory duty, which may be found to be owed by the Board to the Investor pursuant to Luxembourg Law. In the event that an Investor considers that it may have a claim against the Board or against any other Service Provider, such Investor should consult its legal adviser.

Jurisdiction and Applicable law

- 1.9 Any claim arising between the External AIFM and the Company, the Service Providers, the Investment Manager(s), the Investment Adviser(s) and the Investors will be settled according to Luxembourg Law

and subject to the jurisdiction of the Court of the District of Luxembourg-City, provided that the relevant Service Provider(s) and the Company may subject themselves to the jurisdiction of courts of the countries in which the Shares are offered or sold, with respect to claims by Investors resident in such countries and, with respect to matters relating to subscriptions and redemptions by Investors resident in such countries, to the laws of such countries.

- 1.10 For the exclusive benefit of the Company and the Service Providers, by committing to subscribe to the Shares of the Company, each Investor irrevocably submits to the jurisdiction of the courts of Luxembourg and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

Recognition and Enforcement of Judgements in Luxembourg

- 1.11 The courts of Luxembourg will recognise as valid, and will enforce, any enforceable civil judgement obtained in a court of an EU Member State in respect of any contracts relating to the Company where the parties to such contract have submitted to the jurisdiction of the courts of such EU Member State in accordance with the provisions of Council Regulation (EC) No 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), as may be amended, supplemented or replaced from time to time (the **Brussels Regulation**). The Court of Appeal of Luxembourg may refuse to recognise and enforce a foreign judgement given on the basis of the Brussels Regulation by the district courts of Luxembourg, but only on grounds specified in articles 45 and 46 of the Brussels Regulation.
- 1.12 In addition, Luxembourg is party to the Convention of 27 September 1968 on the jurisdiction and enforcement of judgements in civil and commercial matters (the **Brussels Convention**). Therefore judgements obtained from the courts of territories of Member States bound by the Brussels Convention excluded from the Brussels Regulation pursuant to article 355 of the Treaty on the Functioning of the European Union, would be recognised and enforceable by the Luxembourg courts in accordance with the applicable enforcement proceedings provided for in the Brussels Convention.
- 1.13 Luxembourg is also party to the Convention of 16 September 1988 on jurisdiction and the enforcement of judgements in civil and commercial matters (the **Lugano Convention**). Judgements obtained in the courts of Iceland, Norway or Switzerland would therefore be recognised and enforceable by the Luxembourg courts in accordance with the applicable enforcement proceedings provided for in the Lugano Convention. The United Kingdom applied to accede in its own right to the Lugano Convention.
- 1.14 The courts of Luxembourg will recognise as valid, and will enforce, without reconsideration of the merits, any final, conclusive and enforceable civil judgement obtained against the Company in the court of a competent jurisdiction outside the scope of the Brussels Regulation, the Brussels Convention or the Lugano Convention, subject to and in accordance with Luxembourg Laws applicable to the recognition and enforcement of foreign court decisions. Luxembourg courts may refuse to recognise and enforce such a judgement if one or several of the following requirements are not met:
- (a) the foreign court judgement must be enforceable in the country in which it was rendered;
 - (b) the foreign court must have had jurisdiction according to the laws of the country in which the judgement was rendered and to the Luxembourg conflict of jurisdictions rules;
 - (c) the foreign procedure must have been regular in light of the laws of the country in which the judgement was rendered, in particular with the rights of defence;
 - (d) the judgment was granted following proceedings where the defendant had the opportunity to appear, and if appeared, to present a defence;

- (e) the foreign court must have applied to the matter submitted to it the proper law which is designated by the Luxembourg conflict of laws rules;
 - (f) the consideration of the foreign judgment as well as the judgment itself do not contravene international public policy as understood under the laws of Luxembourg, nor has it been given in proceedings of a criminal or tax nature; and
 - (g) the foreign judgement must not result from an evasion of Luxembourg Law (*fraude à la loi*).
- 1.15 There are no legal instruments in Luxembourg required for the recognition and enforcement of a judgement rendered in a Luxembourg court.

Umbrella structure – Sub-funds and Classes

- 1.16 The Company has an umbrella structure consisting of one or several Sub-funds. A separate portfolio of assets is maintained for each Sub-fund and is invested in accordance with the investment objective and policy applicable to that Sub-fund. The investment objectives, policy, as well as the other specific features of each Sub-fund (such as risk profile, duration (including limited duration) and exit strategies) are set forth in the relevant Special Section.
- 1.17 The Company is one single legal entity. However, in accordance with article 49(5) of the RAIF Act 2016, the rights of the Investors and creditors relating to a Sub-fund or arising from the setting-up, operation and liquidation of a Sub-fund are limited to the assets of that Sub-fund. The assets of a Sub-fund are exclusively dedicated to the satisfaction of the rights of the Investors relating to that Sub-fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-fund.
- 1.18 The Company may, at any time, create additional Sub-funds whose investment objectives or other features may differ from those of the Sub-funds then existing. In that event the Memorandum will be updated, if necessary, or supplemented by a new Special Section.
- 1.19 Each Sub-fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of the Sub-fund concerned. A purchase of Shares relating to one particular Sub-fund does not give the holder of such Shares any rights with respect to any other Sub-fund.
- 1.20 Within a Sub-fund, the Company may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency or other specific features as further detailed in this Memorandum and/or the Articles. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class. Upon creation of new Classes, the Memorandum will be updated, if necessary, or supplemented by a new Special Section.
- 1.21 The Company is currently comprised of a single Sub-fund, namely the Forum Alternative – PM Low Correlation. Each Sub-fund is described in more detail in the relevant Special Section.
- 1.22 Shares of different Classes within each Sub-fund may, unless otherwise provided for in the relevant Special Section, be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Share, within the relevant Sub-fund, as defined in the Articles and in accordance with the provisions of the relevant Special Section(s) and this General Section.
- 1.23 The Company may establish, within a Sub-fund or its Classes if any, separate Series of Shares in its books to accurately measure the Net Asset Value per Share of each Series. Initially the net proceeds of the issue of Shares in a Series are credited to a Series account (**Series Account**). Adjustments are

subsequently made to each Series Account to reflect all performance fees (if any) (as disclosed in the relevant Special Section) and profits and losses allocated to that Series. Profits and losses of a Sub-fund or a Class for each Valuation Day are allocated on the last calendar day of the month to the Series Account of each Series in proportion to the respective balances in the Series Accounts at the beginning of the month before the accrual of any performance fee (if any). In order to keep the number of different Series of Shares outstanding at any one time to a minimum, all profitable Series of Shares of a Sub-fund may be consolidated into the lead Series of the relevant Sub-fund in accordance with such policy as will be set by the Company.

- 1.24 Shares are exclusively reserved for subscription by Well-Informed Investors. Investors should note that some Sub-funds or Classes may not be available to all Well-Informed Investors. In addition, Investors should note that the Company reserves the right to reject (in whole or in part) any Subscription Form in its absolute discretion.

Term of the Company – Term of the Sub-funds

- 1.25 The Company has been incorporated with an unlimited duration provided that the Company will be automatically put into liquidation upon the termination of a Sub-fund if no further Sub-fund is active at that time.
- 1.26 The Sub-funds may be created with a finite life in which case they will be automatically liquidated at the relevant termination date, as further described, and subject to possible extension period(s) within the limit and subject to the conditions set out, in the relevant Special Section.

2. MANAGEMENT AND ADMINISTRATION

Board of Directors

- 2.1 The Company is managed by a board of directors (the **Board**) comprised of at least three (3) members. The Board is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the General Meeting fall within the competence of the Board.
- 2.2 The Board is responsible for the implementation of the overall investment policy and objectives, management and administration of the Company.
- 2.3 The Board may establish committees and delegate to such committees full authority to act on behalf of the Company in such matters concerned with the daily management and affairs of the Company in respect of one or more Sub-fund(s) or to act in a purely advisory capacity to the Company in respect of one or more Sub-fund(s) and intends to use this power to the fullest extent permitted by the Companies Act 1915 and the Articles. The composition, functions and duties of such committees (if any) will be set out in the relevant Special Section(s).
- 2.4 The Board consists of the following members:
- Mr Guy Verhoustraeten, Edmond de Rothschild Asset Management (Luxembourg), Director.
 - Mr Stefan Molter, Independent Director, Director.
 - Mr Eric van de Kerkhove, Independent Director, Director.
- 2.5 The Directors are elected by the General Meeting which will also determine the number of Directors, their remuneration and the term of their office. A Director may be removed with or without cause and/or replaced, at any time, by resolution adopted by the General Meeting.

- 2.6 The Directors are entitled to receive remuneration in accordance with usual market practice and as defined in a Directorship Agreement.
- 2.7 The claims of Shareholders against the Board will lapse five (5) years after the date of the event which gave rise to the rights claimed.

External AIFM

- 2.8 The Board has appointed Edmond de Rothschild Asset Management (Luxembourg) as the Company's external AIFM (the **External AIFM**) pursuant to the AIFM Services Agreement signed for an indefinite period and by which the Board, under its responsibility and supervision, delegated investment management (including portfolio management and risk management), valuation (unless an External Valuer is appointed), and the administrative function to the External AIFM. This agreement may be terminated at any time by either party upon ninety (90) days' written notice.
- 2.9 As part of the administrative function, the External AIFM is responsible for handling the issue, redemption and conversion of Shares and the settlement procedures related thereto, safe keeping the Register, calculating the Net Asset Value per Share, bookkeeping and providing support to the Company in order to check if investors qualify as Well-Informed Investors under the RAIF Act 2016. The External AIFM also performs any other general functions which are described in the AIFM Services Agreement and the dedicated central administration agreement (the **Central Administration Agreement**). The Central Administration Agreement may be terminated at any time by either party upon ninety (90) days' written notice. In addition, in order to improve the efficiency and quality of its services, the External AIFM may sub-contract or outsource all or part of its administrative functions and duties to a subcontractor or sub-contractors located in jurisdictions inside or outside of the EEA, such as Switzerland which, having regard to the nature of the functions and duties to be delegated must be qualified and capable of undertaking the duties in question (the **AIFM Sub-Contractors** or the **AIFM Service Providers**). Unless otherwise permitted under applicable laws and regulations, the External AIFM's liability shall not be affected by such delegation/outsourcing arrangements. In this context, the External AIFM may be required to disclose and transfer to the AIFM Service Providers personal and confidential information about or related to the Investors, such as (where applicable) identification data and/or contact details (e.g. name, address, gender, marital status, date and/or place of birth, country of residence, etc.), tax identification number and/or tax status, banking details (including the account number and/or the account balance), type of relationship, title or function, profession, curriculum vitae, knowledge, experience, skills, wealth, risk rating, invested amount and/or origin of the funds, transaction information, contractual or other information/documentation, etc.. Such personal and confidential information may be transferred to AIFM Service Providers established in countries where professional secrecy or confidentiality obligations are not equivalent to the professional secrecy/confidentiality obligations imposed by Luxembourg law. In any event, the AIFM Service Providers are either subject to a professional secrecy obligation by application of law or contractually bound to comply with confidentiality rules. Further specific details regarding the delegated/outsourced services, the type of personal and confidential information transmitted in this context and the AIFM Service Providers (including their country of establishment) may be obtained upon written request to the Company or the External AIFM.
- 2.10 The External AIFM was incorporated as a *société anonyme* under the laws of the Grand Duchy of Luxembourg on 25 July 2002 and its articles of incorporation were amended for the last time on 13 January 2021 with publication in the RESA on 14 January 2021. The External AIFM is registered with the RCS under number B 88 591. The External AIFM has been authorised by the CSSF to pursue its object, which consists of exercising the business of a management company under the provisions of Chapter 15 of the UCI Act 2010 and AIFM under Chapter 2 of the AIFM Act 2013. The subscribed capital of the External AIFM is EUR 18,238,022.99 and is fully paid up. In addition, the External AIFM must have an additional amount of own funds equal to 0.02% of the value of the managed AIFs' portfolios in excess of EUR 250 million, with a cap at EUR 10 million. In order to cover potential

professional liability risks resulting from the activities that the External AIFM may carry out pursuant to the AIFM Directive, the External AIFM will provide additional own funds equal to 0.01% of the value of the managed AIFs' portfolios. For the purpose of this additional 0.01% own funds requirement, additional own funds requirement will be recalculated at the end of each Fiscal Year and the amount of additional own funds will be adjusted accordingly.

- 2.11 At the date of this Memorandum, the composition of the board of directors of the External AIFM is as follows:
- Mr Christophe Caspar, chairman
 - Mr Flavien Duval,
 - Mrs Katherine Blacklock
 - Mr Marc Saluzzi
- 2.12 Messrs Serge Weyland, David Baert, Emmanuel Vergeynst, Enrique Bouillot, Raymond Glodé, and Guy Verhoustraeten are the conducting officers responsible for the day-to-day activities of the External AIFM within the meaning of Article 102 of the UCI Act 2010, the Circular 18/698 and the AIFM Act 2013.
- 2.13 The External AIFM has implemented a risk management system and also has procedures and processes in place to monitor the Company's and Sub-fund's risks.
- 2.14 The External AIFM maintains a liquidity management process to monitor the liquidity risk of the Sub-funds which includes, among other things, measurement tools and the use of stress testing under normal and exceptional liquidity conditions.
- 2.15 The systems and processes for managing the liquidity enable the External AIFM to apply the various tools and measures necessary to ensure that each Sub-fund's portfolio is sufficiently liquid to respond normally and appropriately to redemption requests. Under normal conditions, redemption requests will be processed as described in Section 7 and the relevant Special Section.
- 2.16 Other measures may also be used in response to redemption requests, including the temporary suspension or postponement of such requests under certain circumstances where the use of similar measures would, if enabled, restrict the redemption rights for which investors are eligible under normal circumstances as described below in Sections 7, 12.1 and 14.
- 2.17 The External AIFM has established policies and procedures to ensure that investors are treated equally. These policies and procedures include, but are not limited to, the assurance that no investor shall receive preferential treatment over other shareholders with regard to rights and obligations concerning their investment in the Company. All rights and obligations of investors, including those related to subscription and redemption requests, are set forth in this Memorandum or the Articles.
- 2.18 Information on the risk management system and liquidity management process used by the External AIFM is available on request from the External AIFM's registered office.
- 2.19 Conflicts of interest may arise between the External AIFM and the persons or entities involved in the management of the Sub-funds and/or managers of the Target Funds in which a Sub-fund invests. In the event of a conflict of interest, the External AIFM will take the necessary measures to ensure that such conflicts are resolved in a timely manner and so as not to prejudice the interests of shareholders.

- 2.20 The External AIFM has been entrusted with the following functions in relation to the Company: (a) the portfolio management function, (b) the risk management function and (c) the valuation function.
- 2.21 The External AIFM may carry out any activities connected directly or indirectly to, and/or deemed useful and/or necessary for, the accomplishment of its objectives, remaining, however, within the limitations set forth in, but to the furthest extent permitted by, the provisions of its governing laws and regulations (and in particular the AIFM Rules).
- 2.22 All the above duties are more fully described in the AIFM Services Agreement, a copy of which is available at the registered office of the External AIFM.
- 2.23 The External AIFM may, upon instruction of the Company, delegate the performance of the operations involving, inter alia, the day-to-day investment management of all or part of the portfolio of one or several Sub-fund of the Company to one or more Investment Manager(s), as further detailed in the relevant Special Section. The External AIFM may obtain the assistance of one or more Investments Advisers for the different Sub-funds of the Company.
- 2.24 The External AIFM will ensure that the Company complies with the investment restrictions and the investment policies described in this Memorandum. The External AIFM will itself report on this subject to the Board.
- 2.25 The External AIFM will monitor on a continued basis, the activities of third parties to which it has delegated functions (under the supervision of the Board) and will receive periodic reports from these service providers to enable it to perform its monitoring and supervision duties. The External AIFM's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

Edmond de Rothschild Asset Management (Luxembourg) may also act as independent data controller and process personal data in the context of its activities. The conditions under which such data is processed are detailed in the personal data protection charter of Edmond de Rothschild Asset Management (Luxembourg) which is available in several languages on the website www.edmond-de-rothschild.eu in the «your personal data» section. Further information thereon may also be obtained at the following email address: DPO-eu@edr.com. The investors are kindly requested to transmit this charter to any relevant natural persons whose personal data could be processed by Edmond de Rothschild Asset Management (Luxembourg) as data controller, such as (where applicable) their board members, representatives, signatories, employees, officers, attorneys, contact persons, agents, service providers, controlling persons, shareholders/unitholders/limited partners, beneficial owners, and/or any other related persons.

- 2.26 The External AIFM will receive part of the Global Fee as detailed in the relevant Special Sections.

Investment Manager(s) – Investment Adviser(s)

- 2.27 The External AIFM may appoint one or more Investment Managers and delegate to each Investment Manager full authority to act on behalf of the Company in such matters concerned with the daily management and affairs of the Company in respect of one or more Sub-fund(s). The External AIFM may also appoint one or more Investment Advisers to act in a purely advisory capacity to the Company or the External AIFM in respect of one or more Sub-fund(s) as it deems necessary in relation to the management of the assets of a Sub-fund, as is stipulated in the relevant Special Section.
- 2.28 The remuneration to which the relevant Investment Manager(s) or Investment Adviser(s) is(are) entitled will be as set out in the relevant Special Section if the fees payable to any Investment

Manager(s) or Investment Adviser(s) are to be borne by the relevant Sub-fund and the maximum fees will be disclosed in the Special Section.

Depositary and domiciliary agent

- 2.29 Edmond de Rothschild (Europe) has been appointed to act as depositary and domiciliary agent of the Company (the **Depositary**) under the terms of a depositary agreement with effective date as of the incorporation of the Company (the **Depositary Agreement**).
- 2.30 The Depositary is a bank organised as a *société anonyme*, regulated by the CSSF and incorporated under the Luxembourg Law. Its registered office and administrative offices are at 4, rue Robert Stumper, L-2557 Luxembourg, Grand Duchy of Luxembourg.
- 2.31 The Depositary Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon ninety (90) days' written notice.
- 2.32 The Depositary Agreement is governed by Luxembourg Law and the courts of Luxembourg shall have exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.
- 2.33 The Depositary shall assume its functions and responsibilities in accordance with Luxembourg Law and the Depositary Agreement.
- 2.34 In particular, the Depositary shall be liable to the Company or to the Shareholders for the loss of the Company's financial instruments held in custody (as defined in the AIFM Act 2013) by the Depositary or its delegates to which it has delegated its custody functions. A loss of a financial instrument held in custody by the Depositary or its delegate shall be deemed to have taken place when the conditions of article 100 of the AIFMD-CDR are met.
- 2.35 In case of loss of the Company's financial instruments held in custody by the Depositary or any of its delegates, the Depositary shall return financials instruments of identical type or the corresponding amount to the Company without undue delay. However, the Depositary's liability shall not be triggered provided the Depositary can prove that the conditions of article 101 of the AIFMD-CDR are fulfilled.
- 2.36 The Depositary's liability shall not be affected by any delegation of its custody functions unless it has discharged itself of its liability in accordance with article(s) 19(13) and/or 19(14) of the AIFM Act 2013 and the AIFMD-CDR.
- 2.37 An up-to-date list of third party delegates (including the global sub-custodian) appointed by the Depositary and of the delegates of these third-party delegates (including the global sub-custodian) is available at <http://www.edmond-de-rothschild.com/site/Luxembourg/en/asset-management/terms-and-conditions>.
- 2.38 A list of the Depositary's sub-delegates specific to the Company is also available, when applicable, at <http://www.edmond-de-rothschild.com/site/Luxembourg/fr/institutional-and-fund-services/nos-expertises/administration-centrale> under the section called "Nav center" – FORUM ALTERNATIVE – Information for investors.
- 2.39 At the date of this Memorandum, the Depositary has not entered into any agreements to contractually transfer responsibility to a third party within the meaning of article 19 (13) or 19 (14) of the AIFM Act 2013.
- 2.40 Under no circumstances shall the Depositary be liable to the Company, the External AIFM or any other person for indirect or consequential damages and the Depositary shall not in any event be liable

for the following direct losses: loss of profits, loss of contracts, loss of goodwill, whether or not foreseeable, even if the Depositary has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.

Look-through

- 2.41 The Depositary's duty regarding monitoring of cash flows shall not apply to cash held by financial and, as the case may be, or legal structures directly or indirectly controlled by the Company or the External AIFM acting on behalf of the Company.
- 2.42 The Depositary's safekeeping duties with respect to financial instruments shall apply on a look-through basis to underlying assets held by financial and, as the case may be, or legal structures directly or indirectly controlled by the Company or the External AIFM acting on behalf of the Company. However, this does not apply to fund-of-funds structures or master-feeder structures where the underlying funds have a Depositary which keeps in custody the assets of these funds.
- 2.43 The Depositary's safekeeping duties with respect to other assets shall apply on a look-through basis to underlying assets held by financial and, as the case may be, or legal structures established by the Company or by the External AIFM acting on behalf of the Company for the purpose of investing in the underlying assets and which are controlled directly or indirectly by the Company or the External AIFM acting on behalf of the Company. This does not apply to fund of funds structures and master-feeder structures where the underlying funds have a Depositary which provides ownership verification and record-keeping functions for these funds' assets.
- 2.44 The Depositary is not involved, directly or indirectly, with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document and accepts no responsibility for any information contained in this document. The Depositary shall not have any investment decision-making role in relation to Company. Decisions in respect of the purchase and sale of assets for the Company, the selection of investment professionals and the negotiation of commission rates are made by the Company and/or the External AIFM and/or their delegates. Shareholders may ask to review the Depositary Agreement at the registered office of the External AIFM should they wish to obtain additional information as regards the precise contractual obligations and limitations of liability of the Depositary.

Edmond de Rothschild (Europe) may also act as independent data controller and process personal data in the context of its activities. The conditions under which such data is processed are detailed in the personal data protection charter of Edmond de Rothschild (Europe) which is available in several languages on the website www.edmond-de-rothschild.eu in the «your personal data» section. Further information thereon may also be obtained at the following email address: DPO-eu@edr.com. The investors are kindly requested to transmit this charter to any relevant natural persons whose personal data could be processed by Edmond de Rothschild (Europe) as data controller, such as (where applicable) their board members, representatives, signatories, employees, officers, attorneys, contact persons, agents, service providers, controlling persons, shareholders/unitholders/limited partners, beneficial owners, and/or any other related persons.

- 2.45 In order to improve the efficiency and quality of its services, the Depositary may sub-contract/outsource certain of its functions/duties to service providers (located in jurisdictions inside or outside of the EEA, such as Switzerland) which, in view of functions/duties to be sub-contracted/outourced, have to be qualified and competent for performing them (the **Depositary Sub-Contractors** or **Sub-Contractors**). Unless otherwise permitted under applicable laws and regulations, the Depositary's liability shall not be affected by such sub-contracting/outourcing arrangements. In this context, the Depositary may be required to disclose and transfer to the Sub-Contractors personal and confidential information about or related to the Investors, such as (where applicable) identification

data and/or contact details (e.g. name, address, gender, country of residence, etc.), tax identification number and/or tax status, banking details (including the account number and/or the account balance), type of relationship, title or function, invested amount and/or origin of the funds, transaction information, contractual or other information/documentation, etc., (all together hereinafter referred to as the **Confidential Information**). Confidential Information may be transferred to Sub-Contractors established in countries where professional secrecy or confidentiality obligations are not equivalent to the professional secrecy/confidentiality obligations imposed by Luxembourg law. In any event, the Sub-Contractors are either subject to a professional secrecy obligation by application of law or contractually bound to comply with confidentiality rules. Further specific details regarding the sub-contracted/outsourced services, the type of Confidential Information transmitted in this context and the Sub-Contractors (including their country of establishment) may be obtained upon written request to the Company or the Depositary.

- 2.46 The fees and charges of the Depositary in connection with the investment activities and operations of the Company are part of the Global Fee as further detailed in the relevant Special Section and are in accordance with common practice in the Luxembourg market.

Administrative Agent

- 2.47 Edmond de Rothschild Asset Management (Luxembourg) has been appointed as the administrative agent and registrar and transfer agent of the Company (the **Administrative Agent**) under a central administration agreement with effective date as of the date of incorporation of the Company (the **Central Administration Agreement**). The Administrative Agent is responsible for the performance of the central administrative functions required by Luxembourg Law, the calculation of the NAV of the Shares, the processing of issues, redemptions and conversions of Shares, the safe keeping of the Register and the maintenance of the Company's accounting records. In addition, the Administrative Agent will verify that direct Investors in the Company are Well-Informed Investors.
- 2.48 The Administrative Agent will not be liable for the investment decisions regarding the Company nor the consequences of such investment decisions on the Company's performance and they are not responsible for the monitoring of the compliance of the Company's investments with the rules contained in the Articles and/or this Memorandum and/or in any management agreement(s) concluded regarding the management of the Company.
- 2.49 The Central Administration Agreement provides that it will remain in force for an unlimited period and that it may be terminated by either party at any time upon 90 days' written notice.
- 2.50 The Administrative Agent may sub-contract all or part of its functions to one or more sub-contractor(s) which, in view of functions to be sub-contracted, has/have to be qualified and competent for performing them. The Administrative Agent's liability shall not be affected by such sub-contracting.
- 2.51 The Administrative Agent shall not be liable for the contents of this Memorandum and will not be liable for any insufficient, misleading or unfair information contained in this Memorandum.
- 2.52 The Administrative Agent will receive part of the Global Fee as detailed in the relevant Special Sections.

Prime Brokers

- 2.53 The Company may appoint prime brokers to provide prime brokerage services to one or more of the Sub-funds. The name of the prime broker appointed to provide services to a Sub-fund will either be disclosed in the relevant Special Section or be disclosed in the financial statements.

- 2.54 Prime brokers will generally be appointed to provide one or more of the following services to the relevant Sub-fund (being acknowledged that this list is not exhaustive or limitative): clearing and settlement services, execution of trades; (sub-)custody and custody related services (e.g., handling corporate actions), cash lending services, margin financing, securities lending for the purpose of settling the Sub-fund's short sales (if any) or for arbitrage, provision of account reporting and statements, acting as the Sub-fund's counterparty in or providing support to the Sub-fund in respect of, over-the-counter (OTC) derivative transactions, brokerage services (and clearing and settlement services) in relation to listed derivative products such as futures and options. A prime broker, in its capacity as prime broker, will not have any decision-making discretion relating to the investment of the assets of the relevant Sub-fund(s) and will not provide any investment advice in relation to the assets of the Sub-fund(s). To the extent the scope of the services offered by a prime broker appointed by the Company covers the provision of (sub-)custody services, the relevant prime broker must be appointed by the Depositary as one of its delegates in line with the requirements of the AIFM Rules.
- 2.55 The relevant prime broker must be (i) subject to ongoing supervision by a public authority; (ii) financially sound; (iii) have the necessary organisational structure and resources for performing the services which are to be provided by them. The acceptance and appointment of a prime broker is subject to the following additional conditions: (i) the prime broker must have, and must maintain during the term of its appointment as sub-custodian of the Depositary, functionally and hierarchically separated the performance of the delegated safekeeping duties from its tasks as prime broker and potential conflicts of interest between the delegated safekeeping duties and the prime broker's other duties and services will be properly identified, managed and monitored; and (ii) the entry into a prime brokerage agreement between the prime broker, the Company, the External AIFM and the Depositary.
- 2.56 In appointing prime brokers, the External AIFM will also ensure that from the date of that appointment an agreement is in place pursuant to which the prime broker is required to make available to the Depositary in particular a statement in a durable medium which contains the following information: (i) the information required under the AIFM Rules (an in particular article 91 of the AIFMD-CDR) and (ii) details of any other matters necessary to ensure that the Depositary has up-to-date and accurate information about the value of assets the safekeeping of which has been delegated.
- 2.57 Prime brokers shall be required, in accordance with the AIFM Rules to identify, record on their books and hold on a segregated basis all investments (and collect any dividends and other payments in respect thereto) and other assets of the Company excluding cash (collectively, the **Assets**) in such manner that the identity and location of the Assets can be readily identified at any time as the property of a customer of the prime brokers and separate from their own property.
- 2.58 It is expected that the cash received by a prime broker for credit to the prime brokerage account from the Sub-funds may be provided to the prime broker as collateral for the purpose of securing or otherwise covering the secured liabilities under and subject to the terms of the relevant prime brokerage agreement. In addition, under most prime brokerage arrangements, the relevant Sub-fund's obligations to the prime broker under and in connection with the prime brokerage agreement may be secured by a security interest (e.g., a pledge or fixed charge) over all or substantially all Assets held by the relevant prime broker for the Sub-fund and over certain other Assets. Prime brokers will generally have the right to use (or re-hypothecate) the Sub-funds' Assets for their own purposes. In this case, these Assets become the property of the relevant prime broker and the Sub-fund has a right against the prime broker for the return of equivalent assets. The relevant Sub-fund ranks therefore as an unsecured creditor for the equivalent assets, and if the prime broker becomes insolvent the Sub-fund may not be able to recover the equivalent assets in full. The Company will seek to limit the risk arising from such right of use granted to prime brokers.
- 2.59 At the date of this Memorandum, no prime broker has been appointed by the Company and/or the External AIFM. In the event a prime broker is appointed subsequently, this Memorandum will be amended accordingly.

Auditor

- 2.60 PricewaterhouseCoopers, société cooperative, has been appointed as the Company's auditor and fulfils all duties prescribed by the RAIF Act 2016 and the AIFM Act 2013. The Auditor, inter alia, verifies (audits) the accounting information contained in the annual reports of the Company and various compliance aspects. The Auditor's report, established after the audit, must be included in the annual report.

Distributors and placement agents

- 2.61 The Company may appoint distributors to distribute Shares of different Sub-funds from time to time. Any distributor may appoint one or more sub-distributors with the consent of the Company.
- 2.62 Distributors and sub-distributors will only allow marketing Shares to Well-informed Investors in countries where the Company has been registered for distribution or is otherwise permitted to solicit Investors.
- 2.63 Distributors may offer to enter into arrangements with Investors to provide nominee services in relation to the Shares or to arrange for third party nominee service providers to provide such nominee services to the underlying Investors.
- 2.64 All distributors that are entitled to receive subscription monies and/or subscription, redemption or conversion orders on behalf of the Company and nominee service providers must be (i) professionals of the financial sector of a Financial Action Task Force (**FATF**) member country which are subject under their local regulations to anti money laundering rules equivalent to those required by Luxembourg Law or (ii) professionals established in a non-FATF member State provided they are a subsidiary of a professional of the financial sector of a FATF member State and they are obliged to follow anti money laundering and terrorism financing rules equivalent to those required by Luxembourg Law because of internal group policies. Whilst and to the extent that such arrangements subsist, such underlying Investors will not appear in the Register and will have no direct right of recourse against the Company.
- 2.65 Any distributors or nominee service providers holding their Shares through Euroclear or Clearstream or any other relevant clearing system as an accountholder also will not be recognised as the registered Shareholder in the Register. The relevant nominee of Euroclear or Clearstream or the other relevant clearing system will be recognised as the registered Shareholder in the Register in such event, and in turn would hold the Shares for the benefit of the relevant accountholders in accordance with the relevant arrangements.

3. INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS

Investment objective and strategy

- 3.1 The investment objective and strategy of each Sub-fund is as set out in respect of that Sub-fund in the relevant Special Section.
- 3.2 There can be no guarantee that the investment objectives of any Sub-fund will be met.
- 3.3 The Company may invest (directly or indirectly) in any kind of assets (including derivatives), which are eligible under the RAIF Act 2016.
- 3.4 The maximum amount of Leverage which a Sub-fund may use, calculated according to the gross method or the commitment approach (as per the AIFM Rules), is indicated for each Sub-fund in the relevant Special Section. In addition, the total amount of Leverage used by a Sub-fund shall be

published in the annual report of the Company. The amount of Leverage calculated according to the commitment approach allows to take into account netting provisions, adds the value of physical positions, notionals of all derivative instruments, takes into account any Leverage generated through securities loans or borrowings agreements and repo agreements, but excludes derivative products which are used in hedging transactions or derivatives which do not generate any additional Leverage. The amount of Leverage calculated according to the gross method does not take into account netting provisions or hedging, adds the value of physical positions, notionals of all derivative instruments, takes into account any Leverage generated through securities loans or borrowings agreements and repo agreements but excludes treasury or equivalents of treasury held in the reference currency of the Sub-fund.

Investment Restrictions

3.5 Unless otherwise provided for in the relevant Special Section in relation to a particular Sub-fund:

General

- (a) In principle, no Sub-fund will invest more than 30% of its net assets or commitments to subscribe in securities of the same type issued by the same issuer. A similar level of diversification will be maintained in case of investments in other assets.
- (b) The restriction set out under Section 3.5(a) above is not applicable to the acquisition of:
 - (i) units or shares of Target Funds if such Target Funds are subject to risk diversification requirements comparable to those applicable under these Sections 3.5(a) and (b);
 - (ii) securities issued or guaranteed by a OECD Member State or by its local authority or by supranational institutions and organisations with European, regional or worldwide scope;
- (c) Each compartment of a Target Fund with multiple compartments is considered as a distinct Target Fund for the purpose of the Investment Restrictions and limits set out under Sections 3.5(a) and 3.5(b), provided that the principle of segregation of the assets and liabilities of the different compartments is ensured.

Borrowing

- (d) Each Sub-fund may borrow permanently (either directly or at the level of any Intermediary Vehicle) and for investment purposes, to meet funding commitments in underlying Investments or for working capital purposes, and secure those borrowings with liens or other security interests in, or mortgages on, its assets (or the assets of any of its Intermediary Vehicles) provided that a Sub-fund may not, at any point in time, incur a level of borrowing in excess of such maximum percentage set out in the relevant Special Section.
- (e) For the avoidance of doubt, the leverage limitation set out in respect of each Sub-fund in the relevant Special Section applies only on the date the debt is incurred. It will not be an ongoing obligation of the Company to meet this constraint by reducing its existing indebtedness as a result of a decline in the value of any of its existing Investments;

Derivatives – Short sales

- (f) Each Sub-fund may utilise a variety of financial instruments for hedging or for investment purposes provided it maintains a diversification at the level of the derivatives' underlying assets equivalent to that applicable in case of direct investment (i.e., the exposure of a Sub-

fund to a single issuer that is not subject to risk diversification requirements comparable to those applicable to the relevant Sub-fund through the use of derivative instruments may not exceed 30% of its net asset value).

- (g) The risk exposure of a Sub-fund to a counterparty in OTC Derivative transactions may not exceed 30% of its net asset value. A Sub-fund will only enter into OTC Derivative transactions with counterparties that are first class financial institutions specialised in this type of transactions.
- (h) Short sales may not result in a Sub-fund:
 - (i) holding an uncovered position on assets which are not listed on a stock exchange or dealt on another Regulated Market. However, each Sub-fund may hold uncovered positions on assets which are not listed or not dealt on a Regulated Market if such assets are sufficiently liquid; and
 - (ii) a Sub-fund incurring an exposure on any single issuer in excess of 30% of its net asset value.

Use of SFT and TRS

- (i) The Company and any of its Sub-funds may employ SFTs for reducing risks (hedging), generating additional capital or income or for cost reduction purposes. Any use of SFT and TRS for investment purposes will be in line with the risk profile and risk diversification rules applicable to any Sub-funds. Investors should refer to the risk factors in Section 27 of the General Section for special risk considerations applicable to the use of SFT and TRS. SFT include the following transactions:
 - (i) "securities lending" or "securities borrowing" means a transaction by which a counterparty transfers securities or commodities subject to a commitment that the borrower will return equivalent securities or commodities on a future date or when requested to do so by the transferor, that transaction being considered as securities or commodities lending for the counterparty transferring the securities or commodities and being considered as securities or commodities borrowing for the counterparty to which they are transferred;
 - (ii) "buy-sell back transaction" or "sell-buy back transaction" means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities, agreeing, respectively, to sell or to buy back securities, commodities or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy-sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse- repurchase agreement within the meaning of item (iii) below;
 - (iii) "repurchase transaction" means a transaction governed by an agreement by which a counterparty transfers securities, commodities or guaranteed rights relating to title to securities or commodities where that guarantee is issued by a recognised exchange which holds the rights to the securities and the agreement does not allow a counterparty to transfer or pledge a particular security or commodity to more than one counterparty at a time, subject to a commitment to repurchase them, or substituted securities or commodities of the same description at a specified price on a future date specified, or to be specified, by the transfer or, being a repurchase agreement for the

counterparty selling the securities or commodities and a reverse repurchase agreement for the counterparty buying them;

- (iv) "margin lending transaction" means a transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.
- (j) The Company and any of its Sub-funds may further enter into swap contracts relating to any financial instruments or indices, including TRS. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments. As such, the use of TRS or other derivatives with similar characteristics allows gaining synthetic exposure to certain markets or underlying assets without investing directly (and/or fully) in these underlying assets.
- (k) The maximum and expected proportion of assets that may be subject to SFT and TRS, as well as the types of assets that are subject to TRS or SFT will be set out for each Sub-fund in the relevant Special Section. If a Sub-fund intends to make use of SFT and TRS, the relevant Special Section will include the disclosure requirements of the SFTR.
- (l) None of the SFT Agents or counterparties to the OTC derivative transactions is affiliated with the Company, the External AIFM or the relevant Investment Manager.

Cross-investments between Sub-funds

- (m) A Sub-fund (the **Investing Sub-fund**) may invest in one or more other Sub-funds. Any acquisition of Shares of another Sub-fund (the **Target Sub-fund**) by the Investing Sub-fund is subject to the following conditions:
 - (i) the Target Sub-fund will not invest in the Investing Sub-fund;
 - (ii) the voting rights attached to the Shares of the Target Sub-fund held by the Investing Sub-fund are suspended as long as the Shares are held by the Investing Sub-fund;
 - (iii) the value of the Share of the Target Sub-fund held by the Investing Sub-fund are not taken into account for the purpose of assessing the compliance with the EUR1,250,000 minimum capital requirement.

Investment through Intermediary Vehicles

- (n) Investments may be made by the Sub-funds through Intermediary Vehicles, including special purpose vehicles or joint ventures, general or limited partnerships and limited liability companies. The Company will seek to fully control any such Intermediary Vehicles, but may also hold Investments through joint ventures where the Company will seek to retain control over the management, sale, and financing of the venture's assets or alternatively will have a viable mechanism for exiting the venture, within a reasonable period of time.
- (o) An investment into an Intermediary Vehicle will be ignored for the purpose of the above Investment Restrictions and the underlying Investments of the Intermediary Vehicle will be treated as if they were direct Investments made by the relevant Sub-fund.

Kick off period

- (p) In accordance with the principle of risk spreading, each Sub-Fund may derogate within a period of six months following its effective launch date, to any risk spreading / diversification rules and such other investment restrictions and limits set out in the relevant Data Sheet.

Security interests – Guarantees

- (q) In furtherance of each of the Sub-funds' investment objective and policy, the Company may, for the account of the relevant Sub-fund, give guarantees and grant security in favour of third parties to secure the Sub-fund's obligations and the obligations of Intermediary Vehicles and it may grant any assistance to Intermediary Vehicles, including, but not limited to, assistance in the management and the development of such companies and their portfolio, financial assistance, loans, advances or guarantees. It may pledge, transfer, encumber or otherwise create security over some or all of its or its Sub-funds' assets. For the avoidance of doubt, the Company will not enter into any cross-collateralisation arrangements whereby the assets of a Sub-fund (or an Intermediary Vehicle thereof) might be used to secure obligations of another Sub-fund (or an Intermediary Vehicle thereof).

Extra-Financial characteristics

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “Sustainability Regulation”).

- (r) The External AIFM identifies and analyses sustainability risks (i.e. any environmental, social or governance event or situation which, if it occurs, could have a material adverse effect, actual or potential, on the investment value) in its risk management process.
- (s) The Sub-funds do not promote environmental or social characteristics or aim at sustainable investment (as provided for under Articles 8 or 9 of the Sustainability Regulation). Consequently, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.
- (t) A sustainability risk refers to an environmental, social or governance event that may potentially or actually cause a material adverse impact on the value of a Sub-fund's investments. Sustainability risks may present a risk in themselves or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks.
- (u) Sustainability risks can have an impact on long-term risk-adjusted performance. Sustainability risk analysis is complex and may be based on environmental, social or governance data that are difficult to obtain, incomplete, estimated, out of date or otherwise incorrect. Even if these data are identified, there is no guarantee that these data can be properly analysed.
- (v) The impacts resulting from the emergence of a sustainability risk can be numerous and vary depending on the specific risk, the region and the asset class. In general, when a sustainability risk arises for an asset, there will be a negative impact and possibly a total loss of this value and therefore of the net asset value of the relevant Sub-fund.
- (w) The Investment Managers consider that as at the date of this Memorandum, sustainability risks are not integrated in the investment decisions of the Sub-funds due to the nature of the investment objective of the Sub-funds.

Passive Breaches

- 3.6 If the Investment Restrictions or investment objectives applicable to a Sub-fund are breached by reason other than an acquisition or purchase of an Investment (including, for the avoidance of doubt, if the Investment Restrictions or investment objectives are breached (a) due to an increase or decrease of the value of the relevant Investment, or (b) because the relevant Sub-fund has disposed of one or more of its Investments) (a **Passive Breach**), the Board will seek to remedy the Passive Breach, but will only do so if they reasonably considers it to be in the best interests of the Shareholders of the relevant Sub-fund. In addition, the Board will not commit to any new Investments that may aggravate the Passive Breach. Likewise, the investment restrictions will not be considered as being actively breached as a result of Investments being disposed of during the liquidation phase of the Company or the relevant Sub-fund.
- 3.7 The Board will, with the support of the External AIFM, monitor the investment restrictions applicable to the Company and its Sub-funds but will not be required to take immediate remedial action to comply with any such Investment Restriction, if (i) the failure to comply with the investment restriction results in an event which is beyond the Board's control or (ii) the Board deems it advisable or in the best interest of the Company and its Sub-funds not to dispose of or otherwise take action with respect to the relevant Investment.

Circular 02/77

- 3.8 With respect to the protection of Investors in case of non-compliance with the Investment Restrictions, the Company intends to comply with the principles and rules set out in Circular 02/77 of 27 November 2002 (**Circular 02/77**), being however provided that no report will be sent to the CSSF.

4. SHARE CAPITAL AND SHARES

Investment by Well-Informed Investors

- 4.1 Shares are exclusively reserved for Well-Informed Investors. The Company will not issue, or give effect to any Transfer of Shares to any Investor who is not a Well-Informed Investor (or who is a Restricted Person).
- 4.2 The Company (and the External AIFM in its capacity as Administrative Agent and acting on behalf of the Company) reserves the right to request such information as is necessary to verify the identity of an Investor and its status in regard to the qualification as a Well-Informed Investor and to verify that any Investor is not a Restricted Person. In the event of delay or failure by the Investor to produce any information required for verification purposes, the Company (and the External AIFM acting on behalf of the Company) may refuse to accept the subscription application or transfer notice.

Description of the Shares

- 4.3 The Shares are issued and will remain in registered form (*actions nominatives*) or in dematerialised form. Dematerialised shares shall be represented by a securities account entry in the name of their holder or owner, with an authorised account holder or a provider of settlement services.
- 4.4 The Register will be kept by the External AIFM (in its capacity as Administrative Agent) on behalf of the Company and will be available for inspection by any Shareholders. The Register will contain the name of each owner of Shares, his/her/its residence or elected domicile as indicated to the Company and the number and Class held by it and the Transfer of Shares and the dates of such Transfers. The ownership of the Shares will be established by the entry in this Register.

- 4.5 Each Shareholder will provide the Company with an address to which all notices and announcements may be sent. Such address will also be entered into the Register. Shareholders may, at any time, change their address as entered into the Register by way of a written notification sent to the Company.
- 4.6 The Company will recognise only one (1) holder per Share. In case a Share is held by more than one person, the Company has the right to suspend the exercise of all rights attached to that Share until one Person has been appointed as sole owner in relation to the Company. The same rule will apply in the case of conflict between an usufruct holder (*usufruitier*) and a bare owner (*nu-proprietaire*) or between a pledgor and a pledgee. Moreover, in the case of joint shareholders, although the Company will recognise joint ownership in the Register, the Company reserves the right to pay any redemption proceeds, distributions or other payments to the first registered holder only, whom the Company may consider to be the representative of all joint holders, or to all joint shareholders together, at its absolute discretion.
- 4.7 Subject to the provisions of Section 9 of this General Section, title to Shares in registered form is transferred upon registration of the name of the transferee in the Register. The Company will not issue, or give effect to any Transfer of, Shares to any Investor who is not a Well-Informed Investor.
- 4.8 Shares may be redeemed at the initiative of the Company in accordance with, and in the circumstances set out under article 8 of the Articles and the provisions of this Memorandum.
- 4.9 The Company's share capital is at all times equal to its Net Asset Value. The Company's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.
- 4.10 The Board may also, from time to time, proceed to a Share split or consolidate Shares whenever such Share split or consolidation is in the best interest of the Investors in the relevant Sub-fund and Class, provided that:
- (a) such Share split or consolidation is made on a pro-rata basis among the holders of the Shares of the relevant Class or Sub-fund;
 - (b) such Share split or consolidation does not adversely affect the rights of the Shareholders in the relevant Class or Sub-fund; and
 - (c) the Company will notify the Investors in the relevant Sub-fund of the Share split or consolidation promptly after such split or consolidation and, in such notification, will (i) explain the rationale for such Share split or consolidation and (ii) inform each affected Shareholder of the number of Shares such Shareholder holds after such split or consolidation.
- 4.11 Unless otherwise provided for in the relevant Special Section, the Company may agree to issue Shares as consideration for a contribution in kind of securities or other assets, provided that such securities or other assets comply with the investment objectives and strategy of the relevant Sub-fund and are in compliance with Luxembourg Law. Any costs incurred in connection with a contribution in kind will be borne by the relevant Investor.
- 4.12 Shares will have the same voting rights and will have no pre-emptive subscription rights. All Shareholders have the right to vote at General Meetings. This vote can be exercised in person or by proxy. Each Share entitles its holder to one vote, subject to the terms of this Memorandum and the Articles.
- 4.13 The Board may, in its sole discretion, suspend the voting rights of any Shareholder in the case that such Shareholder has, either actively or as a result of an inaction, failed to comply with the provisions of the Articles, this Memorandum or any relevant contractual arrangement entered into between such

Shareholder and the Company or any other document under which such Shareholder is bound towards the Company. For the avoidance of doubt, a Shareholder who has his/her/its voting right suspended may nevertheless attend any General Meeting, but his/her/its Shares will not be counted in any quorum or majority requirement under the Articles or the Companies Act 1915.

- 4.14 Any Shareholder may undertake not to exercise all or part of his/her/its voting rights on a permanent or temporary basis. Such renunciation will be binding on the relevant Shareholder and will be enforceable towards the Company following its notification to the Company (and, for the avoidance of doubt such an undertaking that is signed or acknowledged by the Company will be deemed to have been notified to the Company). For the avoidance of doubt, a Shareholder who has undertaken to waive all or part of his/her/its voting right may nevertheless attend any General Meeting, but will not be counted in any quorum or majority requirement under the Articles or the Companies Act 1915 with respect to such waived voting rights.
- 4.15 Fractional Shares (either registered or dematerialised) will be issued to the nearest 1,000th of a Share, and such fractional Shares will not be entitled to vote (except where their number is so that they represent a whole Share, in which case they confer a voting right) but will be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Class in the relevant Sub-fund on a pro rata basis.
- 4.16 If dematerialised Shares are issued, registered Shares may be converted into dematerialised Shares and dematerialised Shares may be converted into registered Shares at the request of the holder of such Shares in accordance with the Articles. A conversion of registered Shares into dematerialised Shares will be effected by cancellation of the registered Share certificate, if any, and by an entry in the securities account in lieu thereof, and an entry shall be made into the Register to evidence such cancellation. A conversion of dematerialised Shares into registered Shares will be effected, if applicable, by issuance of a written confirmation or of a registered Share certificate in lieu thereof, and an entry shall be made into the Register to evidence such issuance. The costs of any such conversion, if any, will be charged to the Shareholder requesting it.
- 4.17 The Reference Currency of the Company is the EUR.

Sub-funds – Classes

- 4.18 The Company is an umbrella fund and as such may provide Investors the choice of investment in a range of several separate Sub-funds each of which relates to a separate portfolio of assets, as further described in the relevant Special Section.
- 4.19 The Company may decide to issue, within each Sub-fund, additional Classes or sub-classes having e.g. a specific subscription and redemption charge structure; a specific fees and expenses structure; different distribution rights; and the Company may in particular decide that Shares pertaining to one or more Class(es) be entitled to receive incentive remuneration scheme in the form of carried interest; higher preferred returns; lower performance fees or through fee sharing arrangements, different Shareholder servicing or other fees; different types of targeted Investors; different transfer restrictions; different Reference Currencies and/or such other features as may be determined by the Company from time to time and described for each Sub-fund in the relevant Special Section.
- 4.20 The Company may decide to create further Sub-funds and/or Classes (or sub-classes) with different characteristics, and in such cases, this Memorandum will be updated accordingly. Investors should note that some Sub-funds and/or Classes may not be available to all Well-Informed Investors, the Company reserving the right to offer only one or more Classes for subscription to a certain group of potential investors, for instance investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason.

US Foreign Accounts Tax Compliance Act

- 4.21 The Company and the External AIFM reserves the right to request such information in order to satisfy any obligations under Sections 1471 through 1474 of the US Internal Revenue Code of 1986 (the **Code**), any US Treasury Regulations or other guidance issued or agreements entered into thereunder, or any intergovernmental agreement entered into by any taxing jurisdiction with the US to improve tax compliance (**FATCA**). Each Investor must waive the application of any non-US laws which, but for such waiver, would prevent the Company or any other Person from reporting information in respect of any "US account" (as such term is defined for purposes of FATCA) in accordance with applicable provisions of FATCA (including under any agreement described in Section 1471(b) of the Code), and, if necessary to effectuate the information reporting contemplated by FATCA, must obtain similar waivers from its direct and indirect owners.

5. SUBSCRIPTIONS FOR SHARES

- 5.1 The Company may issue fully paid Shares at any time in each Sub-fund and Class as stated in the relevant Special Section and may determine that different subscription procedures be applicable to the Sub-funds, and set out any subscription conditions for such Sub-fund and/or Class. The Company may, without limitation:
- (a) decide to set Minimum Commitments, Minimum Subsequent Commitments, Minimum Subscription Amounts, Minimum Subsequent Subscription Amounts and Minimum Holding Amounts for a particular Class or Sub-fund;
 - (b) impose restrictions on the frequency at which Shares are issued (and, in particular, decide that Shares will only be issued during one or more offering periods or at such other intervals as provided for in the Special Section);
 - (c) reserve Shares of a Sub-fund or Class exclusively to Persons or entities that have entered into, or have executed, a Subscription Form under which the subscriber undertakes *inter alia* to subscribe for Shares, during a specified period, up to a certain amount and makes certain representations and warranties to the Company. As far as permitted under Luxembourg Law, any such Subscription Form may contain specific provisions not contained in the other Subscription Forms;
 - (d) determine any default provisions on non or late payment for Shares or restrictions on ownership in relation to the Shares;
 - (e) in respect of any one given Sub-fund and/or Class, levy a Subscription Fee and/or waive partly or entirely this Subscription Fee;
 - (f) decide that payments for subscriptions to Shares will be made in whole or in part on one or more dealing dates, closings or draw down dates at which such date(s) the commitment of the Investor will be called against issue of Shares of the relevant Sub-fund and Class;
 - (g) set the Initial Offering Date or Initial Offering Period and the Initial Subscription Price in relation to each Class in each Sub-fund and the cut-off time for acceptance of the Subscription Form, in relation to a particular Sub-fund or Class.
- 5.2 The Company may, in its absolute discretion, accept or reject any request for subscription for Shares (and any Subscription Form) in whole or in part. The Company may, again at its discretion and in the interests of the Company, redeem at any time any Shares of the Company that are illegitimately subscribed or held.

5.3 Any potential taxes, royalties and administrative costs arising from a subscription are charged to the subscriber.

6. CONVERSION OF SHARES

6.1 Unless otherwise stated in the relevant Special Section, Investors are not allowed to convert all, or part, of the Shares of a given Class into Shares of the same Class of another Sub-fund.

6.2 Likewise, unless otherwise stated in the relevant Special Section, conversions from Shares of one Class of a Sub-fund to Shares of another Class of either the same or a different Sub-fund are prohibited.

6.3 If conversions of Shares are allowed between Classes of the same Sub-fund or between Shares pertaining to a Class into Shares of the same Class of another Sub-fund, then the applicable terms and conditions to conversion of Shares will be as set forth in the relevant Special Section(s).

6.4 Notwithstanding the above, the Shares of any Class of a Sub-fund can be automatically converted into a particular Series of Class S Shares in accordance with Section 11 of the General Section.

7. REDEMPTION OF SHARES

General

7.1 The Board may create each Sub-fund as:

- (a) a Closed-ended Sub-fund, the Shares of which are in principle not redeemable at the request of a Shareholder; or
- (b) an Open-ended Sub-fund, where any Shareholder may request a redemption of all or part of its Shares from the Company in accordance with the conditions and procedures set forth by the Board in the relevant Special Section and within the limits provided by law and the Articles.

7.2 Shares may be redeemed at the initiative of the Company in accordance with, and in the circumstances set out under, article 8 of the Articles and this Memorandum. The Board may in particular decide to:

- (a) redeem Shares of any Class and Sub-fund, on a pro-rata basis among Shareholders in order proceed with a distribution to Shareholders, subject to compliance with the relevant distribution scheme as provided for each Sub-fund in the relevant Special Section, if any;
- (b) compulsory redeem Shares:
 - (i) held by a Restricted Person as defined in, and in accordance with the provisions of, Section 10.1 of the General Section;
 - (ii) for the purpose of equalisation of existing Investors and late Investors (e.g., in case of admission of subsequent Investors) if provided in respect of a specific Sub-fund in the relevant Special Section;
 - (iii) in case of liquidation or merger of Sub-funds or Classes, in accordance with the provisions of Section 18 of the General Section;
 - (iv) held by a Shareholder who fails to make, within a specified period of time determined by the Board, any required contributions or certain other payments to the relevant Sub-fund (including the payment of any interest amount or charge due in case of

default), in accordance with the terms of its Subscription Form in accordance with the provisions of the relevant Special Section;

- (v) in all other circumstances, in accordance with the terms and conditions set out in the Subscription Form, Articles and this Memorandum.

7.3 Class S Shares are not redeemable upon the request of Investors. If a portion of the Shares of an Investor are converted into Shares of a particular Series of Class S Shares, then that Investor will continue to hold its Class S Shares until the realisation of the relevant Side Pocket Investment(s). For the avoidance of doubt, only Shareholders who are invested in a Sub-fund at the time a Side Pocket Investment is created and who receive Class S Shares relating to such Side Pocket Investment will have an interest in and share in the profits and losses relating to such investment.

Dilution adjustment in a Sub-fund

7.4 The basis on which the assets of each Sub-fund are valued for the purpose of calculating the Net Asset Value per Share is set out in Section 13 of the General Section. However, the actual cost of purchasing or selling assets and investments for a Sub-fund may deviate from the latest available price or net asset value used, as appropriate, in calculating the Net Asset Value per Share due to duties and charges (including any borrowing and financing costs) and spreads from buying and selling prices of the underlying assets and investments. These costs may have an adverse effect on the value of a Sub-fund and are known as "swing pricing" and "dilution levy". To mitigate the effects of dilution, the External AIFM may, at its discretion make (or, via a delegation, authorise the relevant Investment Manager, to make) a dilution adjustment to the Net Asset Value per Share as specified in each relevant Special Section.

Swing pricing

7.5 Shares will in principle be issued and redeemed on the basis of a single price, i.e. the Net Asset Value per Share. However, to mitigate the effect of dilution, the Net Asset Value per Share may be adjusted on any Valuation Day in the manner set out below depending on whether or not a Sub-fund is in a net subscription or net redemption position on such Valuation Day. Where there is no dealing on a Sub-fund or Class of a Sub-fund on any Valuation Day, the applicable price will be the unadjusted Net Asset Value per Share. The Company will retain the discretion in relation to the circumstances under which to make such a dilution adjustment. As a general rule, the requirement to make a dilution adjustment will depend upon the volume of subscriptions or redemptions of Shares in the relevant Sub-fund, and the actual cost of purchasing or selling assets and investments held by such Sub-fund. The External AIFM may make (or via a delegation, authorise the Investment Manager concerned to make) a dilution adjustment if, in its opinion, the existing Shareholders (in case of subscriptions) or remaining Shareholders (in case of redemptions) might otherwise be adversely affected. The dilution adjustment may be made where, for example but without limitation:

- (a) a Sub-fund is in continual decline (i.e. is experiencing a net outflow of redemptions);
- (b) a Sub-fund is experiencing large levels of net subscriptions relevant to its size;
- (c) a Sub-fund is in a net subscription position or a net redemption position on any Valuation Day;
or
- (d) in any other case where the Company is of the opinion that the interests of Shareholders require that a dilution adjustment be made.

7.6 The dilution adjustment will involve adding to, when the Sub-fund is in a net subscription position, and deducting from, when the Sub-fund is in a net redemption position, the Net Asset Value per Share

such figure as the External AIFM, or via a delegation, the Investment Manager concerned, considers an appropriate figure to meet duties and charges (including any borrowing and financing costs) and spreads. In particular, the Net Asset Value of the relevant Sub-fund will be adjusted (upwards or downwards) by an amount which reflects (i) the estimated fiscal charges, (ii) dealing costs that may be incurred by the Sub-fund and (iii) the estimated bid/offer spread of the assets in which the Sub-fund invests. As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting adjustment may be different for net inflows than for net outflows. Any dilution adjustment will however be limited to a maximum of 2% of the then applicable Net Asset Value per Share and is payable to the Sub-fund concerned.

- 7.7 The NAV of each Class in each Sub-fund will be calculated separately but any dilution adjustment will in percentage terms affect the NAV of each Class in a similar manner.

Dilution levy

- 7.8 Alternatively, to the extent that the External AIFM considers that it is in the best interests of the Company, given the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders in relation to the size of any Sub-fund on any Valuation Day, an adjustment may be made to the price at which subscriptions or redemptions shall be settled in order to cover the percentage estimate of costs and expenses to be incurred by the relevant Sub-fund in relation to such subscriptions or redemptions respectively. To the extent that the External AIFM considers that it is in the best interests of the Company, the External AIFM may apply (or, via a delegation, may authorise the Investment Manager of the Sub-fund concerned to apply) such dilution levy if on the Valuation Day, the aggregate net transactions in Shares of such Sub-fund exceed 5% of the Net Asset Value of such Sub-fund. The dilution levy policy will be defined by the External AIFM and its application may be delegated to the Investment Manager of the Sub-fund concerned. The dilution levy to be applied is not expected to exceed 2% of the Net Asset Value per Share and is payable to the Sub-fund concerned. A dilution levy will apply if specified in the relevant Special Section of the Sub-fund concerned.

Gating mechanism

- 7.9 In the event that the total proceeds to be paid out of the assets of an Open-ended Sub-fund for the Shares tendered for redemption in respect of any Redemption Day (including Shares to be redeemed pursuant to conversion requests submitted in accordance with Section 6) exceed 10% (or such other percentage as may be set out in respect of a specific Sub-fund in the relevant Special Section) of the total net assets of that specific Sub-fund, the Board may refuse to effect all of the Redemption Requests concerned (and related conversions) in full. In such circumstances, all of the relevant Redemption Requests (and related conversions) will be effected on a pro-rata basis until the 10% (or such other percentage as may be set out in respect of a specific Sub-fund in the relevant Special Section) limit is reached. Thereafter, any unfulfilled portion of the Redemption Requests (and related conversions) will be carried forward and effected, on a pro-rata basis if necessary, on each successive Redemption Day, until the outstanding Redemption Requests (and related conversions) are discharged in full. During this process, Redemption Requests (and related conversions) will be effected on any one Redemption Day up to the 10% (or such other percentage as may be set out in respect of a specific Sub-fund in the relevant Special Section) limit of such other lower limit as the Board may determine, having regard to the circumstances prevailing at that time including, but not limited to, the ability to generate sufficient cash by, for instance, disposing of the Sub-fund's assets. Until such time as all such outstanding Redemption Requests (and related conversions) have been discharged in full, no further new Redemption Request (or redemption part of a conversion request) will be effected on the relevant Redemption Day(s). New Redemption Requests (and conversion requests) received by the Administrative Agent will not be effected and will be carried forward until all earlier Redemption Requests have been met in full.

8. TRANSFER OF SHARES

8.1 The sale, assignment, transfer, exchange, pledge, encumbrance or other disposition (**Transfer**) of all or any part of any Shares or (in relation to Closed-ended Sub-funds) Undrawn Commitment in any Sub-fund is subject to the provisions of this Section 8.

8.2 No Transfer of all or any part of any Investor's Shares or Undrawn Commitment in any Sub-fund, whether direct or indirect, voluntary or involuntary:

(a) will be valid or effective if the Transfer would result in :

- (i) a violation of any law or regulation of Luxembourg, the US, the UK or any other jurisdiction (including, without limitation, the US Securities Act, any securities laws of the individual states of the US, or ERISA) or subject the Company or any Sub-fund to any other adverse tax, legal or regulatory consequences as determined by the Company;
- (ii) a violation of any term or condition of the Articles or of the Memorandum;
- (iii) the Company being required to register or the Shares of the Company or any Sub-fund being subject to registration in a jurisdiction other than Luxembourg (or such other jurisdiction in which the Company, the relevant Sub-fund or the Shares are already registered);

(b) and it will be a condition of any Transfer (whether permitted or required) that:

- (i) such Transfer be approved by the Company (who may only refuse for a reasonable ground);
- (ii) the transferee represents in a form acceptable to the Company that such transferee is not a Restricted Person, and that the proposed Transfer itself does not violate any laws or regulations (including, without limitation, any securities laws) applicable to it;
- (iii) the transferee is not a Restricted Person; and
- (iv) (unless otherwise agreed with the Company) the transferee undertakes to fully and completely assume all outstanding obligations of the transferor towards the Company under the transferor's Subscription Form, commitment or any other agreement setting out the terms of the participation of the transferor in the Company (including, for the avoidance of doubt, the provisions of this Memorandum) and that, in respect of Transfers of Undrawn Commitments, the Company be satisfied that the transferee has sufficient assets to comply with Drawdown Notices in respect of such Undrawn Commitment.

9. MARKET TIMING AND LATE TRADING

9.1 Prospective Investors and Shareholders should note that the Company may reject or cancel any subscription or conversion orders for any reason and in particular to protect the Company and the Shareholders against Late Trading and Market Timing practices.

9.2 For example, excessive trading of shares in response to short-term fluctuations in the market, a trading technique sometimes referred to as Market Timing, has a disruptive effect on portfolio management and increases the Sub-funds' expenses. Accordingly, the Company may, in the sole discretion of the Board, compulsorily redeem Shares or reject any subscription orders and conversions orders from any

Investor that the Company reasonably believes has engaged in Market Timing activity (and for that purpose, any such Investor will be considered as a Restricted Person). For these purposes, the Board may consider an Investor's trading history in the Sub-funds and accounts under common control or ownership.

- 9.3 In addition to any redemption or conversion fees (if any) which may be of application to such orders as set forth in a Special Section of a relevant Sub-fund, the Company may impose a penalty of maximum 2% of the Net Asset Value of the Shares subscribed, redeemed or converted where the Company reasonably believes that an Investor has engaged in Market Timing activity. The penalty shall be credited to the relevant Sub-fund. The Company will not be held liable for any loss resulting from rejected orders or mandatory redemption.
- 9.4 Furthermore, the Company will ensure that the relevant cut-off time for requests for subscriptions, redemptions or conversions are strictly complied with and will therefore take all adequate measures to prevent practices known as Late Trading.

10. OWNERSHIP RESTRICTIONS

Restricted Persons

- 10.1 The Company may restrict or prevent the ownership of Shares by any Person if:
- (a) in the opinion of the Company such holding may be detrimental to the Company or any Sub-fund;
 - (b) it may result (either individually or in conjunction with other Investors in the same circumstances) in:
 - (i) the Company, a Sub-fund or its Intermediary Vehicles incurring any liability for any taxation whenever created or imposed and whether in Luxembourg, or elsewhere or suffering pecuniary disadvantages which the same might not otherwise incur or suffer; or
 - (ii) the Company or a Sub-fund being subject to the US Employee Retirement Income Security Act of 1974, as amended; or
 - (iii) the Company or a Sub-fund being required to register its Shares under the laws of any jurisdiction other than Luxembourg (including, without limitation, the US Securities Act or the US Investment Company Act) (or such other jurisdiction in which the Company, the relevant Sub-fund or the Shares are already registered);
 - (c) in the opinion of the Company such holding may result in a breach of any law or regulation applicable to the relevant Person, the Company or any Sub-fund, whether Luxembourg Law or other law (including anti-money laundering and terrorism financing laws and regulations);
 - (d) such Person is not a Well-Informed Investor;
 - (e) such person is engaged in Market Timing or Late Trading activities;
 - (f) such Person is considered as restricted persons or covered persons under the FINRA Rules 5130 and 5131;

(such individual or legal entities are to be determined by the Company and are defined herein as **Restricted Persons**). A Person or entity that does not qualify as Well-Informed Investor will be regarded as a Restricted Person.

Specific mechanisms to restrict or prevent the ownership of Shares by Restricted Persons

10.2 For such purposes the Company may:

- (a) decline to issue any Shares and decline to register any Transfer or assignment of corresponding Undrawn Commitment, where such registration, or Transfer or assignment would result in legal or beneficial ownership of such Shares or Undrawn Commitment by a Restricted Person; and
- (b) at any time require any Person whose name is entered in the Register or of Undrawn Commitments or who seeks to register a Transfer in the Register or of Undrawn Commitments to deliver to the Company any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not beneficial ownership of such Shareholder's Shares/Undrawn Commitment rests with a Restricted Person, or whether such registration will result in beneficial ownership of such Shares/Undrawn Commitment by a Restricted Person.

10.3 If it appears that a Shareholder is a Restricted Person, the Company will be entitled to, in its absolute discretion:

- (a) decline to accept the vote of the Restricted Person at the General Meeting; and/or
- (b) retain all dividends paid or other sums distributed or to be distributed with regard to the Shares held by the Restricted Person or otherwise withhold from any such distribution any amount of tax or other charges that may be payable or borne by the relevant Sub-fund as a result of the participation of the Restricted Person in the Sub-fund; and/or
- (c) instruct the Restricted Person to sell his Shares and to demonstrate to the Company that this sale was made within thirty (30) days of the sending of the relevant notice subject each time to the applicable restrictions on Transfer as set out in Section 8 of this General Section; and/or
- (d) reduce or terminate the Restricted Person's Undrawn Commitment; and/or
- (e) compulsorily redeem all Shares held by the Restricted Person at a price based on the latest calculated Net Asset Value, less a penalty fee equal to, in the absolute discretion of the Board, the greater of either (i) 25% of the Net Asset Value of the relevant Shares or (ii) the costs incurred by the Company as a result of the holding of Shares by the Restricted Person (including all costs linked to the compulsory redemption).

11. SIDE POCKET INVESTMENTS

11.1 Under exceptional market circumstances, the Board may designate one or more specified Investments that:

- (a) lack a readily assessable market value; or
- (b) are illiquid (such as side-pocket class of shares held in a Target Fund, or securities or interests which are subject to a lock-up or non-withdrawal provisions as a result of, e.g., a suspension of the calculation of the net asset value of, and redemptions by, a Target Fund);

as **Side Pocket Investments**. Upon determination by the Board to designate one or more Investments as Side Pocket Investments, a *pro rata* portion of the then outstanding Shares of each Class in the relevant Sub-fund will be automatically converted into Class S Shares of the relevant Class (collectively the **Class S Shares**) of a Series, so that such Series of Class S Shares will have an initial NAV equal to the fair value (which may be cost) of such Side Pocket Investments, net of any portion of such cost attributable to deferred fees. Class S Shares which are denominated in a currency other than the Reference Currency will not be hedged.

- 11.2 Class S Shares in respect of a particular Sub-fund cannot represent more than 30% of the NAV of that Sub-fund at the time of the creation of the relevant Class S Shares.
- 11.3 Any decision to designate an investment as a Side Pocket Investment will be taken by the Board in the best interests of Investors with due care and in good faith. The Board will only designate one or more investment(s) as being Side Pocket Investment(s) if, in addition to the conditions set out in above, the creation of the specific Series of Class S Shares for any Side Pocket Investment(s) is designed to:
 - (a) protect redeeming Investors from being paid an amount in respect of illiquid or hard to value investments that may be less than its or their ultimate realisation value;
 - (b) protect the then non-redeeming Investors against the disposal of part or all of the most liquid investments in order to satisfy the then outstanding Redemption Requests;
 - (c) protect new Investors by ensuring that they are not exposed to existing Side Pocket Investment(s) when subscribing for new Shares in the relevant Sub-fund; or
 - (d) avoid a suspension of the calculation of the NAV (and of subscriptions and redemptions) on the basis of Section 14 of the General Section affecting all the Investors in the relevant Sub-fund.
- 11.4 The Shares of a particular Series of the Class S Shares representing one or more Side Pocket Investments will:
 - (a) be treated as if redeemed as of the date of the conversion of the relevant Shares into that Series of Class S Shares;
 - (b) entitle their holders to participate on a *pro rata* basis in the relevant Side Pocket Investment(s);
 - (c) have the same voting rights as any other Shares;
 - (d) not be redeemable upon request by the Investors; and
 - (e) be redeemed by the Company upon realisation of all or a portion of the relevant Side Pocket Investment(s) and the Board will have as its priority objective to realise the Side Pocket Investment(s) in the best interest of the relevant Investors and, to the extent possible depending, *inter alia*, on the then current market conditions, within a reasonable timeframe.
- 11.5 The Side Pockets Investments will be subject to a separate accounting and the value and liabilities allocated to the Side Pocket Investments will be separate from other Classes. For the purpose of calculating the Net Asset Value of the Class S Share, the Side Pockets Investments will either be valued at the fair value estimated in good faith and with the prudent care of the Board or remained booked at the value of the relevant Side Pocket Investments when converted into the Class S Shares. Any applicable Global Fee or Investment Management Fee will continue to be charged in relation to any Side Pocket Investment until it is redeemed.

- 11.6 **Given the expected illiquid nature of Side Pocket Investments, the Net Asset Value, if any, of the Shares of the Class S Shares cannot be determined with the same degree of certainty as would be the case in respect of the Shares of other Classes.**

12. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING REQUIREMENTS

- 12.1 In adherence to international regulations and the laws and regulations of Luxembourg (including the act of 12 November 2004 regarding the money laundering and the financing of terrorism, as amended), and the applicable Circulars of the CSSF, professionals in the financial sector are subject to anti-money laundering and/or financing terrorism requirements. As part of these requirements, the External AIFM (or its sub-contractor) must, in principle, identify investors in the Company. The External AIFM (or its sub-contractor) may require investors to furnish any documents it deems necessary to perform this identification requirement.
- 12.2 In the case of the investor delaying or not providing the required documents, the subscription order may not be accepted and, in the case of redemption, the payment of the redemption proceed may not be made. None of the Company, the External AIFM or any of their sub-contractors shall be responsible for delays in execution or non-execution of transactions resulting from the investor not having furnished the required documentation or having supplied incomplete documentation.
- 12.3 Shareholders may be required from time to time, to furnish additional documents or updates, in compliance with legal and regulatory requirements.

13. CALCULATION OF THE NET ASSET VALUE

General

- 13.1 The Company, each Sub-fund and each Class in a Sub-fund have a Net Asset Value determined in accordance with Luxembourg Law and the Articles as of each Valuation Day.

Calculation of the NAV

- 13.2 The Net Asset Value of each Class in each Sub-fund will be calculated in the Reference Currency of the Sub-fund or Class in good faith in Luxembourg on each valuation day as stipulated in the relevant Special Section (the **Valuation Day**). For Sub-funds which do not have a daily Valuation Day, the External AIFM will generally arrange for the calculation of an additional (internal) NAV, estimated as of each Business Day or on such other frequency as the External AIFM may in its discretion determine. Such internal NAV will be calculated for information and internal purposes only (e.g., for risk management purposes) and will not be disclosed to investors. The said estimated Net Asset Value cannot be used for subscription, redemption or conversion purposes. Furthermore, exceptionally and upon the decision of the Board, the Company may decide to calculate an exceptional Net Asset Value for the specific purposes of subscription, redemption or conversion.
- 13.3 The External AIFM (in its capacity as Administrative Agent) will under the supervision of the Company, compute the NAV per Class in the relevant Sub-fund as follows: each Class participates in the Sub-fund according to the portfolio and distribution entitlements attributable to each such Class. The value of the total portfolio and distribution entitlements attributed to a particular Class of a particular Sub-fund on a given Valuation Day adjusted with the liabilities relating to that Class on that Valuation Day represents the total Net Asset Value attributable to that Class of that Sub-fund on that Valuation Day. The assets of each Class will be commonly invested within a Sub-fund but subject to different fee structures, distribution, marketing targets, currency or other specific features as it is stipulated in the relevant Special Section. A separate Net Asset Value per Share, which may differ as consequence of these variable factors, will be calculated for each Class as follows: the Net Asset Value

of that Class of that Sub-fund on that Valuation Day divided by the total number of Shares of that Class of that Sub-fund then outstanding on that Valuation Day.

13.4 For the purpose of calculating the NAV of a particular Sub-fund, the Net Asset Value of each Sub-fund will be determined by calculating the aggregate of:

- (a) the value of all assets of the Company which are allocated to the relevant Sub-fund in accordance with the provisions of the Articles; less
- (b) all the liabilities of the Company which are allocated to the relevant Sub-fund in accordance with the provisions of the Articles, and all fees attributable to the relevant Sub-fund, which fees have accrued but are unpaid on the relevant Valuation Day.

13.5 The value of the assets will be determined as follows:

- (a) the value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable (including reimbursements of fees and expenses payable by any Target Fund in which the Company may invest), prepaid expenses and cash dividends declared and interest accrued but not yet collected, will be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value will be arrived at after deducting such amounts as the Board of Directors and/or External AIFM or, as applicable, the relevant External Valuer may consider appropriate;
- (b) securities listed on an official stock exchange or dealt on any other regulated market will be valued at their last available price in Luxembourg on the Valuation Day and, if the security is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation will be based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Board of Directors and/or the External AIFM or, as applicable, the relevant External Valuer;
- (c) unlisted securities or securities not traded on a stock exchange or any other Regulated Market as well as listed securities or securities not listed on a Regulated Market for which no price is available, or securities whose quoted price is, in the opinion of the Board of Directors and/or the External AIFM or, as applicable, the relevant External Valuer, not representative of actual market value, will be valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Board of Directors and/or the External AIFM or, as applicable, the relevant External Valuer, provided that investments in private equity securities not listed or dealt in on any stock exchange or on any other Regulated Market will be estimated with due care and in good faith, taking due account of the guidelines and principles for valuation of portfolio companies set out by International Private Equity and Venture Capital Valuation Guidelines, published by the European Venture Capital Association (EVCA), the British Venture Capital Association (BVCA) and the French Venture Capital Association (AFIC), as may be amended from time to time;
- (d) the valuation of Investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity;
- (e) the liquidation value of futures, forward or options contracts that are not traded on stock exchanges or other Regulated Markets will be equal to their net liquidation value determined in accordance with the policies established by the External AIFM or, as applicable, the relevant External Valuer on a basis consistently applied to each type of contract. The liquidation value of futures, forward or options contracts traded on stock exchanges or other

Regulated Markets will be based on the latest available price for these contracts on the stock exchanges and Regulated Markets on which these options, forward or futures contracts are traded by the Company; provided that if an options or futures contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract will be determined by the External AIFM or, as applicable, the relevant External Valuer in a fair and reasonable manner;

- (f) swaps are valued at their fair value based on the last known closing price of the underlying security;
- (g) Target Funds are valued on the basis of the last official or estimated net asset value in Luxembourg, or market prices (when applicable) as set out below. In the context of Sub-funds which invest in other Target Funds, valuation of their assets may be complex in some circumstances and the administrative agents of such Target Funds may be late or delay communicating the relevant official net asset values. The External AIFM may decide to use (if applicable at the request of a relevant External Valuer), on the Valuation Day, estimated net asset values provided by the administrative agents or managers of the said Target Funds if these are more recent than their available official net asset values. In this case, the Net Asset Value thus determined for the Sub-funds concerned may be different from the value that would have been calculated on the Valuation Day using the official net asset values calculated by the administrative agents of the Target Funds in which the Sub-fund invested. Nevertheless, Net Asset Values calculated on the basis of estimated net asset values will be considered as final and applicable despite any future divergence;
- (h) liquid assets and money market instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs;
- (i) any other securities and assets are valued in accordance with the procedures put in place by the External AIFM or, as applicable, the relevant External Valuer and with the help of specialist valuers, as the case may be, who will be instructed by the External AIFM or, as applicable, the relevant External Valuer to carry out these valuations.

13.6 The Company and the External AIFM or, as applicable, the relevant External Valuer, in their discretion, may permit other methods of valuation to be used if they consider that such valuation better reflects the fair value of any asset or liability of the Company in which case the Board and the External AIFM (in its capacity as Administrative Agent) and the Auditor of such new valuation method. Such valuation method, determined pursuant to the provisions of this Section 12.1 will be applied in a consistent way (as the case may be in respect of each Sub-fund).

13.7 For the purpose of determining the value of the Company's assets, the External AIFM (as administrative agent), having due regards to the standards 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 the valuation sources identified in the Valuation Policy.

13.8 In particular, for the valuation of any assets for which market quotations or fair market values are not publicly available (including but not limited to unlisted structured or credit-related instruments and other illiquid assets), the External AIFM (as Administrative Agent) will exclusively rely on the latest valuations available in Luxembourg or on the principles set out in the Valuation Policy.

13.9 If one or more sources of quotation are not able to provide relevant valuations to the External AIFM (as Administrative Agent) or, if for any reason, the value of any asset of the Company may not be determined as rapidly and accurately as required, the Company, the External AIFM or, as applicable, a relevant External Valuer may decide to suspend the Net Asset Value calculation and authorise the

External AIFM (as Administrative Agent) not to calculate the Net Asset Value and, consequently, not to determine subscription, redemption and conversion prices in which case the relevant entity will immediately inform the Company, the External AIFM and, if applicable, a relevant External Valuer if such a situation arises. If necessary, the Company and the External AIFM may decide to suspend the calculation of the Net Asset Value in accordance with Section 14 of the General Section. The Company or the External AIFM will be responsible to notify the Shareholders of any such suspension in accordance with Section 14 of the General Section.

- 13.10 In the absence of bad faith, wilful default, gross negligence or manifest error, every decision to determine the Net Asset Value taken by the AIFM shall be final and binding on the Sub-fund and present, past or future Shareholders. The AIFM will assume no liability if a price used in accordance with the Valuation Policy and reasonably believed by it to be the fair market value of a position is found not to be such.
- 13.11 Securities denominated in a currency other than the relevant Sub-fund's Reference Currency will be converted at the average exchange rate of the currency concerned applicable on the Valuation Day.
- 13.12 For the purpose of this Section 12.1,
- (a) Shares to be issued by the Company will be treated as being in issue as from the time specified by the Company on the Valuation Day with respect to which such valuation is made and from such time and until received by the Company the price therefore will be deemed to be an asset of the Company;
 - (b) Shares of the Company to be redeemed (if any) will be treated as existing and taken into account until the date fixed for redemption, and from such time and until paid by the Company the price therefore will be deemed to be a liability of the Company;
 - (c) all Investments, cash balances and other assets expressed in currencies other than the Reference Currency of the respective Sub-fund/Class will be valued after taking into account the market rate or rates of exchange in force as of the Valuation Day; and
 - (d) where on any Valuation Day the Company has contracted to:
 - (i) purchase any asset, the value of the consideration to be paid for such asset will be shown as a liability of the Company and the value of the asset to be acquired will be shown as an asset of the Company;
 - (ii) sell any asset, the value of the consideration to be received for such asset will be shown as an asset of the Company and the asset to be delivered by the Company will not be included in the assets of the Company;

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 will be estimated by the Company.

13.13 General rules

- (a) All valuation regulations and determinations will be interpreted and made in accordance with Luxembourg Law;
- (b) the Net Asset Value per Share of each Class in each Sub-fund will be communicated by the External AIFM (or its sub-contractor) to the Investors within a reasonable period of time after it is established and is made available to the Investors at the registered office of the Company and available at the offices of the External AIFM as soon as practicable after the most recent Valuation Day and in

principle, within such period of time as is set forth in each Sub-fund's Special Section, although in certain circumstances, the NAV could be made available later;

- (c) for the avoidance of doubt, the provisions of this Section 12.1 are rules for determining the Net Asset Value per Share and are not intended to affect the treatment for accounting or legal purposes of the assets and liabilities of the Company or any Shares issued by the Company;
- (d) undrawn Commitments will not be considered as assets of a Sub-fund for the purpose of the calculation of the Net Asset Value of that Sub-fund;
- (e) the Net Asset Value per Share may be rounded up or down to the nearest whole cent of the currency in which the Net Asset Value of the relevant shares is calculated;
- (f) adequate provisions will be made, Sub-fund by Sub-fund, for expenses to be borne by each of the Sub-funds and off-balance-sheet commitments may possibly be taken into account on the basis of fair and prudent criteria in accordance with Section 24 of the General Section;
- (g) with respect to the protection of Investors in case of Net Asset Value calculation error, the Company intends to comply with the principles and rules set out in Circular 02/77, subject to what is specified here below:
 - (i) the tolerance threshold applicable to the Company for the net asset value calculation error shall be the threshold as agreed between the External AIFM and the Company. If no threshold has been agreed between the External AIFM and the Company, threshold provided for in CSSF circular 02/77 shall apply;
 - (ii) the correction shall be made under the control of the Auditor; and
 - (iii) the provisions of CSSF Circular 02/77 foreseeing any notification to the CSSF are not applicable.

13.14 Additional information about the asset valuation procedure and the price determination methodology used to value the Company's assets including, if applicable, the methods used to value assets that are difficult to value in accordance with Article 19 of the AIFM Directive is available on request from the registered office of the Company or the External AIFM.

14. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE

Suspension events

- 14.1 The Company and the External AIFM may at any time and from time to time suspend the determination of the Net Asset Value of Shares of any Sub-fund and/or the issue of the Shares of such Sub-fund to subscribers and/or the redemption of the Shares of such Sub-fund from its Shareholders and/or conversions of Shares of any Class in a Sub-fund in any of the following circumstances:
- (a) when one or more regulated markets, stock exchanges or other regulated markets, which provide the basis for valuing a substantial portion of the assets of the Company attributable to such Sub-fund, or when one or more regulated markets, stock exchanges or other regulated markets in the currency in which a substantial portion of the assets of the Company attributable to such Sub-fund is denominated, are closed otherwise than for ordinary holidays or if dealings therein are restricted or suspended;
 - (b) when, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the Company, the External AIFM or an External

Valuer (if applicable), disposal of the assets of the Company attributable to such Sub-fund is not reasonably or normally practicable without being seriously detrimental to the interests of the Shareholders;

- (c) in the case of a breakdown in the normal means of communication used for the valuation of any Investment of the Company attributable to such Sub-fund or if, for any exceptional circumstances, the value of any asset of the Company attributable to such Sub-fund may not be determined as rapidly and accurately as required;
- (d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of the Company are rendered impracticable or if purchases and sales of the Company's assets attributable to such Sub-fund cannot be effected at normal rates of exchange;
- (e) when the net asset value calculation of, and/or the redemption right of investors in one or more Target Funds representing a substantial portion of the assets of the relevant Sub-fund is suspended;
- (f) when there exists in the opinion of the Company a state of affairs where disposal of the Company's assets, or the determination of the Net Asset Value of the Shares, would not be reasonably practicable or would be seriously prejudicial to the non-redeeming Shareholders;
- (g) when for any reason the prices of any Investments owned by the Company cannot promptly or accurately be ascertained;
- (h) in accordance with, and in the circumstances set out under, Section 13.9 of the General Section;
- (i) when the suspension is required by law or legal process;
- (j) when for any reason and in its absolute discretion the Company and the External AIFM determine that such suspension is in the best interests of Shareholders;
- (k) upon the publication of a notice convening a general meeting of Shareholders for the purpose of winding-up the Company.

Notification and effects of suspension

- 14.2 Any such suspension may be notified by the Company or the External AIFM in such manner as it may deem appropriate to the Persons likely to be affected thereby.
- 14.3 Such suspension as to any Sub-fund will have no effect on the calculation of the Net Asset Value per Share, the issue, redemption and conversion of Shares of any other Sub-fund.
- 14.4 Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Share in the relevant Sub-fund, in which case Shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Company before the end of the suspension period, such application will be dealt with on the first Valuation Day, as determined for each relevant Sub-fund, following the end of the period of suspension.

15. GENERAL MEETING

- 15.1 The annual General Meeting will be held each year in Luxembourg at the address of the registered office of the Company on the second Wednesday of June at 11.00 am (Luxembourg time) or at such address and at such date and time specified in the convening notice of the meeting within six (6) months of the end of each Fiscal Year.
- 15.2 Other meetings of the Shareholders may be held at such place and time as may be specified in the respective convening notices of the meeting.
- 15.3 Notices for each General Meeting will be (i) sent to the Shareholders by any means of communication, such as, but not limited to, registered letters as well as (if individually accepted by the relevant Investor) e-mail or ordinary mail, or (ii) published, if necessary, in accordance with the Companies Act 1915, in each case at least eight (8) calendar days prior to the relevant General Meeting at their addresses set out in the Register. Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission and will refer to the requirements of Luxembourg Law with regard to the necessary quorum and majorities required for the meeting. If all Shareholders meet and declare waiving the notice, the General Meeting may be validly held. The requirements as to attendance, quorum and majorities at all General Meetings are those set in the Companies Act 1915 and the Articles.
- 15.4 Except as otherwise required by the Companies Act 1915 or as otherwise provided in the Articles, resolutions at a duly convened General Meeting will be passed by a simple majority of the shares present or represented and voting.
- 15.5 To the extent permitted by law, the convening notice to a General Meeting may provide that the quorum and majority requirements will be assessed against the number of Shares issued and outstanding at midnight (Luxembourg time) on the fifth (5th) day prior to the relevant meeting (the **Record Date**) in which case, the right of any Shareholder to participate in the meeting will be determined by reference to his holding as at the Record Date. In case of dematerialised shares (if issued) the right of a holder of such Shares to attend a general meeting and to exercise the voting rights attached to such shares will be determined by reference to the Shares held by this holder as at the time and date provided for by Luxembourg Law.

16. FISCAL YEAR AND REPORTING

Fiscal Year

- 16.1 The Fiscal Year starts on 1 January and ends on 31 December of each year.

Reporting

- 16.2 For each Fiscal Year, the Board will establish an annual report of the Company (the **Annual Report**) comprised of:
- (a) the aggregated annual accounts of the Company and its Sub-funds, a report on the activities of the Company and such other aggregated financial information relating to the Company as a whole (excluding any granular or confidential information individualised per Sub-fund) (the **Aggregated Section**); and
 - (b) a separate report per Sub-fund including the annual accounts of the Sub-fund, a report on the activities of the Sub-fund and any other significant information necessary for the Investors of the relevant Sub-fund to be able to make an informed judgement on the evolution of the activities of such Sub-fund (each a **Sub-fund Section**).

- 16.3 The Annual Report will be subject to the statutory audit of the Auditor. The statutory audit report of the Auditor will cover the Company and each of its Sub-fund. All Investors will be provided free of charge with (i) the Aggregated Section, (ii) the Sub-fund Section(s) dedicated to the Sub-fund(s) in which such Investor is invested and (iii) the statutory audit report of the Auditor within six (6) months as from the end of the relevant period. The Annual Report (excluding, however, the Sub-fund Section(s)) will be approved by the Shareholders at the annual General Meeting and deposited with the RCS. Each Sub-fund Section will be approved by the Shareholders of the relevant Sub-fund at an annual General Meeting of the Shareholders of the relevant Sub-fund.
- 16.4 The first Annual Report covered the period from the date of incorporation of the Company (and launch of the relevant Sub-funds) to 31 December 2018. The accounts of the Company will be prepared in accordance with Luxembourg GAAP, as amended from time to time.
- 16.5 Any other financial information concerning the Company, including the periodic calculation of NAV and the issue price of Shares, will be made available at the registered office of the Company. Any other substantial information concerning the Company may be notified to Shareholders in such manner as may be specified from time to time by the Company.
- 16.6 At the latest 15 (fifteen) days prior to the annual General Meeting, the balance sheet, the profit and loss account, the reports of the Board and of the Auditor and such other documents as may be required by law will be deposited at the registered office of the Company where they will be available for inspection by the Shareholders during regular business hours.

Documents available

- 16.7 The following documents and information are available for inspection by Shareholders free of charge, during usual business hours, subject to a two Business Days prior written notice, at the registered office of the Company in Luxembourg in accordance with article 23 of the AIFM Directive:
- (a) this Memorandum;
 - (b) the Articles;
 - (c) the latest available Annual Report;
 - (d) the AIFM Services Agreement;
 - (e) the Depositary Agreement;
 - (f) the Central Administration Agreement;
 - (g) the Liquidity Management Policy and Valuation Policy;
 - (h) a description of any arrangement made by the Depositary to contractually discharge itself of liability in accordance with the AIFM Rules (or a confirmation that no such arrangement exists);
 - (i) the latest Net Asset Value of the relevant Class (if any); and
 - (j) the historical performance of the Company (if any).

AIFM Directive on-going information

- 16.8 On-going information which the External AIFM has to provide to Investors in accordance with the AIFM Directive will be published on the External AIFM's website <http://www.edmond-de->

rothschild.com/site/Luxembourg/en/institutional-and-fund-services under the section NAV Centre or under the “Terms & Conditions” or be communicated by any other means in advance to all the Investors and, in particular, the following information will be made available to the Investors:

- (a) (upon request), a summary description of the Voting Policy and details of the actions taken on the basis of that Voting Policy;
- (b) without undue delay by the External AIFM:
 - (i) any changes to the maximum level of Leverage (to the extent applicable) that may be incurred by the Company;
 - (ii) the granting to a counterparty of a right of use over the assets of the Company;
 - (iii) any guarantee granted for the account of the Company to a third-party under leveraging arrangements;
 - (iv) any change to the arrangements made by the Depository to contractually discharge itself of liability in accordance with the AIFM Directive; and
 - (v) any material conflicts of interest identified by the External AIFM under article 14.1, para. 3 of the AIFM Directive;
- (c) periodically in accordance with the provisions of the AIFM Directive (whether by way of individual communication, publication on the External AIFM's website or through the inclusion of a note in the Annual Report):
 - (i) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
 - (ii) any new arrangements for managing the liquidity of the Company;
 - (iii) the current risk profile of the Company and an overview of the risk management systems employed by the External AIFM to manage those risks;
 - (iv) the total amount of leverage employed by the Company calculated in accordance with the gross and commitment methods (if applicable);
 - (v) any material changes in the information listed in article 23 of the AIFM Directive over a relevant Fiscal Year;
 - (vi) the total amount of remuneration for the relevant Fiscal Year, split into fixed and variable remuneration, paid by the External AIFM to its staff, and number of beneficiaries;
 - (vii) the aggregate amount of remuneration broken down by senior management and members of the staff of the External AIFM whose actions have a material impact on the risk profile of the Company; and
 - (viii) the general nature or sources of conflicts of interest to the extent the External AIFM's organisational arrangements established to identify, prevent, manage and monitor conflicts of interest are not sufficient to ensure, with reasonable confidence, that any risks of damage to the Investors' interests will be prevented.

17. DISTRIBUTION – ALLOCATION OF INCOME

- 17.1 Within the limits provided for by law and this Memorandum, distributions to Shareholders may comprise dividends, interest, capital and capital gains payments. Distributions may only be made if the share capital increased by the share premium of the Company does not fall below the minimum set forth by law (i.e., EUR1,250,000).
- 17.2 The Company may determine the payment of interim dividends in the form and under the conditions as provided by law.
- 17.3 The Company may issue Accumulation Class and Distribution Class within each Sub-fund, as indicated in the Special Section. In principle, Accumulation Classes capitalise their entire earnings whereas Distribution Classes pay dividends.
- 17.4 For Distribution Classes, dividends, if any, will be declared and distributed on an annual basis. Moreover, interim dividends may be declared and distributed from time to time at a frequency determined by the Company within the conditions set forth by law, as further described in the relevant Special Section.
- 17.5 In order to proceed to a distribution, the Company may, instead of either proposing a dividend payment to the General Meeting or making an interim payment on dividends, decide to redeem Shares or fractions thereof in accordance with the terms of Section 7 of the General Section.
- 17.6 Payments will be made in the Reference Currency of the relevant Sub-fund and/or Class. Dividends remaining unclaimed for five (5) years after their declaration will be forfeited and revert to the relevant Sub-fund.
- 17.7 Dividends may be declared separately in respect of each Sub-fund by a resolution of the Shareholders of the Sub-fund concerned at the annual General Meeting.
- 17.8 Unless otherwise stated for a particular Sub-fund in the relevant Special Section, the Board is authorised to make in-kind distributions/payments of securities or other assets with the consent of the relevant Shareholder(s). Any such distributions/payments in kind will be valued in a report established by an auditor qualifying as a *réviseur d'entreprises agréé* drawn up in accordance with the requirements of Luxembourg Law and, where applicable, the costs of which report will be borne by the relevant Shareholder.

18. COMPANY LIQUIDATION – SUB-FUNDS LIQUIDATION

Company liquidation

- 18.1 In the event of a voluntary liquidation, the Company will, upon its dissolution, be deemed to continue to exist for the purposes of the liquidation. The operations of the Company will be conducted by one or several liquidators, who will be appointed by a General Meeting, which will determine their powers and compensation.
- 18.2 Should the Company be voluntarily liquidated, then its liquidation will be carried out in accordance with the provisions of the RAIF Act 2016 and the Companies Act 1915. The liquidation report will be audited by the Auditor or by an *ad hoc* external auditor appointed by the General Meeting.
- 18.3 If the Company were to be compulsorily liquidated, the provision of the RAIF Act 2016 will exclusively be applicable.

- 18.4 If the total net assets of the Company falls below two-thirds (2/3) of the minimum capital prescribed by law (i.e. EUR 1,250,000), the Board must submit the question of the Company's dissolution to a General Meeting for which no quorum is prescribed and which will pass resolutions by simple majority of the Shares represented at the meeting.
- 18.5 If the total net assets of the Company fall below one-fourth (1/4) of the minimum capital prescribed by law, the Board must submit the question of the Company's dissolution to a General Meeting for which no quorum is prescribed. A resolution dissolving the Company may be passed by Shareholders holding one-fourth (1/4) of the Shares represented at the meeting.
- 18.6 The meeting must be convened so that it is held within a period of forty (40) days from the date of ascertainment that the net assets have fallen below two-thirds (2/3) or one-fourth (1/3) of the legal minimum, as the case may be.
- 18.7 The issue of new Shares by the Company will cease on the date of publication of the notice of the General Meeting, to which the dissolution and liquidation of the Company will be proposed. The proceeds of the liquidation of each Sub-fund, net of all liquidation expenses, will be distributed by the liquidators among the holders of Shares in each Class in accordance with their respective rights. The amounts not claimed by Investors at the end of the liquidation process will be deposited, in accordance with Luxembourg Law, with the *Caisse de Consignation* in Luxembourg until the statutory limitation period has lapsed.

Termination of a Sub-fund or Class

- 18.8 In the event that, for any reason, the value of the total net assets in any Sub-fund or the value of the net assets of any Class within a Sub-fund has decreased to, or has not reached, an amount determined by the Company or its delegate to be the minimum level for such Sub-fund, or such Class, to be operated in an economically efficient manner or in case of a substantial modification in the political, economic or monetary situation or as a matter of economic rationalisation, the Company may decide to offer to the Investors of such Sub-fund the conversion of their Shares into Shares of another Sub-fund under terms fixed by the Company or to redeem all the Shares of the relevant Class or Classes at the Net Asset Value per Share (taking into account actual realisation prices of Investments and realisation expenses) calculated on the Valuation Day at which such decision will take effect. The Company will serve a notice to the Investors of the relevant Class or Classes of Shares prior to the effective date for the compulsory redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Registered Investors will be notified in writing.
- 18.9 Notwithstanding the powers conferred to the Company by the preceding paragraph, the General Meeting of any Class or of any Sub-fund will, in any other circumstances, have the power, upon proposal from the Company, to redeem all the Shares of the relevant Sub-fund or Class and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of Investments and realisation expenses) calculated on the Valuation Day, at which such decision will take effect. There will be no quorum requirements for such General Meeting, which will decide by resolution taken by simple majority of those present or represented and voting at such meeting. Such resolution will however be subject to the Company's consent.
- 18.10 Any request for subscription will be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Sub-fund.
- 18.11 Assets which may not be distributed upon the implementation of the redemption will be deposited with the *Caisse de Consignation* on behalf of the Persons entitled thereto within the applicable time period.
- 18.12 All redeemed Shares will be cancelled.

Amalgamation, division or Transfer of Sub-funds or Classes

- 18.13 Under the same circumstances as provided under Section 18.8 of this General Section, the Company may decide to allocate the assets of any Sub-fund to those of another existing Sub-fund within the Company or to another UCI organised under the provisions of the RAIF Act 2016, the SIF Act 2007 or Part II of the UCI Act 2010 or to another Sub-fund within such other UCI (the **New Sub-fund**) and to redesignate the Shares of the Sub-fund concerned as Shares of another Sub-fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to the relevant Shareholders). Such decision will be notified in the same manner as described under Section 18.8 of this General Section one (1) month before its effectiveness (and, in addition, the publication will contain information in relation to the New Sub-fund), in order to enable Shareholders in respect of Open-ended Sub-funds (if any), to request redemption of their Shares, free of charge, during such period.
- 18.14 Notwithstanding the powers conferred to the Company by Section 18.13 of this General Section, a contribution of the assets and liabilities attributable to any Sub-fund to another Sub-fund within the Company may, in any other circumstances, be decided upon by a General Meeting of the Sub-fund or Class concerned for which there will be no quorum requirements and which will decide upon such an amalgamation by resolution taken by simple majority of those present or represented and voting at such meeting. Such resolution will however be subject to the Company's consent.
- 18.15 Furthermore, in other circumstances than those described in Section 18.8 of this General Section, a contribution of the assets and of the liabilities attributable to any Sub-fund to another UCI referred to in Section 18.13 of this General Section or to another Sub-fund within such other UCI will require a resolution of the Shareholders of the Class or Sub-fund concerned taken with fifty percent (50%) quorum requirement of the Shares in issue and adopted at a two-third (2/3) majority of the Shares present or represented and voting, except when such an amalgamation is to be implemented with a Luxembourg UCI of the contractual type (*fonds commun de placement*) or a foreign based UCI, in which case resolutions will be binding only on such Shareholders who have voted in favour of such amalgamation. Any General Meeting resolution taken in accordance with this Section 18.15 is subject to the Company's consent.

19. TAXATION

- 19.1 Investors should consult their professional advisors on the possible tax or other consequences of buying, holding, redeeming, converting, transferring or selling any Shares under the laws of their countries of citizenship, residence or domicile.
- 19.2 The Company is neither subject to corporate income tax (*impôt sur le revenu des collectivités*), nor municipal business tax (*impôt commercial communal*), nor wealth tax (*impôt sur la fortune*) in Luxembourg.
- 19.3 However, the Company is subject to an annual subscription tax (*taxe d'abonnement*) in Luxembourg. The annual subscription tax, payable quarterly, is computed on the Company's net assets as calculated on the last day of each quarter. The standard applicable rate of the annual subscription tax is 0.01%. Depending on the Company's investments, exemptions from the annual subscription tax may be available. For instance, in the case where some Sub-funds are invested in other Luxembourg undertakings for collective investment, which in turn are subject to the subscription tax provided for by the RAIF Act 2016, the SIF Act 2007 or the UCI Act 2010, no subscription tax is due from the Company on the portion of assets invested therein.
- 19.4 No duty or tax is payable in Luxembourg in connection with the issue of Shares, except for a fixed registration duty of EUR 75 due each time the Articles are amended.

- 19.5 Profit distributions made by the Company are not subject to Luxembourg withholding taxes.
- 19.6 Interest payments made by the Company to Shareholders (other than Luxembourg resident private individuals) are not subject to Luxembourg withholding taxes.
- 19.7 Under current legislation, Shareholders are not subject to any capital gains or income taxes in Luxembourg, except for those Shareholders domiciled, resident or having a permanent establishment or representative in Luxembourg.
- 19.8 Interest, dividend and other income realised by the Company on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Company will pay since the amount of the assets to be invested in various countries and the ability of the Company to reduce such taxes is not known.
- 19.9 The information set out above is a summary of those tax issues which could arise in Luxembourg and does not purport to be a comprehensive analysis of the tax issues which could affect a prospective subscriber. It is expected that Investors may be resident for tax purposes in many different countries. Consequently, no attempt is made in this Memorandum to summarise the tax consequences for each prospective Investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in an Investor's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances.
- 19.10 The foregoing description of Luxembourg tax consequences of an investment in, and the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Investors to increased income taxes.

Foreign Account Tax Compliance Act (FATCA)

- 19.11 Sections 1471 through 1474 of the US Internal Revenue Code (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to certain payments to (i) any non-US financial institution (a "**foreign financial institution**", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the US Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a US person or should otherwise be treated as holding a "**US account**" of the FFI (a **Recalcitrant Holder**). The new withholding regime is now in effect for payments from sources within the US and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2019. The Company should be classified as an FFI.
- 19.12 The US and a number of other jurisdictions have entered intergovernmental agreements to facilitate the implementation of FATCA (each an **IGA**). Pursuant to FATCA and the "**Model 1**" and "**Model 2**" IGAs released by the US, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" or otherwise as being exempt from or in deemed compliance with FATCA (a **Non-Reporting FI**). A Reporting FI or Non-Reporting FI is not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being a **FATCA Withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government, in the case of a Model 1 IGA jurisdiction, or to the IRS, in the case of a Model 2 IGA jurisdiction. On 28 March 2014, the US and the Grand Duchy of Luxembourg entered into an agreement (the **US-**

Luxembourg IGA) based largely on the Model 1 IGA. The Luxembourg IGA was ratified by Luxembourg pursuant to the Luxembourg act dated 24 July 2015 regarding FATCA (the **FATCA Act**).

- 19.13 Each Sub-fund endeavours to comply with the requirements under the US-Luxembourg IGA and, therefore, the Sub-funds do not anticipate being subject to withholding under FATCA on payments they receive or being obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that each Sub-fund will be able to satisfy the requirements under the US-Luxembourg IGA. Furthermore, although highly unlikely, it cannot be completely excluded that the Sub-funds would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, a Sub-fund and financial institutions through which payments on the Shares are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Shares is made is not a Participating FFI, a Reporting FI, a Non-Reporting FI or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.
- 19.14 If an amount in respect of FATCA were to be withheld either from amounts due to a Sub-fund or from any payments on the Shares, neither the Sub-fund nor any other person would be required to pay additional amounts.
- 19.15 Except for any Sub-fund which elects to be treated as a Reporting FI (please refer to the specific section on the relevant Sub-fund to see if such an election has been made), each Sub-fund intends to qualify as a "**Collective Investment Vehicle**" (as defined in the US-Luxembourg IGA) and would therefore be treated as Non-Reporting FI for the purposes of the US-Luxembourg IGA. To qualify as a Collective Investment Vehicle, the Shares in the Sub-fund may only be held by or through one or more "**exempt beneficial owners**" (as defined by FATCA), "**Active NFFEs**" (as defined in the US-Luxembourg IGA), US persons that are not "**Specified US Persons**" (as defined in the US-Luxembourg IGA), or FFIs that are not "Non-participating FI" (as defined in the US-Luxembourg IGA). The Company may impose measures and/or restrictions to that effect, which may include the rejection of subscription orders or the compulsory redemption of Shares, as further detailed in this Memorandum and in the Articles. Investors will be required to provide evidence of their status under FATCA by means of any relevant tax documents, in particular a "W-8BEN-E" form of the IRS that must be renewed on a regular basis according to applicable regulations, and upon request of the Administrative Agent.
- 19.16 Any Sub-fund that is treated as a Reporting FI will be required to report certain information in respect of Shares that are deemed "**US Reportable Accounts**" in accordance with the rules and procedures under the US-Luxembourg IGA and, in respect of 2015 and 2016, Shares that are held by "Nonparticipating FI" (as defined in the US-Luxembourg IGA). Shares may be deemed US Reportable Accounts under the US-Luxembourg IGA if they are held (i) by a "**Specified US Person**", which broadly includes any US citizen or resident individual and, subject to certain exceptions, any US entity (including legal arrangements such as trusts) or (ii) by a "Non-US Entity" (as defined in the US-Luxembourg IGA) with one or more Controlling Persons that is a Specified US Person. Information pertaining to persons reportable under the US-Luxembourg IGA must be reported on an annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*), which in turn will transfer such information to the IRS, and would include the name, address and US tax identification number (or, in the case of an individual, the date of birth if the US tax identification number is not available) of any reportable person as well as the value of, and gross payments made or accrued under, the relevant Shares.
- 19.17 The Company and each Sub-fund reserve the right to request from any investor any such information or documentation as may be necessary to comply with the US-Luxembourg IGA as implemented by the FATCA Act. Prospective investors and Shareholders should note that a failure to provide the requested information or documentation may have as a consequence that the subscription to Shares may be denied, that the Shares may be redeemed or that the Shareholder may be treated as a

Recalcitrant Holder for the purposes of the US-Luxembourg IGA and the FATCA Act. The Company will be a data controller of such information in accordance with the Luxembourg act of 2 August 2002 on the protection of persons with regard to the processing of personal data, as modified, and individuals subject to reporting have the right to access the data reported to the Luxembourg direct tax administration and may ask for a rectification thereof if such data is inaccurate or incomplete.

- 19.18 FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and Model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Company and the Sub-funds and to payments they may receive in connection with the Shares.
- 19.19 Prospective investors should (i) consult their own tax advisors regarding the impact of FATCA further to an investment in the Company and (ii) be advised that although the Company will attempt to comply with all FATCA obligations, no assurance can be given that it will be able to satisfy the such obligations and therefore to avoid FATCA Withholding.

Exchange of information for tax purposes

- 19.20 The Company may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg act of 24 July 2015 concerning FATCA, and/or the Luxembourg act of 18 December 2015 implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the "Common Reporting Standard"), each as amended from time to time (each an **AEOI Act** and collectively the **AEOI Acts**).
- 19.21 Each Shareholder and prospective investor agrees to provide, upon request by the Company (or its delegates), any such information, documents and certificates as may be required for the purposes of the Company's identification and reporting obligations under any AEOI Act. The Company reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Company (or its delegates) has reason to believe that the information, documents or certificates provided to the Company (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Company (or its delegates), sufficient information to cure the situation. Prospective investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Acts. Neither the Company nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Company (or its delegates). Any Shareholder failing to comply with the Company's information requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder's failure to provide complete and accurate information.
- 19.22 Each Shareholder and prospective investor acknowledges and agrees that the Company will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Acts. Each individual whose personal data has been processed for the purposes of any AEOI Act has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete pursuant to data protection wording contained in Schedule 1.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT

THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION WHICH MAY BE APPLICABLE TO THEM.

20. ANNOUNCEMENTS AND CONFIDENTIALITY

- 20.1 All public disclosure or announcement of the existence or the subject matter of this Memorandum will be subject to the approval of the Company. This will not affect any announcement or disclosure by an Investor under Section 20.2 of the General Section but the Investor required to make an announcement or disclosure will consult with the Company insofar as is reasonably practicable before complying with such an obligation.
- 20.2 Each Investor will and will procure that its directors, managers, employees, officers, partners, Investors, agents, consultants and advisers and any affiliate (and their directors, employees, officers, partners, Investors, agents, consultants and advisers) keep confidential and will not disclose any information provided to it by or on behalf of the Company or otherwise obtained by or in connection with this Memorandum or which may come to its knowledge concerning the affairs of the Company or any Investment made or proposed by the Company, save to the extent that:
- (a) disclosure is required by any applicable law or any court of law or any relevant regulator or tax authority;
 - (b) disclosure is necessary in order for an Investor to enforce its rights under the terms of this Memorandum;
 - (c) the information concerned is already in the public domain prior to disclosure (other than as a result of a breach of any obligation by any Investor);
 - (d) disclosure is made to an Investor's *bona fide* legal, tax or accountancy advisers or auditors, provided that such disclosure is made on a confidential basis and such advisers or auditors undertake an equivalent duty of confidentiality to that set out in this Section; or
 - (e) disclosure is required in good faith and only where reasonably necessary to any Affiliate of that Investor, provided that such disclosure is made on a confidential basis and such Affiliate undertakes an equivalent duty of confidentiality to that set out in this Section.

21. INDEMNIFICATION

- 21.1 The Board and each of its officers, agents and employees to the extent directly involved in the business of the relevant Sub-fund (each referred to as **Indemnified Person**) are entitled to be indemnified, out of the relevant Sub-fund's assets against any and all liabilities, obligations, losses, damages, fines, taxes and interest and penalties thereon, claims, demands, actions, suits, proceedings (whether civil, criminal, administrative, investigative or otherwise) and litigation costs, expenses and disbursements (including legal and accounting fees and expenses, costs of investigation and sums paid in settlement) which may be imposed on, incurred by, or asserted at any time against that person in any way related to or arising out of such Indemnified Person being involved in the business of the relevant Sub-fund, provided that no Indemnified Person will be entitled to such indemnification for any action or omission resulting from any behaviour which qualifies as fraud, wilful misconduct, reckless disregard or gross negligence.
- 21.2 In the event of a settlement, indemnification will be provided only in connection with such matters covered by the settlement as to which the person to be indemnified did not commit such a breach of duty. To assess whether or not indemnification will be provided in these circumstances, the Board will be advised by counsel selected in good faith by it. The foregoing right of indemnification will not exclude other rights to which such person may be entitled.

- 21.3 Each of the Service Providers and their directors, managers, officers, agents and employees may also benefit from an indemnification from the Company, subject to the terms and provisions of the relevant agreement.

22. PAYMENTS

Unless otherwise expressly stated, all payments to be made pursuant to terms set out in this Memorandum will be made in EUR to the party in immediately available funds to the accounts which will be communicated in writing by each of the Investors to the Company or by the Company to the Investors.

23. CONFLICTS OF INTEREST

General

- 23.1 The External AIFM has implemented a conflict of interest policy, pursuant to which relevant conflicts of interest are identified, managed and disclosed to the Company (the **Conflicts of Interest Policy**). Any kind of conflict of interest is to be fully disclosed to the External AIFM. The Company will enter into all transactions on an arm's length basis.

Related Parties' activities

- 23.2 Notwithstanding anything to the contrary herein and unless otherwise provided for in a Special Section for a particular Sub-fund or in the Conflicts of Interest Policy, the Board members, the External AIFM, Investment Managers, distributor(s), the Depositary and each of their subsidiaries, affiliates, partners, agents, directors, officers, employees, subcontractors or agents (collectively, the **Related Parties** and individually, an **Related Party**) may:
- (a) enter into a contract or commitment regarding a financial, banking or other transaction amongst themselves or with the Company, including, but not limited to, the Company's investment in the securities of another company or another organisation of which a particular investment portion belongs to the assets of the Company or a Sub-fund, or have an interest in such contracts or such transactions;
 - (b) invest in shares, securities, assets or any property of a nature included in the Company's property and trade them on their own behalf or on behalf of a third party;
 - (c) act as broker, agent or lender or provide other services in connection with the execution of transactions on the Company's behalf;
 - (d) act as counterparty to derivative transactions or contracts entered into on the Company's behalf or act as index sponsor or calculation agent of the indices to which the Company is exposed by derivative transactions; and
 - (e) act as agent or principal in the sale, issue or purchase of securities and other investments in or of the Company through or with the External AIFM, Investment Managers or Depositary or one of their branches or subsidiaries, one of their associates, agents, subcontractors or representatives;
 - (f) have a potential conflict of interest with the Company in the course of carrying out their business or professional activities. Each member of the Board, the External AIFM, Investment Managers, distributor(s), the Depositary and their subcontractors shall take into consideration their respective duties to the Company and all other persons when engaging in transactions that could potentially give rise to a conflict of interest. Should such conflicts arise, each of

those persons would agree or be required by the Company to attempt to make every effort to resolve any conflict of interest fairly (taking into consideration their respective obligations and duties) and to ensure that the Company and its Shareholders are treated fairly;

and may earn commissions and other fees or profits from those activities. The activities and transactions above must be carried out under normal, independently negotiated sales terms.

- 23.3 All of the Company's cash assets may be invested in certificates of deposit or banking investments by any Related Party. Banking or similar transactions may also be undertaken with a Related Party or by its intermediary (provided the Related Party is authorised to carry out such activities).
- 23.4 Subject to the Conflicts of Interest Policy, the External AIFM and/or its Affiliates may give advice or take action with respect to any of their other clients which may differ from the advice given or the timing or nature of any action taken with respect to investments of a Sub-fund. The External AIFM and/or its Affiliates have no obligation to recommend any investment opportunities to a Sub-fund which they may recommend to other clients.
- 23.5 The External AIFM will devote as much of its time to the activities of a Sub-fund as it deems necessary and appropriate. The External AIFM and its Affiliates are not restricted from forming additional investment funds, from entering into other investment advisory/management relationships, or from engaging in other business activities, even though such activities may be in competition with a Sub-fund. These activities will not qualify as creating a conflict of interest.

Investment Managers' activities

- 23.6 Notwithstanding any provisions to the contrary contained herein, the Investment Managers and their respective affiliates may actively engage in transactions on behalf of other UCIs and accounts involving the same securities and instruments as those in which the Sub-funds invest. Investment Managers and their respective Affiliates may provide investment management services to other UCIs and accounts whose investment objectives may or may not be similar to those of the Sub-fund and/or whose investment programmes may or may not be similar to those of the Sub-funds and in which the Sub-funds have no interest. The portfolio strategies of the Investment Managers and their respective affiliates used for other UCIs or accounts may be in conflict with the operations and strategies recommended by Investment Managers to manage a Sub-fund and may affect the price and availability of securities and instruments in which the Sub-fund invests.
- 23.7 The Investment Managers and their respective affiliates may give advice or act on behalf of one of their other clients differently from how they act on behalf of the investments of a Sub-fund in terms of advice or timing or the nature of the action taken. The External AIFM and Investment Managers are not required to recommend to a Sub-fund investment opportunities that they might recommend to other clients.
- 23.8 The Investment Managers shall devote to the activities of a Sub-fund the time they deem necessary and appropriate. The External AIFM and the Investment Managers and their respective affiliates have the right to set up additional investment funds, establish other investment management relationships and engage in other commercial activities, even if those activities may compete with a Sub-fund. Those activities shall not be considered as giving rise to a conflict of interest.
- 23.9 Additional considerations relating to conflicts of interest may apply where necessary to a specific Sub-fund as set out in the relevant Special Section.

24. FEES AND EXPENSES

General

24.1 The Company will pay out of the assets of the relevant Sub-fund all expenses incurred by it, which include in particular:

- fees to the relevant regulatory authorities;
- the Global Fee, the Investment Management Fee and any performance fee payable out of the assets of a Sub-fund to any Investment Manager, Investment Adviser, distributor or other Service Provider in accordance with the terms of the relevant Special Section;
- fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies, regulatory authorities or stock exchanges in Luxembourg and in any other country;
- reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings of the Directors;
- any costs and expenses relating to Investor relation activity, including the drafting, printing and mailing of reports and information to Investors (and the costs of complying with investors' reporting requirements under any applicable law) and distribution fees, where applicable (provided that if any distribution fee is paid out of the assets of a Sub-fund, the maximum level of such fee will be disclosed in the relevant Sub-fund's Special Section);
- any expenses incurred in connection with legal proceedings involving the Company;
- costs and expenses disbursed in connection with the day-to-day management of the Company and the operations of the Company and its Sub-funds' Investments, including fees and expenses in connection with Investments and disinvestments and fees paid to third party service provider (to the extent not paid for by another entity), unless otherwise stated in the relevant Special Section for a particular Sub-fund;
- any expenses incurred in connection with obtaining legal, tax and accounting advice and the advice of other experts and consultants and any fees and expenses in relation to regulatory required reporting relating to Sub-funds' transactions (including, without limitation, any costs and expenses relating to EMIR reporting);
- consultation with professional advisers, including the legal fees and expenses for the negotiation, structuring, financing and documentation in relation to the acquisition, ownership and realisation of any Investment;
- insurance premia incurred on behalf of the Company (third party liability, political risks, transfer risks, commercial risks, terrorism and environmental insurance premiums) and D&O insurance premia or other insurance cover costs and expenses for the members of the Board, transfer taxes, title premiums, brokerage commissions and other closing costs and expenses payable or incurred in connection with the acquisition, ownership and realisation of any Investment;
- audit expenses;
- bank charges and interest;

- taxes and other governmental charges;
- expenses related to currency and interest hedging;
- fees and expenses (including the fees and expenses of the Company's counsel) arising out of a potential conversion of the Company into a SIF under the SIF Act 2007; and
- winding-up costs.

24.2 Expenses specific to a Sub-fund or Class will be borne by that Sub-fund or Class. Charges that are not specifically attributable to a particular Sub-fund or Class may be allocated among the relevant Sub-funds or Classes based on their respective net assets or any other reasonable basis given the nature of the charges as determined by the External AIFM in accordance with instructions or guidelines from the Company.

Organisation expenses

24.3 The Initiator will bear the organisational expenses (including but not limited to legal fees related to the set-up of the Company, travel expenses, etc.) incurred in connection with the formation of the Company.

24.4 Expenses incurred in connection with the creation of any additional Sub-fund will be borne by the relevant Sub-fund and will be written off over a period not exceeding five years. Any additional Sub-funds will not bear a pro rata proportion of the organisational expenses incurred by the Initiator or any of its Affiliates on behalf or in connection with the formation of the Company and the launching of the Initial Sub-fund.

Rebates and inducements

24.5 Subject to the approval of the Company, the Investment Manager may from time to time enter into retrocession fee arrangements, rebate arrangements or similar arrangements with third parties (including other Service Providers and distributors) in the context of the provision of its services to the Company provided that any such arrangement will be entered into in compliance with article 24 of the AIFMD-CDR and, in particular, that any such arrangement is designed to enhance the quality of the service and does not impair compliance with the Investment Manager's duty to act in the best interests of the Company and the Shareholders. Further information about such arrangements is available on request.

Fees payable to Services Providers

Global Fee

24.6 The External AIFM (in its capacity as external AIFM and administrative agent of the Company) and the Depositary will be remunerated out of the assets of each Sub-fund through a Global Fee as disclosed in respect of each Sub-fund in the relevant Special Section. Unless provided otherwise in relation to a Sub-fund in the relevant Special Section, the Global Fee is payable quarterly in arrears and is calculated on the basis of the average Net Asset Value of the relevant Sub-fund over the relevant quarter. The Global Fee will be allocated between the External AIFM and the Depositary as agreed from time to time in writing between the Company, the External AIFM and the Depositary.

Distribution fee

24.7 Distributors may be entitled to receive a remuneration payable out of the assets of a Sub-fund under the terms of the relevant Special Section.

Investment Management Fee

- 24.8 The Investment Manager of a Sub-fund may be entitled to receive an Investment Management Fee (and, as the case may be, a performance fee or other incentive fee) payable out of the assets of a Sub-fund as further set out in the relevant Special Section.

Soft commissions with brokers

- 24.9 The External AIFM or its delegates such as Investment Managers may enter into soft commissions with brokers under which certain business services are obtained from third parties and are paid for by the brokers out of the commissions they receive from transactions of the Company. Consistent with obtaining best execution, brokerage commissions on portfolio transactions for the Company may be directed by the External AIFM to broker-dealers in recognition of research services furnished by them as well as for services rendered in the execution of orders by such broker-dealers.
- 24.10 The entering into soft commission arrangements is subject to the following conditions:
- (a) the External AIFM will act at all times in the best interest of the Company;
 - (b) the services provided must be directly related to the activities of the External AIFM;
 - (c) brokerage commissions on portfolio transactions for the Company will be directed by the External AIFM to broker-dealers that are entities and not to individuals;
 - (d) the External AIFM will provide reports to the Board with respect to soft commissions including the nature of the services it receives; and
 - (e) information concerning the soft commission arrangements will be disclosed in the financial statements of the Company.

25. CONTINGENT LIABILITIES

The Company may (in respect of each Sub-fund) accrue in the relevant Sub-fund's accounts an appropriate provision for current taxes payable in the future based on the capital and income to the Valuation Day, as determined from time to time by the Company or its delegate, as well as such amount (if any) as the Company may consider to be an appropriate allowance in respect of any risks or liabilities of the relevant Sub-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 Sub-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), provided that for the avoidance of doubt, on the basis that the assets are held for investment, it is not expected that such provision will include any deferred taxation.

26. FAIR TREATMENT OF SHAREHOLDERS

- 26.1 The participation of each Shareholder in each Sub-fund is represented by Shares. Each Share pertaining to the same Class of Shares within the same Sub-fund bears the same rights and obligations. Therefore, equal treatment of all shareholders holding Shares of the same Class of Shares within the same Sub-fund is ensured.
- 26.2 Unless otherwise set out in respect of a Sub-fund in a Special Section, neither the Company nor the External AIFM will enter into any side letter or special arrangement with any Shareholder or Investor.

27. RISK FACTORS

General

- 27.1 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. Investment in the Company is only suitable for those Persons who are able to bear the economic risk of the investment, understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs, and have no need for liquidity of investment. There can be no assurance that the Company's objectives will be achieved or that there will be any return of capital.
- 27.2 Before making an investment decision with respect to Shares of any Class in any Sub-fund, prospective Investors should carefully consider all of the information set out in this Memorandum and the relevant Special Section, as well as their own personal circumstances. Prospective Investors should have particular regard to, among other matters, the considerations set out in this Section and under the heading "Specific risk factors" in the relevant Special Section (if any). The risk factors referred to therein, and in this Memorandum, alone or collectively, may reduce the return on the Shares of any Class in any Sub-fund and could result in the loss of all or a proportion of a Shareholder's investment in the Shares of any Class in any Sub-fund. The price of the Shares of any Sub-fund can go down as well as up and their value is not guaranteed. Investors may not receive, at redemption or liquidation, the amount that they originally invested in any Class in any Sub-fund or any amount at all.
- 27.3 The risks may include or relate to equity markets, foreign exchange rates, interest rates, credit risk, counterparty risk, market volatility, liquidity and political risks. The risk factors set out in the General Section and the relevant Special Section are not exhaustive. There may be other risks that a prospective Investor should consider that are relevant to his own particular circumstances or generally.
- 27.4 An investment in the Shares of any Sub-fund is only suitable for Investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.
- 27.5 Before making any investment decision with respect to the Shares, prospective Investors should consult their own stockbroker, bank manager, lawyer, solicitor, accountant and/or financial adviser and carefully review and consider such an investment decision in the light of the foregoing and the prospective Investor's personal circumstances.

Unspecified Investments

- 27.6 No assurance can be given that the Company (or any Sub-fund thereof) will be successful in obtaining suitable Investments or, if such Investments are made, that the objectives of the Company (or the Sub-fund) will be achieved. Prospective Investors will be unable to evaluate the economic merit of any future Investment which may be acquired. Investors must rely entirely on the judgment of the Company and any Investment Manager and Investment Adviser with respect to the selection and acquisition of Investments.

Conflicts of interest

- 27.7 The Company, the External AIFM and any Investment Manager and Investment Adviser are and may be engaged in other business activities in addition to managing and providing advice to the Company. It is possible that companies with whom they are associated invest by way of co-investment or otherwise in the same issues, placements and investments as the Company, and under the same or similar conditions. It is also possible that such associated companies may have already invested in

these assets or may invest into such assets at a later stage. However, the Company, the External AIFM and any Investment Manager and Investment Adviser will be obliged to act and to give advice in the best interest of the Company and its Shareholders.

Performance allocation and fees

- 27.8 Certain Sub-fund may provide for the right of the External AIFM or any Investment Manager or Investment Adviser to receive a carried interest or similar remuneration schemes. The fact that the carried interest is based on the performance of the relevant Sub-fund may create an incentive for the External AIFM, Investment Manager or Investment Adviser to cause the Sub-fund to make Investments that are more speculative than would be the case in the absence of performance-based compensation.

General economic and market conditions

- 27.9 The success of the Company's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors will affect the level and volatility of security prices and liquidity of the securities held by the Company or its Sub-funds.
- 27.10 Unexpected volatility is likely to impair the Company's profitability or result in its suffering losses.

Foreign currencies and exchange rates

- 27.11 To the extent that the Company directly or indirectly holds assets in local currencies, the Company will be exposed to a degree of currency risk which may adversely affect performance. Changes in foreign currency exchange rates will affect the value of securities in the Company. In addition, the Company will incur costs in connection with conversions between various currencies and in connection with partial or total hedging of its foreign currency exposures (assuming it chooses to engage in hedging).

Classes not denominated in the Reference Currency

- 27.12 Where Shares of a Sub-fund are available in a Class which is denominated in a different currency from the Reference Currency in which the Sub-fund is denominated Investors should note that the Net Asset Value of the Sub-fund will be calculated in the Sub-fund's Reference Currency and will be stated in the other currency by reference to the current exchange rate between the Reference Currency of the Sub-fund and such other currency. Fluctuations in that currency exchange rate may affect the performance of the Shares of that Class independent of the performance of the Sub-fund's Investments. In normal circumstances the costs and expenses of currency exchange transactions in connection with the purchase, redemption and exchange of Shares of that Class will be borne by the relevant Class and will be reflected in the Net Asset Value of that Class. The costs and expenses incurred in hedging a specific Class (as set out in the relevant Special Section) will be borne by that Class alone.
- 27.13 Investors should note that inflows and outflows from non-Reference Currency Classes may have a greater potential to impact the price of such Shares due to the fluctuations in the relevant currency exchange rate.

Restrictions on Transfer and redemption

- 27.14 Shares are subject to restrictions on Transfer. Investors in Closed-ended Sub-funds may not withdraw capital from the Company other than to the extent of current income and disposition proceeds when and as required to be distributed by the Company.

- 27.15 In addition to the features described above, such restrictions may also be caused by specific requirements such as a Minimum (Subsequent) Subscription Amount or due to the fact that certain Sub-funds may be closed to additional subscriptions after the Initial Offering Period or Initial Offering Date.
- 27.16 In Open-ended Sub-funds, Investors should be aware that (unless otherwise stated in the relevant Special Section for a particular Sub-fund) nothing will oblige the Company to meet any redemption request, and prospective Investors should be aware that they may be required to bear the financial risk of their investment for a significant period of time and Shareholders may be paid out at different Net Asset Values per Share.

Competitive environment

- 27.17 Each Sub-fund will operate in a competitive environment in which there will be a significant degree of uncertainty in identifying and completing investment transactions in Investments. There may be other investment vehicles that have similar or identical objectives that will target similar assets.

Liquidity risk

- 27.18 An investment in the Company carries a general liquidity risk. The Shares may also be affected by restrictions on redemption imposed by this Memorandum and under applicable law. The value of the Shares will fluctuate based upon the performance of the Company, other relevant factors and any third party's assessment thereof. Accordingly, if an Investor transfers or redeems its Shares, the sale or redemption price may be lower than the original investment amount. Shares may, however, be redeemable at the option of the Company under certain circumstances.

Early termination

- 27.19 In the event of the early termination of the Company or a Sub-fund, the Company or the relevant Sub-fund would have to distribute to the Shareholders their *pro-rata* interest in the assets of the Company or the relevant Sub-fund. The Company or the relevant Sub-fund's Investments would have to be sold by the Company or distributed to the Shareholders. It is possible that at the time of such sale or redemption certain Investments held by the Company or the relevant Sub-fund may be worth less than the initial cost of the Investment, resulting in a loss to the Company or the relevant Sub-fund and to its Shareholders. Moreover, in the event the Company or the relevant Sub-fund terminates prior to the complete amortisation of organisational expenses, any unamortised portion of such expenses will be accelerated and will be debited (and thereby reduce) amounts otherwise available for distribution to Shareholders.

Temporary investments

- 27.20 Monies paid to the Company may be invested in liquid assets on a temporary basis pending investment in Investments. These temporary investments may produce lower returns for Shareholders in the Company than returns earned by the Investments for the same period.

Concentration and diversification

- 27.21 Although the Sub-funds are subject to certain Investment Restrictions and the Special Sections describe the relevant Sub-funds diversification goals, there may be a concentration in a particular issuer, industry or country. If any Sub-fund elects to concentrate the Sub-fund's Investments in a particular issuer, industry or country, the Sub-fund will become more susceptible to fluctuations in value resulting from adverse economic conditions affecting that particular issuer, industry or country.

Investments in Target Funds

- 27.22 Certain Sub-funds are likely to invest in Target Funds. The investment by a Sub-fund in Target Funds may result in a duplication of costs and expenses that will be charged to the Sub-fund, i.e., establishment costs, filing and domiciliation costs, subscription, redemption and conversion fees, management fees, performance fees, depositary fees, auditing and other related costs. For Shareholders in the relevant Sub-fund, the accumulation of these costs and expenses may result in the Shareholders incurring higher costs and expenses than would have been incurred in case of direct Investment.
- 27.23 The attention of Investors is drawn to the fact that there may be duplication of subscription, redemption and conversion fees for Sub-funds investing in Target Funds. The Company will endeavour to ensure that the minimum level of underlying fees be applicable to the Sub-fund when investing in Target Funds.

Limited supervision of Target Funds

- 27.24 The Company may invest in Target Funds established in jurisdictions where no or limited supervision is exercised on such Target Funds by local regulators.
- 27.25 Whilst the risks inherent to the investment in Target Funds (whether regulated or unregulated) are limited to the loss of the investment contributed, the absence of supervision at the level of Target Funds may result in a higher risk for Shareholders.

Valuation

- 27.26 The Company will publish the Net Asset Value per Share as at each Valuation Day. There can be no guarantee that an investment in the Company could ultimately be realised at any such valuation. In the absence of bad faith or manifest error, the External AIFM's valuation determinations are conclusive and binding on all Shareholders. None of the Company, the External AIFM will be under any liability if a price reasonably believed by them to be the fair market value of a position is found not to be such.

Privately placed securities

- 27.27 Privately placed securities held by the Company (or Target Funds in which the Company invests) may involve special registration risks, liabilities and costs, as well as valuation or other liquidity-related difficulties. In addition, the Target Funds in which the Company invests will be subject to the risk of breach of the purchase agreements by the issuers of such securities.

Level of redemptions

- 27.28 Substantial redemptions of Shares within a limited period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Shares being redeemed and the outstanding Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction of the Company's Net Asset Value could make it more difficult for the Company to generate profits or recover losses. The Company may impose restrictions on the amount of Shares which can be redeemed on any one Redemption Day, as set out in the relevant Special Section in respect of each Open-ended Sub-fund.
- 27.29 Substantial redemptions of shares, units or interests in any Target Fund by the Company and/or any other investor in such Target Fund within a short period of time could require the Investment Manager of such Target Fund, to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the shares, units or interests of such Target Fund. The resulting reduction in the Target Fund's assets could make it more difficult to generate a positive rate of return or to recover losses due to a reduced equity base.

Redemption proceeds

- 27.30 Redemption proceeds paid by the Company to a Shareholder electing to redeem Shares may be less than the NAV per Share of such Shares at the time a Redemption Request is made due to fluctuations in the Company's Net Asset Value between the date of the request and the applicable Valuation Day and/or the date of the actual redemption of the Shares (because a Redemption Request may be deferred in accordance with the terms of the relevant Open-ended Sub-fund's Special Section), or if there remains any unamortised preliminary expenses.

Compulsory redemptions

- 27.31 The Company has the right to compel any Shareholder to a full redemption if in the sole and conclusive opinion of the Company (i) such Shareholder is a Restricted Person; or (ii) in such other circumstances as set out in Section 9 of the General Section.

Restricted valuation of Target Funds

- 27.32 Target Funds in which the Company invests may be valued by administrators resulting in valuations which are not verified by an independent third party on a regular or timely basis nor are checked by the External AIFM. Accordingly there is a risk that (i) the valuations of the Company may not reflect the true value of Target Fund's holdings held by the Company at a specific time which could result in losses or inaccurate pricing for the Company and/or (ii) the valuations may not be available on the Valuation Day so that some of the assets of the Company may be valued on an estimated basis.

Reliance on third party fund management

- 27.33 The Company or the External AIFM will not have an active role in the day-to-day management of the Target Funds in which the Company invests. Moreover, the Company will generally not have the opportunity to evaluate the specific investments made by any Target Funds before they are made. Accordingly, the returns of the Company primarily will depend on the performance of these unrelated Target Funds managers and could be substantially adversely affected by the unfavourable performance of such Target Fund managers. Where the Target Fund is a fund of funds scheme the factors set out above in relation to the Target Fund manager apply to the manager of the Target Fund in which the Target Fund invests. This can result in a lack of transparency in the final investments of the Company. In addition, the Company and the External AIFM will rely on the calculation and publication of the net asset value of the Target Fund in the calculation of the Net Asset Value of the Company. Accordingly, any delay, suspension or inaccuracy in the calculation of the net asset value of the Target Fund will directly impact on the calculation of the Net Asset Value of the Company.

Investments in emerging markets

- 27.34 Certain Sub-funds may invest (directly or indirectly) in assets that are located in emerging markets in which case the following risk factor should be carefully reviewed by prospective Investors.
- 27.35 In certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments which could affect investment in those countries. There may be less publicly available information about certain financial instruments than some Investors would find customary and entities in some countries may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those to which certain Investors may be accustomed. Certain financial markets, while generally growing in volume, have for the most part, substantially less volume than more developed markets, and securities of many companies are less liquid and their prices more volatile than securities of comparable companies in more sizeable markets. There are also varying levels of government supervision and regulation of exchanges, financial institutions and issuers in various countries. In addition, the manner in which

foreign Investors may invest in securities in certain countries, as well as limitations on such investments, may affect the investment operations of the Sub-funds.

- 27.36 Emerging country debt will be subject to high risk and will not be required to meet a minimum rating standard and may not be rated for creditworthiness by any internationally recognised credit rating organisation. The issuer or governmental authority that controls the repayment of an emerging country's debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. As a result of the foregoing, a government obligor may default on its obligations. If such an event occurs, the Company may have limited legal recourse against the issuer and/or guarantor. Remedies must, in some cases, be pursued in the courts of the defaulting party itself, and the ability of the holder of foreign government debt securities to obtain recourse may be subject to the political climate in the relevant country. In addition, no assurance can be given that the holders of commercial debt will not contest payments to the holders of other foreign government debt obligations in the event of default under their commercial bank loan agreements.
- 27.37 Settlement systems in emerging markets may be less well organised than in developed markets. Thus, there may be a risk that settlement may be delayed and that cash or securities of the Sub-funds may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment will be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank through whom the relevant transaction is effected might result in a loss being suffered by Sub-funds investing in emerging market securities.
- 27.38 There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by or to be transferred to the Sub-funds. Furthermore, compensation schemes may be non-existent or limited or inadequate to meet the Company's claims in any of these events.

Use of financial derivative instruments

- 27.39 The Sub-funds may use financial derivative instruments in accordance with the Investment Restrictions set out under Section 3 of the General Section and in compliance with their investment policies and objective as set out in the Special Section. In addition, the Target Funds in which the Sub-funds may invest can use financial derivative instruments (and some will make an important use these instruments). While the prudent use of financial derivative instruments can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that Investors should understand before investing in a Sub-fund.

(a) **Market risk**

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to a Sub-fund's interests.

(b) **Control and monitoring**

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

(c) **Liquidity risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

(d) **Counterparty risk**

A Sub-fund or a Target Fund in which the Company invests may enter into transactions in OTC markets, which will expose the Sub-fund or Target Fund in which the Company invests to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Sub-fund or a Target Fund in which the Company invests may enter into swap arrangements or other derivative techniques, each of which exposes the Sub-fund or Target Fund in which the Company invests to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-fund or a Target Fund in which the Company invests could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-fund or Target Fund in which the Company invests seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

(e) **Risks linked to the use of a depositary and prime brokers**

All or part of the securities and other assets of a Sub-fund or Target Fund in which the Company invests may be deposited with a prime broker. In case of default of the prime broker, there might be problems in achieving the segregation of a Sub-fund or Target Fund's assets from those of other parties. This might create substantial losses for Shareholders.

Due to the fact that part or all of a Sub-fund or Target Fund's assets may be in custody with a prime broker, the Sub-fund or Target Fund in which the Company invests may become one of the prime broker's unsecured creditors. In the event of insolvency of the prime broker, the Sub-fund or Target Fund in which the Company invests may not be able to fully or partially recover the assets under custody.

Furthermore, the Sub-fund or Target Fund's cash and cash equivalents may not be segregated from the prime broker's cash and cash equivalents. Cash and cash equivalents may be used in its ordinary course of business. Hence the Sub-fund or Target Fund in which the Company invests may become an unsecured creditor of the prime broker in relation thereto.

The Association of Financial Markets in Europe and prime brokers have interpreted the AIFM Directive and its implementing measures in such a way that prime brokers do not segregate assets received from alternative investment fund clients from assets received from non-alternative investment fund clients. Currently, when the assets of the Company are transferred by the Depositary or its agent, to a prime broker, the prime broker does not segregate the assets of the Company from other client assets, including non-alternative investment fund assets. There is a risk that the European Securities and Markets Authority (ESMA) or such other regulator, including but not limited to the CSSF, may determine that prime brokers are incorrect in not segregating alternative investment fund clients assets from non-alternative investment fund client assets. If such a determination were to be made, the Depositary, or its agent, would require that the assets of the Company held by a prime broker be returned to the by the Depositary immediately, which may incur losses for the Company. The Company could

also be exposed to the risk of loss should the prime broker default on its obligation to return the assets of the Company, particularly as there may be practical or timing problems associated with enforcing the Company's rights to its assets in these circumstances.

(f) **Different maturity**

The Company will enter into derivative contracts with a maturity date which may be different from the maturity date of the Sub-fund. There can be no assurance that any new derivative contracts entered into will have terms similar to those previously entered into.

(g) **Other risks**

Other risks in using derivatives include the risk of differing valuations of derivatives arising out of different permitted valuation methods and the inability of derivatives to correlate perfectly with underlying securities, rates and indices. Many derivatives, in particular OTC Derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to a Sub-fund or Target Fund.

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

(h) **Particular risks in relation to interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions.**

A Sub-fund or Target Fund in which the Company invests may, as a part of its investment policy, enter into interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions agreements. Interest rate swaps involve the exchange by a Sub-fund or Target Fund in which the Company invests with another party of their respective commitments to pay or receive interest, such as an exchange of fixed rate payments for floating rate payments. Currency swaps may involve the exchange of rights to make or receive payments in specified currencies. Total return swaps involve the exchange of the right to receive the total return, coupons plus capital gains or losses, of a specified reference asset, index or basket of assets against the right to make fixed or floating payments.

Where a Sub-fund or Target Fund enters into interest rate swaps or total return swaps on a net basis, the two payment streams are netted out, with each party receiving or paying, as the case may be, only the net amount of the two payments. Interest rate swaps or total return swaps entered into on a net basis do not involve the physical delivery of investments, other underlying assets or principal. Accordingly, it is intended that the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Sub-fund or Target Fund in which the Company invests is contractually obligated to make (or in the case of total return swaps, the net amount of the difference between the total rate of return of a reference investment, index or basket of investments and the fixed or floating payments). If the other party to an interest rate swap or total return swap defaults, in normal circumstances the Sub-fund or Target Fund's risk of loss consists of the net amount of interest or total return payments that the Sub-fund or Target Fund in which the Company invests is contractually entitled to receive. In contrast, currency swaps usually involve the delivery of the entire principal value of one designated currency in exchange for the other designated currency. Therefore, the entire principal value of a currency swap is subject to the risk that the other party to the swap will default on its contractual delivery obligations.

A Sub-fund or Target Fund in which the Company invests may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterparty (the **Protection Buyer**) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The Protection Buyer must either sell particular obligations issued by the reference issuer for its par value (or some other designated reference or strike price) when a credit event (such as bankruptcy or insolvency) occurs or receive a cash settlement based on the difference between the market price and such reference price.

A Sub-fund or Target Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, a Sub-fund or Target Fund in which the Company invests may buy protection under credit default swaps without holding the underlying assets.

A Sub-fund or Target Fund in which the Company invests may also sell protection under credit default swaps in order to acquire a specific credit exposure.

A Sub-fund or Target Fund in which the Company invests may also purchase a receiver or payer interest rate swaption contract. Swaptions are options on interest rate swaps. These give the purchaser the right, but not the obligation to enter into an interest rate swap at a preset interest rate within a specified period of time. The interest rate swaption buyer pays a premium to the seller for this right. A receiver interest rate swaption gives the purchaser the right to receive fixed payments in return for paying a floating rate of interest. A payer interest rate swaption would give the purchaser the right to pay a fixed rate of interest in return for receiving a floating rate payment stream.

The use of interest rate swaps, currency swaps, total return swaps, credit default swaps and interest rate swaptions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Company and/or Company (or, in respect of a Target Fund in which the Company invests, such Target Fund's manager or Company) is incorrect in its forecasts of market values, interest rates and currency exchange rates, the investment performance of the Sub-fund or Target Fund in which the Company invests would be less favourable than it would have been if these investment techniques were not used.

Nominee arrangements

- 27.40 The Company draws the Investors' attention to the fact that any Investor will only be able to fully exercise his investor rights directly against the Company, in particular the right to participate in general meetings of Shareholders, if the Investor is registered himself and in his own name in the Register. In cases where an Investor invests in the Company through a nominee, it may not always be possible for the Investor to exercise certain shareholder rights directly against the Company. Investors are advised to take advice on their rights.

Change of law

- 27.41 The Company must comply with regulatory constraints, such as a change in the laws affecting the Investment Restrictions and limits applicable to RAIFFs, which might require a change in the investment policy and objectives followed by a Sub-fund.

Leverage

- 27.42 While the use of leverage may increase the return on the invested capital, it also creates greater potential for loss. There can be no assurance that the respective Sub-fund, in incurring debt, will be able to meet its loan obligations.

27.43 Leverage risk is the risk associated with the borrowing of funds and other investment techniques. Leverage is a speculative technique which may expose the respective Sub-fund to greater risk and increase its costs. Increases and decreases in the value of the Sub-fund's portfolio will be magnified when the Sub-fund uses leverage. For example, leverage may cause greater swings in the Sub-fund's Net Asset Value or cause the Sub-fund to lose more than it invested. There can be no assurance that the Sub-fund's leveraging strategy will be successful. If leverage is employed, the Net Asset Value and market value of the Shares will be more volatile, and the yield to the Shareholders will tend to fluctuate with changes in the shorter-term interest rates on the leverage. The Sub-funds will pay (and the Shareholders will bear) any costs and expenses relating to any leverage. Any decline in the Net Asset Value of the Sub-fund's investments will be borne entirely by the Shareholders. Therefore, if the market value of the respective Sub-fund's portfolio declines, the leverage will result in a greater decrease in Net Asset Value to the Shareholders than if the Sub-funds were not leveraged.

Market risk

27.44 The market price of securities owned by the Sub-funds may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

Issuer risk

27.45 The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Financial failure of intermediaries

27.46 There is always the possibility that the institutions, including brokerage firms and banks, with which the Sub-funds do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair their operational capabilities or result in losses to the Company.

Illiquidity of Investments; Unregulated transactions

27.47 The Sub-funds (and the Target Funds in which they may invest) may invest in securities that are subject to legal or other restrictions on transfer or for which the liquidity of the market may be restricted. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and the Sub-funds (or relevant Target Funds in which a Sub-fund may invest) may not be able to sell them when they desire to do so or to realise what they perceive to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. The Sub-funds (or relevant Target Funds in which a Sub-fund may invest) may not be able to readily dispose of such investments with restricted liquidity and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

27.48 Companies whose securities are not publicly traded are not subject to the same disclosure and reporting requirements that are generally applicable to companies with publicly traded securities, nor is the

trading of such non-publicly traded securities regulated by any government agency. Accordingly, the protections accorded by such regulation will not be available in making such investments.

Money market instruments

- 27.49 The term "money market instruments" refers to a variety of short-term, liquid investments, usually with maturities of 397 days or less. Some common types are government bills and notes, which are securities issued by a government; commercial paper, which are promissory notes issued by large companies or financial firms; banker's acceptances, which are credit instruments guaranteed by banks; and negotiable certificates of deposit, which are issued by banks in large denominations. Money market securities can pay fixed, variable, or floating rates of interest. The Sub-funds are subject to income risk, which is the chance that the respective Sub-fund's income will decline because of falling interest rates. A fund's income declines when interest rates fall, because the fund then must invest in lower-yielding instruments. Because the Sub-funds' income is based at least partially on short-term interest rates – which can fluctuate significantly over short periods – income risk is expected to be high.

Loans of portfolio securities

- 27.50 For the purpose of achieving income, the Sub-funds may lend their portfolio securities to brokers, dealers, and other financial institutions provided a number of conditions are satisfied, including that the loan is fully collateralised. When the respective Sub-fund lends portfolio securities, its investment performance will continue to reflect changes in the value of the securities loaned, and the Sub-fund will also receive a fee or interest on the collateral. Securities lending involves the risk of loss of rights in the collateral or delay in recovery of the collateral if the borrower fails to return the security loaned or becomes insolvent. The Sub-fund may pay lending fees to a party arranging the loan.

Repurchase agreements

- 27.51 Sub-funds may enter into repurchase and reverse repurchase agreements. When the Sub-fund enters into a repurchase agreement, it "sells" securities to a broker-dealer or financial institution, and agrees to repurchase such securities on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Sub-fund "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by the Sub-fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by the Sub-fund involves certain risks. For example, if the seller of securities to the Sub-fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Sub-fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Sub-fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Sub-fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Sub-fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Tax risks in general

- 27.52 An investment in the Company involves complex tax considerations in Luxembourg, in the countries in which Investment assets are located, in countries in which particular Investors are located, and possibly in other countries (including the countries in which the Company and/or Adviser or their Affiliates are located, as the case may be). Some of these tax considerations will differ for particular

Investors. Among other things, Investors may be subject to tax on Company income even if the Company does not make distributions.

27.53 Depending on individual circumstances, the taxation treatment for direct or indirect Investors may differ from the guidance of Section 19 of the General Section and Investors should obtain advice from their own tax advisers regarding the tax implications for them of holding and disposing of Shares and receiving distributions in respect of the Shares.

27.54 **BEFORE DETERMINING TO INVEST IN THE COMPANY, PROSPECTIVE INVESTORS SHOULD EVALUATE WHETHER THEY ACCEPT THE AFORESAID RISKS WHICH THEY WILL ASSUME BY BUYING SHARES OF THE COMPANY. THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING.**

27.55 **PROSPECTIVE INVESTORS SHOULD READ THE ENTIRE MEMORANDUM AND FULLY EVALUATE ALL OTHER INFORMATION THAT THEY DEEM TO BE NECESSARY BEFORE DETERMINING TO INVEST IN THE COMPANY.**

28. AMENDMENTS TO THE GENERAL SECTION

28.1 Subject to regulatory approval (if applicable), the provisions of this General Section may be amended as follows:

(a) if the change is determined by the Board to have a material adverse effect on Investors, only following:

(i) the end of a one month prior notice period during which Investors in Open-ended Sub-funds who disagree with the changes will have the right to request the redemption of their Shares without Redemption Fee (but provided that, for the avoidance of doubt, the terms governing redemptions as applicable in each relevant Sub-fund will continue to govern such redemptions);

(ii) the approval of the relevant majority of Investors in each Closed-ended Sub-funds pursuant to the terms of each relevant Special Section governing amendments to the relevant Special Section having a material adverse effect on Investors;

(b) without the consent of Investors to make any change, so long as the changes do not materially adversely affect the rights and obligations of any existing Investors, as the case may be, including, without prejudice to the generality of the foregoing:

(i) convert the Company into a SIF under the SIF Act 2007, subject to (i) the approval of the CSSF and (ii) prior consultation with the External AIFM on such conversion and all related changes;

(ii) to take such action in light of changing legal or regulatory conditions as is necessary in order to permit the Company, as the case may be, to continue in existence and in compliance with applicable s and regulations, including, without limitation, the US Investment Company Act, the US Securities Act, FATCA and ERISA and to comply with the requirements of the AIFM Directive;

(iii) to delete or add any provision of this General Section required to be so deleted or added by a regulatory authority, state securities commission or similar agency, which addition or deletion is deemed by such regulatory authority, commission or agency to be for the benefit or protection of the Investors;

- (iv) to correct any clerical mistake or to correct or supplement any immaterial provision herein that may be inconsistent with any other provision herein or therein, or correct any printing, typographical, stenographic or clerical errors or omissions, that will not be inconsistent with the provisions of the General Section.

28.2 No amendment may be made to this Section 28 without the unanimous consent of all Investors in the Company.

SPECIAL SECTION

FORUM ALTERNATIVE – PM LOW CORRELATION

This Special Section is valid only if accompanied by the General Section. This Special Section refers only to Forum Alternative – PM Low Correlation (the **Sub-fund**).

1. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

- 1.1 The investment objective of the Sub-fund is to provide a « total return » performance on a medium term horizon with a low to negative correlation to equity and sovereign debt markets. The Sub-fund focuses on fixed income, variable income, or capital appreciation to generate returns (the **Investment Objective**).
- 1.2 There can be no assurance that the Investment Objective will be achieved.

Investment Strategy

- 1.3 To achieve this investment objective, the Sub-fund can invest the assets into different type of strategies, taken separately or combined together, into different asset classes and using traditional, non-traditional and alternative strategies.
- 1.4 The Sub-fund can invest through different asset classes including equities, sovereign debt (fixed or floating rate), corporate debt (fixed or floating rate), convertible bonds, foreign exchange markets, real estate markets, private debt, private equity, commodities, derivatives, precious metals, and/or alternative strategies.
- 1.5 The Sub-fund will achieve its Investment Objective by investing directly into the above mentioned assets or indirectly through Target Funds (i.e., mutual funds, exchange traded funds, alternative funds, index funds, hedge funds or other investments that exhibit similar characteristics).
- 1.6 The Sub-fund may use derivative instruments including, but not limited to, futures, swap, forwards and options to hedge some positions or for investment purposes.
- 1.7 The Sub-fund may hold cash, or liquidities, or cash equivalents, under exceptional circumstances up to 100% of its assets, respecting the diversification rules of the Section 3.5 of the General Section.
- 1.8 Notwithstanding the reference to a benchmark for the calculation of the Performance Fee (i.e., the HFRUM Index, the **Benchmark**), the Sub-fund's Investment Manager does not apply or follow the Benchmark, nor apply any pre-define type of asset allocation in relation with the management of the Sub-fund's assets.
- 1.9 The Sub-fund is denominated into EUR, but it can invest into other currencies, with or without hedging the currency risk.

2. INVESTMENT RESTRICTIONS AND GUIDELINES – LEVERAGE

Investment Restrictions and Guidelines

2.1 The Sub-fund is subject to the Investment Restrictions set out in Section 3.5 of the General Section, being provided that:

- (a) with reference to Section 3.5(d) of the General Section, the Sub-fund does not intend to borrow for investment purposes but may use borrowing for working capital purposes or bridge financing purposes, provided that it will not incur borrowings in excess of 100% of its net asset value;
- (b) the Sub-fund will not use SFTs or TRS and will use financial derivative instruments for hedging purposes and investment purposes; and
- (c) the Sub-fund will not engage in short selling activities.
- (d) The Sub-fund will not hold a securitisation position in the meaning of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017.

2.2 The Investment Restrictions may not be complied with during a Kick-off Period of six (6) months as from the end of the Initial Offering Period.

2.3 Leverage

2.4 The maximum level of Leverage permitted in respect of this Sub-fund is:

- (a) 200% of its Net Asset Value under the commitment method using a reference base of 1 (base 1: no leverage correspond to a ratio of 100%); and
- (b) 300% of its Net Asset Value under the gross method (base 1).

3. REFERENCE CURRENCY

The Reference Currency of the Sub-fund is the EUR.

4. TERM OF THE SUB-FUND

The Sub-fund has been created for an unlimited period of time.

5. VALUATION DAY – REDEMPTION DAY

5.1 Each last Business Day of each month will be a **Valuation Day**. The Company, in its sole discretion, may determine additional Valuation Days. Each last Business Day of each quarter (the last Business Day in March, June, September and December) will be a **Redemption Day**. For risk management purposes, the Company will, at its discretion, calculate an estimated Net Asset Value each Wednesday, based on the last available closing prices in Luxembourg on that date. The estimated weekly Net Asset Value cannot be used for subscriptions, redemptions or conversions.

5.2 By reference to Section 16.7 of the General Section, the Net Asset Value per Share in this Sub-fund will be made available to the Investors at the registered offices of the Company and the External AIFM in principle within 30 calendar days as from the relevant Valuation Day.

6. CLASSES AVAILABLE

There are for the time being one Class available for subscription in the Sub-fund with the following characteristics:

Accumulation / Distributions	Accumulation
Eligible Investors	Professional Investors
ISIN	LU1979300800
Minimum Subscription Amount	EUR 125.000
Initial Subscription Price	EUR 100 per Share
Subscription Fee	Up to 3% in favour of intermediaries
Redemption Fee	Up to 1% in favour of the Sub-Fund
Global Fee*	Up to 0.3% p.a.
Investment Management Fee	Up to 1.25% p.a.
Global Distribution Fee	Up to 0.75%
Performance fee	15% of the appreciation of the NAV above the high-water mark (as defined in section 11.)

* Subject to a minimum of EUR 50,000 p.a.

Price Adjustment

- 6.1 With respect to subscriptions, redemptions and conversions of Shares of this Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted and a dilution levy may be applied in accordance with Section 7.8 of the General Section.

7. SUBSCRIPTIONS

General

- 7.1 Investors will be offered the opportunity to subscribe for Shares in the Sub-fund:
- (a) during the Initial Offering Period, at the Initial Subscription Price, in accordance with Sections 7.3 to 7.6 of this Special Section; and

- (b) on a continuous basis on each last Valuation Day (the **Subscription Day**) at a price based on the NAV per Share as at that Subscription Day, in accordance with Sections 7.7 to 7.12 of this Special Section.

7.2 Subscriptions will be accepted in amounts and may be accepted in specie, subject to the terms of the General Section.

Initial Offering Period

The initial subscription period for Shares in the Sub-Fund will be set by a resolution of the Board once the report on the contribution in kind prepared by the statutory auditor of the Company has been finalised. The Shares will be issued at an initial subscription price of EUR 100 per Share.

Ongoing subscriptions

General

7.3 After the Initial Offering Period, Investors will be offered the opportunity to subscribe for Shares in the Sub-fund on any day that is a Subscription Day in accordance with the procedure set out below.

Subscription procedure

7.4 Subscriptions may be made only by Investors who are not Restricted Persons by:

- (a) submitting a complete written and signed subscription request to the External AIFM to be received by the External AIFM (or its sub-contractor) before 6 p.m. (Luxembourg time) five (5) Business Days before the relevant Subscription Day on which the subscription will be effected. Subscription requests received after this deadline will, unless otherwise decided by the Company, be processed on the next following Subscription Day; and
- (b) delivering to the account of the Depositary cleared funds for the full amount of the subscription request (including the Subscription Fee as the case may be), at the latest three (3) Business Days prior to the relevant Subscription Day.

7.5 If the Depositary does not receive the subscription monies in time the purchase order will be deferred to the next Subscription Day, unless otherwise decided by the Company.

7.6 Subscribers for Shares must make payment in the Reference Currency of the Shares. In the event that the subscription order is incomplete (i.e., all requested papers are not received by the External AIFM (or its sub-contractor) by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.

7.7 The Company reserves the right to accept or reject a subscription request, in whole or in part, at its discretion. In the event that the Company decides to reject any application to subscribe for Shares, the monies transferred by the prospective Investor will be returned to the prospective Investor without undue delay (unless otherwise provided for by law or regulations).

7.8 The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder (less the applicable Subscription Fee) divided by the Net Asset Value per Shares as at the relevant Subscription Day.

8. REDEMPTIONS

Open-ended Sub-fund

- 8.1 The Sub-fund is an Open-ended Sub-fund and will allow Shareholders to request redemption of their Shares on each Redemption Day (the **Redemption Request**). A Redemption Request received before 6 p.m. Luxembourg time forty five (45) Business Days prior to the Redemption Day by the External AIFM (or its sub-contractor) in respect of Shares will be an **Eligible Redemption Request**. Redemption Requests received after this deadline will be deemed to be processed on the next following Redemption Day.

Form of Redemption Requests

- 8.2 Redemption Requests must be addressed to the External AIFM (or its sub-contractor). Redemption Requests will not be accepted by telephone or telex. Redemption Requests are irrevocable (except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended). The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the External AIFM (or its sub-contractor) may result in the withholding of redemption proceeds. Requests for redemption must be for either a number of Shares or an amount denominated in the Reference Currency of the Class of the Sub-fund.

Redemption Price

- 8.3 A Shareholder who redeems his/her/its Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the Valuation Day for the relevant Class in the Sub-fund in respect of which the Shares are actually repurchased less the Redemption Fee (if any) and any tax or duty imposed on the redemption of the Shares.

No obligation to redeem

- 8.4 The Company will seek to satisfy Eligible Redemption Requests in full or in part from the cash arising from the return on, disposal or re-financing of, any Investment held by the Sub-fund, less any reserves in the Company's reasonable discretion required for actual and possible accrued costs and liabilities. If there is insufficient cash to meet in full all outstanding Eligible Redemption Requests on a Valuation Day, then the Company may decide to meet such requests in part on a pro-rata basis. Any outstanding Redemption Requests will then be rolled over to the next Valuation Day and will be subject to the terms of this Section 8.4.
- 8.5 Eligible Redemption Requests made in respect of a particular Redemption Day will take priority over any new Eligible Redemption Requests received in respect of any subsequent Redemption Day, i.e. no new redemptions will be processed until all Eligible Redemption Requests received in respect of any prior Redemption Day have been satisfied in full.
- 8.6 Alternatively, if, on a Valuation Day, the cash available to satisfy Eligible Redemption Request is insufficient to satisfy all outstanding Eligible Redemption Requests, the Company may satisfy all or part of the pro-rata portion of these Eligible Redemption Requests that cannot be met out of such cash by a distribution in-kind of assets in lieu of paying to the Shareholder(s) redemption proceeds in cash, subject to and in accordance with the terms of Section 8.10 of this Special Section. The pro-rata portion of Eligible Redemption Requests that are not met either in cash or in-kind will be rolled over to the next Valuation Day.

- 8.7 **Accordingly, redemptions may take place over one or more Valuation Days. Nothing will oblige the Company to meet any Eligible Redemption Request, and prospective Investors should be aware that they may be required to bear the financial risk of their investment for a significant period of time and Shareholders may be paid out at different NAVs per Share.**

Suspension of redemption

- 8.8 Redemption of Shares may be suspended for certain periods of time as described under Section 14 of the General Section.

Payment of redemption proceeds – Redemption in-kind

- 8.9 Subject to the right of the Company to limit aggregate redemptions or suspend redemptions or the calculation of NAV in accordance with the terms of this Special Section, and there being sufficient redemption available cash, redemption proceeds will generally be paid within a period of thirty (30) Business Days after the Redemption Day.
- 8.10 The Company may, at the request of a Shareholder, agree to make, in whole or in part, a distribution in-kind of securities or other assets of the Sub-fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Company will agree to do so if it determines that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-fund. Such distribution will be effected at the Net Asset Value per Share of the relevant Class of the Sub-fund from which the Shareholder is redeeming, and thus will constitute a pro-rata portion of the Sub-fund's assets in terms of value. The assets to be transferred to such Shareholder will be determined by the Company, the External AIFM and the Depositary, with regard to the practicality of transferring such assets and to the interests of the Sub-fund and continuing participants therein and to the Shareholder. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. **The redeeming Shareholder might not be able to sell or transfer any such assets for a long period of time and the net proceeds from this sale by the redeeming Shareholder of such assets may be more or less than the corresponding redemption price of Shares in the relevant Sub-fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value per Share of Shares of the Sub-fund.** The, valuation of assets will be subject to the review and approval of the Auditor.

9. INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR

- 9.1 The External AIFM has delegated the portfolio management of the Sub-fund to Privalux Management SA (the **Investment Manager**), supervised by the Commission de Surveillance du Secteur Financier, with registered office at 43 Boulevard du Prince Henri, L-1724 Luxembourg.
- 9.2 The Company has appointed Privalux Management SA as global distributor of the Sub-fund pursuant to a distribution agreement (the **Global Distribution Agreement**). Under the Global Distribution Agreement, Privalux Management SA may distribute Shares and appoint one or more sub-distributors subject to prior written consent of the Board.

10. INVESTMENT MANAGEMENT FEE

- 10.1 The Investment Manager is entitled to receive out of the assets of the Sub-fund an Investment Management Fee in respect of each Class at a rate p.a as set out in Section 6 above.
- 10.2 The Investment Management Fee is based on the Net Asset Value of the relevant Class as at the last Valuation Day of the relevant calendar month, before deduction of the Investment Management Fee and any accrued Performance Fee. The Investment Management Fee is payable monthly in arrears.

11. PERFORMANCE FEE

- 11.1 At the end of each financial year, the Sub-fund will pay out a special allocation of net profits of the Sub-fund (the **Performance Fee**) equivalent to 15% of the outperformance of (increase in) the Net Asset Value of the Class over (the increase of) the Benchmark in respect of the relevant financial year (the **Performance Period**), subject to a high-water mark. The use of high-water mark ensures that investors will not be charged a Performance Fee until the Net Asset Value exceeds the previous highest Net Asset Value on which a Performance Fee was paid. For the avoidance of doubt, a Performance Fee will only be paid out of the assets of the Sub-fund where the Net Asset Value is positive and outperforms the Benchmark.
- 11.2 The Performance Fee will be calculated and accrued on each Valuation Day and shall be paid out annually. The Performance Fee is calculated separately with respect to each Class, and is also calculated and payable as of the date of redemption with respect to any Shares that are redeemed. The net increase in the Net Asset Value per Class includes realised and unrealised gains and losses as well as all income and expenses of the Sub-fund. The Performance Fee will be paid out of the assets of the Sub-fund to the Investment Manager.
- 11.3 The Benchmark is HFRUM Index in euro. The External AIFM has put in place a contingency plan in the event that the composition of the Benchmark materially changes or if the Benchmark ceases to be provided, in accordance with article 28 of the Benchmarks Regulation. A copy of such contingency plan is available at the registered office of the External AIFM free of charge.

12. CIRCULAR 02/77

- 12.1 For the purpose of Sections 3.8 and 13.13(g) of the General Section, the Board intends to comply with the principles and rules set out in Circular 02/77.

13. AMENDMENTS TO THIS SPECIAL SECTION

- 13.1 The provisions of this Special Section may be amended as follows:
- (a) where the change is determined by the Board to have a material adverse effect on Investors, only following either (i) the written consent by Shareholders in the Sub-fund who together hold Shares whose aggregate voting rights represent two-thirds of the total voting rights of the Sub-fund or (ii) the end of a reasonable prior notice period during which Investors who disagree with the changes will have the right to request the redemption of their Shares without charge (but provided that, for the avoidance of doubt, the terms governing redemptions as applicable in this Sub-fund will continue to govern such redemptions); and
 - (b) without the consent of Investors to make any change, so long as the changes do not materially adversely affect the rights and obligations of any existing Investors, as the case may be, including, without prejudice to the generality of the foregoing:
 - (i) to take such action in light of changing legal or regulatory conditions as is necessary in order to permit the Company or the Sub-fund, as the case may be, to continue in existence and in compliance with applicable laws and regulations, including, without limitation, the US Investment Company Act, the US Securities Act, FATCA and ERISA and to comply with the requirements of the AIFM Directive;
 - (ii) to delete or add any provision of this Special Section required to be so deleted or added by a regulatory authority, state securities commission or similar agency, which addition or deletion is deemed by such regulatory authority, commission or agency to be for the benefit or protection of the Investors;

- (iii) to correct any clerical mistake or to correct or supplement any immaterial provision herein that may be inconsistent with any other provision herein or therein, or correct any printing, typographical, stenographic or clerical errors or omissions, that will not be inconsistent with the provisions of the Special Section.

13.2 No amendment may be made to this Section 14 without the unanimous consent of all Investors in the Sub-fund.

14. SPECIFIC RISK FACTORS

14.1 Before making an investment decision with respect to this Sub-Fund, prospective Investors should carefully consider the risks of investing set out in Section 27 of the General Section and the following specific risks related to Investments in Target Funds.

General risks

14.2 Prospective Investors should be aware that an investment in the Sub-fund involves a high degree of risk, including the risk of loss of the entire amount invested.

14.3 The Sub-fund may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments, and the potential exposure to loss resulting from counterparty defaults. There can be no assurance that a Sub-fund's investment program will be successful or that the investment objective of the Sub-fund will be achieved. Shares in the Sub-fund may fluctuate in price and value, and the value of the Shares may decline below the amount originally invested. Despite a strict due diligence procedure used to select and monitor the individual Target Funds in which the assets of the Sub-fund are invested, there can be no assurance that the past performance information will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future. Upon a redemption of Shares or the liquidation of the Sub-fund, Investors may receive less than the amount invested.

Lack of publicly available information regarding Target Funds

14.4 The securities in which Target Funds invest may be offered on a private placement basis, and unlike more regulated mutual funds registered for distribution to the public, are subject to limited monitoring, disclosure and reporting requirements. Accordingly, only a relatively small amount of publicly available information about the Target Funds, their holdings and performance, may be available.

Illiquidity of Target Funds

14.5 Although the Investment Manager will seek to select Target Funds which offer the opportunity to have their shares or units redeemed within a reasonable time frame, there is no assurance that the liquidity of the investments of such Target Funds will always be sufficient to meet redemption requests as and when made. Any lack of liquidity may affect the liquidity of the Shares and the value of the investments of the Sub-fund.

14.6 For such reasons the treatment of redemption requests may be postponed in exceptional circumstances including if a lack of liquidity may result in difficulties to determine the Net Asset Value of the Shares and consequently a suspension of issues and redemptions of Shares.

Incentive and investment management fee

- 14.7 Due to the specialist nature of the Target Funds in which the Sub-fund invests, many, if not most of such Target Funds, may pay performance fees. Under these arrangements the Target Funds' investment managers will benefit from the appreciation, including any unrealised appreciation, if the value of the assets under their management increases, but they may not similarly be penalised for realised losses or decreases in the value of such assets. Further, because several, if not all investment managers of the Target Funds may be paid in performance fees, it is possible that in a given year such fees will be paid whereas the total Net Asset Value per Share of the Sub-fund decreases.
- 14.8 When investing in Shares of the Sub-fund which in turn invests in securities issued by investment funds or hedge funds (or by funds of hedge funds), Shareholders will incur the costs for investment management services and the fees and expenses paid by the Sub-fund to its Service Providers, as well as fees and expenses paid by the Target Funds to their service providers. These costs may in aggregate be higher than if the Sub-fund had invested directly in equity and debt securities. Where Target Funds invest in other collective investment vehicles, there may be further levels of fees and expenses. This will however not apply should the Sub-fund invest in Target Funds managed by the Investment Manager.

Leverage

- 14.9 Certain Target Funds operate with substantial degree of leverage and are not limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such Target Funds may in aggregate value be in excess of the Net Asset Value of the Sub-fund. This leverage presents the potential for a higher rate of total return but also increases the volatility of the Sub-fund, including the risk of a total loss of the amount invested.

Short Sales

- 14.10 The Target Funds may engage in short selling of securities which may expose the portion of the Target Funds' assets committed to such activities to unlimited risk due the lack of an upper limit on the price to which a security may rise. However, to the extent that the Sub-fund is exposed indirectly to the short selling activities of a Target Fund, the Sub-fund's losses will be limited to the amount invested in the relevant Target Fund.

Absence of depositaries and auditors

- 14.11 Some of the Target Funds have a broker as a depositary instead of a bank. In certain cases these brokers may not have the same capacities, size and credit rating as a bank. In addition, contrary to depositaries in regulated environments, these brokers will perform only safekeeping functions with no statutory supervisory obligations. In addition, the jurisdiction of some of the Target Funds may not require the auditing of such Target Funds' accounts.

Conflicts of interests

- 14.12 Conflicts of interests may arise between the Sub-fund and the persons or entities involved as advisers in the management of the Sub-fund and/or the Target Funds' investment managers. The Target Funds' investment managers normally manage assets of other clients that make investments similar to those made on behalf of the Target Funds. Such clients could thus compete for the same trades or investments and whilst available investments or opportunities for each client are generally allocated in a manner believed to be equitable to each, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed.
- 14.13 Conflicts may also arise as a result of the other services provided by the External AIFM, the Investment Manager or any other entity belonging to those companies which may provide investment management, advisory, custody or other services to some of the Target Funds in which the Sub-fund

invests. Similarly the Directors may also be directors of Target Funds in which the Sub-fund may invest and the interests of such Target Funds and of the Sub-fund could result into conflicts.

- 14.14 Generally, there may be conflicts of interests between the best interests of the Sub-fund and an interest of the Investment Manager and its Affiliates to generate fees, commissions and other revenues. In the event that such a conflict of interests arises, the Investment Manager will endeavour to ensure that it is resolved in the best interests of the Sub-fund.
- 14.15 In addition, the Directors will endeavour that all agreements and transactions entered into by the Company will be negotiated at arm's length. Furthermore, some Target Funds' investment managers may have an equity stake in their own fund. Conflicts of interest can therefore not be ruled out at the level of the Target Funds.

Nature of the Investments

- 14.16 Although the Investment Manager seeks to monitor investments and trading activities of the Target Funds to which the Sub-fund has allocated assets, investment decisions are normally made independently at the level of such Target Funds and it is possible that some Target Funds' investment managers will take positions in the same security or in issues of the same industry or country or in the same currency or commodity at the same time. Consequently, the possibility also exists that one Target Fund purchases an instrument at about the same time as another Target Fund decides to sell it. There is no guarantee that the selection of the Target Funds' investment managers will actually result in a diversification of investment styles and that the positions taken by the Target Funds will always be consistent.
- 14.17 There are only very limited constraints on the investment strategies and techniques that can be employed by the Target Funds' investment managers. Furthermore, each Target Fund has its own investment policy as set forth in its own prospectus or issuing document. As a result of its diversified investments, the Sub-fund may incur other risks, including currency exchange risks in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions, political risks relating to political, social and economic factors which may affect the assets of the Target Funds in which the Sub-fund invests, which are held in countries which may be subject to economic difficulties, political or social unrest.

FORUM ALTERNATIVE – FLEXIBLE ALLOCATION – GLOBAL INVESTMENTS

This Special Section is valid only if accompanied by the General Section. This Special Section refers only to Forum Alternative – Flexible Allocation – Global Investments (the **Sub-fund**).

1. INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

- 1.1 The investment objective of the Sub-fund is to obtain medium-term capital growth through the active management of a diversified portfolio, with a prudent profile, in international securities. The Sub-fund focuses on fixed income, variable income, or capital appreciation to generate returns (the **Investment Objective**).
- 1.2 There can be no assurance that the Investment Objective will be achieved.

Investment Strategy

- 1.3 To achieve this Investment Objective, the Sub-fund can invest the assets into different type of strategies, taken separately or combined together, into different asset classes and using traditional, non-traditional and alternative strategies.
- 1.4 The Sub-fund can invest through different asset classes including equities, sovereign debt (fixed or floating rate), corporate debt (fixed or floating rate), convertible bonds, foreign exchange markets, real estate markets, private debt, private equity, commodities, derivatives, precious metals, and/or alternative strategies.
- 1.5 The Sub-fund will achieve its Investment Objective by investing directly into the above mentioned assets or indirectly through Target Funds (i.e., mutual funds, exchange traded funds, alternative funds, index funds, hedge funds or other investments that exhibit similar characteristics).
- 1.6 The Sub-fund may use derivative instruments including, but not limited to, futures, swap, forwards and options to hedge some positions or for investment purposes.
- 1.7 The Sub-fund may hold cash, or liquidities, or cash equivalents, under exceptional circumstances up to 35% of its assets, respecting the diversification rules of the Section 3.5 of the General Section.
- 1.8 The Sub-fund is denominated into USD, but it can invest into other currencies, with or without hedging the currency risk.

2. INVESTMENT RESTRICTIONS AND GUIDELINES – LEVERAGE

Investment Restrictions and Guidelines

- 2.1 The Sub-fund is subject to the Investment Restrictions set out in Section 3.5 of the General Section, being provided that:
- (a) with reference to Section 3.5(d) of the General Section, the Sub-fund does not intend to borrow for investment purposes but may use borrowing for working capital purposes or bridge financing purposes, provided that it will not incur borrowings in excess of 100% of its net asset value;
 - (b) the Sub-fund will not use SFTs or TRS and will use financial derivative instruments for hedging purposes and investment purposes;
 - (c) the Sub-fund will not hold a securitisation position in the meaning of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017.
- 2.2 The Investment Restrictions may not be complied with during a Kick-off Period of six (6) months as from the end of the Initial Offering Period.

Leverage

- 2.3 The maximum level of Leverage permitted in respect of this Sub-fund is:
- (a) 200% of its Net Asset Value under the commitment method using a reference base of 1 (base 1: no leverage correspond to a ratio of 100%); and
 - (b) 300% of its Net Asset Value under the gross method (base 1).

3. REFERENCE CURRENCY

The Reference Currency of the Sub-fund is the USD.

4. TERM OF THE SUB-FUND

The Sub-fund has been created for an unlimited period of time.

5. VALUATION DAY

The Sub-fund's Valuation Day is set on Wednesday of each week. The official Net Asset Value is calculated and published on the first Business Day following the Valuation Day concerned. If this Valuation Day is not a Business Day, the Valuation Day is set as the first Business Day following that and the official Net Asset Value will be calculated on the first Business Day that follows.

6. CLASSES AVAILABLE

- 6.1 There are for the time being one Class available for subscription in the Sub-fund with the following characteristics:

	Class A
Accumulation / Distributions	Accumulation
Eligible Investors	Professional Investors
ISIN	
Minimum Subscription Amount	USD 125.000
Initial Subscription Price	USD 100 per Share
Subscription Fee	None
Redemption Fee	None
Investment Management Fee	Up to 0.31% p.a.

Price Adjustment

- 6.2 With respect to subscriptions, redemptions and conversions of Shares of this Sub-fund, the Net Asset Value per Share on the relevant Valuation Day may be adjusted and a dilution levy may be applied in accordance with Section 7.8 of the General Section.

7. SUBSCRIPTIONS

General

- 7.1 Investors will be offered the opportunity to subscribe for Shares in the Sub-fund:
- (a) during the Initial Offering Period, at the Initial Subscription Price, in accordance with Section 7.3 of this Special Section; and
 - (b) on a continuous basis on each Valuation Day at a price based on the NAV per Share as at that Valuation Day, in accordance with Sections 7.3 to 7.7 of this Special Section.
- 7.2 Subscriptions will be accepted in amounts and may be accepted in specie, subject to the terms of the General Section.

Initial Offering Period

- 7.3 The initial subscription period for Shares in the Sub-fund will be set by a resolution of the Board once the report on the contribution in kind prepared by the statutory auditor of the Company has been finalised. The Shares will be issued at an initial subscription price of USD 100 per Share.

Ongoing subscriptions

General

- 7.4 After the Initial Offering Period, Investors will be offered the opportunity to subscribe for Shares in the Sub-fund on any Valuation Day in accordance with the procedure set out below.

Subscription procedure

- 7.5 Subscriptions may be made only by Investors who are not Restricted Persons by:
- (a) submitting a complete written and signed subscription request to the External AIFM to be received by the External AIFM (or its sub-contractor) before 11 a.m. (Luxembourg time) one (1) Business Day before the relevant Valuation Day on which the subscription will be effected. Subscription requests received after this deadline will, unless otherwise decided by the Company, be processed on the next following Valuation Day; and
 - (b) The amount subscribed is payable in USD and must be received by the Company within three Business Days in Luxembourg following the applicable Valuation Day for the subscriptions concerned.
- 7.6 Subscribers for Shares must make payment in the Reference Currency of the Shares. In the event that the subscription order is incomplete (i.e., all requested papers are not received by the External AIFM (or its sub-contractor) by the relevant deadline set out above) the subscription order will be rejected and a new subscription order will have to be submitted.
- 7.7 The Company reserves the right to accept or reject a subscription request, in whole or in part, at its discretion. In the event that the Company decides to reject any application to subscribe for Shares, the monies transferred by the prospective Investor will be returned to the prospective Investor without undue delay (unless otherwise provided for by law or regulations).
- 7.8 The number of Shares issued to a subscriber or Shareholder in connection with the foregoing procedures will be equal to the subscription monies provided by the subscriber or Shareholder (less the applicable Subscription Fee) divided by the Net Asset Value per Shares as at the relevant Valuation Day.

8. REDEMPTIONS

Open-ended Sub-fund

- 8.1 The Sub-fund is an Open-ended Sub-fund and will allow Shareholders to request redemption of their Shares on each Valuation Day (the **Redemption Request**). A Redemption Request received before 11 a.m. (Luxembourg time) on the preceding Business Day prior to the Valuation Day by the External AIFM (or its sub-contractor) in respect of Shares will be an **Eligible Redemption Request**. Redemption Requests received after this deadline will be deemed to be processed on the next following Valuation Day.

Form of Redemption Requests

- 8.2 Redemption Requests must be addressed to the External AIFM (or its sub-contractor). Redemption Requests will not be accepted by telephone or telex. Redemption Requests are irrevocable (except during any period where the determination of the Net Asset Value, the issue, redemption and conversion of Shares is suspended). The Company reserves the right not to redeem any Shares if it has not been provided with evidence satisfactory to the Company that the redemption request was made by a Shareholder of the Company. Failure to provide appropriate documentation to the External AIFM (or its sub-contractor) may result in the withholding of redemption proceeds. Requests for redemption must be for either a number of Shares or an amount denominated in the Reference Currency of the Class of the Sub-fund.

Redemption Price

- 8.3 A Shareholder who redeems his/her/its Shares will receive an amount per Share redeemed equal to the Net Asset Value per Share as of the Valuation Day for the relevant Class in the Sub-fund in respect of which the Shares are actually repurchased less the Redemption Fee (if any) and any tax or duty imposed on the redemption of the Shares.

No obligation to redeem

- 8.4 The Company will seek to satisfy Eligible Redemption Requests in full or in part from the cash arising from the return on, disposal or re-financing of, any Investment held by the Sub-fund, less any reserves in the Company's reasonable discretion required for actual and possible accrued costs and liabilities. If there is insufficient cash to meet in full all outstanding Eligible Redemption Requests on a Valuation Day, then the Company may decide to meet such requests in part on a pro-rata basis. Any outstanding Redemption Requests will then be rolled over to the next Valuation Day and will be subject to the terms of this Section 8.4.
- 8.5 Eligible Redemption Requests made in respect of a particular Valuation Day will take priority over any new Eligible Redemption Requests received in respect of any subsequent Valuation Day, i.e. no new redemptions will be processed until all Eligible Redemption Requests received in respect of any prior Valuation Day have been satisfied in full.
- 8.6 Alternatively, if, on a Valuation Day, the cash available to satisfy Eligible Redemption Request is insufficient to satisfy all outstanding Eligible Redemption Requests, the Company may satisfy all or part of the pro-rata portion of these Eligible Redemption Requests that cannot be met out of such cash by a distribution in-kind of assets in lieu of paying to the Shareholder(s) redemption proceeds in cash, subject to and in accordance with the terms of Section 8.10 of this Special Section. The pro-rata portion of Eligible Redemption Requests that are not met either in cash or in-kind will be rolled over to the next Valuation Day.
- 8.7 **Accordingly, redemptions may take place over one or more Valuation Days. Nothing will oblige the Company to meet any Eligible Redemption Request, and prospective Investors should be aware that they may be required to bear the financial risk of their investment for a significant period of time and Shareholders may be paid out at different NAVs per Share.**

Suspension of redemption

- 8.8 Redemption of Shares may be suspended for certain periods of time as described under Section 14 of the General Section.

Payment of redemption proceeds – Redemption in-kind

- 8.9 Subject to the right of the Company to limit aggregate redemptions or suspend redemptions or the calculation of NAV in accordance with the terms of this Special Section, and there being sufficient redemption available cash, redemption proceeds will generally be paid within three (3) Business Days after the Valuation Day.
- 8.10 The Company may, at the request of a Shareholder, agree to make, in whole or in part, a distribution in-kind of securities or other assets of the Sub-fund to that Shareholder in lieu of paying to that Shareholder redemption proceeds in cash. The Company will agree to do so if it determines that such a transaction would not be detrimental to the best interests of the remaining Shareholders of the relevant Sub-fund. Such distribution will be effected at the Net Asset Value per Share of the relevant Class of the Sub-fund from which the Shareholder is redeeming, and thus will constitute a pro-rata portion of the Sub-fund's assets in terms of value. The assets to be transferred to such Shareholder will

be determined by the Company, the External AIFM and the Depositary, with regard to the practicality of transferring such assets and to the interests of the Sub-fund and continuing participants therein and to the Shareholder. Such a Shareholder may incur brokerage and/or local tax charges on any transfer or sale of securities so received in satisfaction of redemption. **The redeeming Shareholder might not be able to sell or transfer any such assets for a long period of time and the net proceeds from this sale by the redeeming Shareholder of such assets may be more or less than the corresponding redemption price of Shares in the relevant Sub-fund due to market conditions and/or differences in the prices used for the purposes of such sale or transfer and the calculation of the Net Asset Value per Share of Shares of the Sub-fund.** The valuation of assets will be subject to the review and approval of the Auditor.

9. INVESTMENT MANAGER

The External AIFM has delegated the portfolio management of the Sub-fund to Edmond de Rothschild (Suisse) S.A. (the **Investment Manager**), supervised by the Swiss Financial Market Supervisory Authority (FINMA), with registered office at 18 rue de Hesse, CH – 1204 Geneva, Switzerland.

10. INVESTMENT MANAGEMENT FEE

- 10.1 The Investment Manager is entitled to receive out of the assets of the Sub-fund an Investment Management Fee in respect of each Class at a rate p.a as set out in Section 6 above.
- 10.2 The Investment Management Fee is payable quarterly in arrears and calculated on the average Net Asset Value of the Class over the quarter concerned.

11. CIRCULAR 02/77

- 11.1 For the purpose of Sections 3.8 and 13.13(g) of the General Section, the Board intends to comply with the principles and rules set out in Circular 02/77.

12. AMENDMENTS TO THIS SPECIAL SECTION

- 12.1 The provisions of this Special Section may be amended as follows:
- (a) where the change is determined by the Board to have a material adverse effect on Investors, only following either (i) the written consent by Shareholders in the Sub-fund who together hold Shares whose aggregate voting rights represent two-thirds of the total voting rights of the Sub-fund or (ii) the end of a reasonable prior notice period during which Investors who disagree with the changes will have the right to request the redemption of their Shares without charge (but provided that, for the avoidance of doubt, the terms governing redemptions as applicable in this Sub-fund will continue to govern such redemptions); and
 - (b) without the consent of Investors to make any change, so long as the changes do not materially adversely affect the rights and obligations of any existing Investors, as the case may be, including, without prejudice to the generality of the foregoing:
 - (i) to take such action in light of changing legal or regulatory conditions as is necessary in order to permit the Company or the Sub-fund, as the case may be, to continue in existence and in compliance with applicable laws and regulations, including, without limitation, the US Investment Company Act, the US Securities Act, FATCA and ERISA and to comply with the requirements of the AIFM Directive;
 - (ii) to delete or add any provision of this Special Section required to be so deleted or added by a regulatory authority, state securities commission or similar agency, which

addition or deletion is deemed by such regulatory authority, commission or agency to be for the benefit or protection of the Investors;

- (iii) to correct any clerical mistake or to correct or supplement any immaterial provision herein that may be inconsistent with any other provision herein or therein, or correct any printing, typographical, stenographic or clerical errors or omissions, that will not be inconsistent with the provisions of this Special Section.

12.2 No amendment may be made to this Section 12 without the unanimous consent of all Investors in the Sub-fund.

13. SPECIFIC RISK FACTORS

13.1 Before making an investment decision with respect to this Sub-fund, prospective Investors should carefully consider the risks of investing set out in Section 27 of the General Section and the following specific risks related to Investments in Target Funds.

General risks

13.2 Prospective Investors should be aware that an investment in the Sub-fund involves a high degree of risk, including the risk of loss of the entire amount invested.

13.3 The Sub-fund may invest in and actively trade instruments with significant risk characteristics, including risks arising from the volatility of securities, financial futures, derivatives, currency and interest rate markets, the leverage factors associated with trading in such markets and instruments, and the potential exposure to loss resulting from counterparty defaults. There can be no assurance that a Sub-fund's investment program will be successful or that the investment objective of the Sub-fund will be achieved. Shares in the Sub-fund may fluctuate in price and value, and the value of the Shares may decline below the amount originally invested. Despite a strict due diligence procedure used to select and monitor the individual Target Funds in which the assets of the Sub-fund are invested, there can be no assurance that the past performance information will be indicative of how such investments will perform (either in terms of profitability or correlation) in the future. Upon a redemption of Shares or the liquidation of the Sub-fund, Investors may receive less than the amount invested.

Lack of publicly available information regarding Target Funds

13.4 The securities in which Target Funds invest may be offered on a private placement basis, and unlike more regulated mutual funds registered for distribution to the public, are subject to limited monitoring, disclosure and reporting requirements. Accordingly, only a relatively small amount of publicly available information about the Target Funds, their holdings and performance, may be available.

Illiquidity of Target Funds

13.5 Although the Investment Manager will seek to select Target Funds which offer the opportunity to have their shares or units redeemed within a reasonable time frame, there is no assurance that the liquidity of the investments of such Target Funds will always be sufficient to meet redemption requests as and when made. Any lack of liquidity may affect the liquidity of the Shares and the value of the investments of the Sub-fund.

13.6 For such reasons the treatment of redemption requests may be postponed in exceptional circumstances including if a lack of liquidity may result in difficulties to determine the Net Asset Value of the Shares and consequently a suspension of issues and redemptions of Shares.

Incentive and investment management fee

- 13.7 Due to the specialist nature of the Target Funds in which the Sub-fund invests, many, if not most of such Target Funds, may pay performance fees. Under these arrangements the Target Funds' investment managers will benefit from the appreciation, including any unrealised appreciation, if the value of the assets under their management increases, but they may not similarly be penalised for realised losses or decreases in the value of such assets. Further, because several, if not all investment managers of the Target Funds may be paid in performance fees, it is possible that in a given year such fees will be paid whereas the total Net Asset Value per Share of the Sub-fund decreases.
- 13.8 When investing in Shares of the Sub-fund which in turn invests in securities issued by investment funds or hedge funds (or by funds of hedge funds), Shareholders will incur the costs for investment management services and the fees and expenses paid by the Sub-fund to its Service Providers, as well as fees and expenses paid by the Target Funds to their service providers. These costs may in aggregate be higher than if the Sub-fund had invested directly in equity and debt securities. Where Target Funds invest in other collective investment vehicles, there may be further levels of fees and expenses. This will however not apply should the Sub-fund invest in Target Funds managed by the Investment Manager.

Leverage

- 13.9 Certain Target Funds operate with substantial degree of leverage and are not limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such Target Funds may in aggregate value be in excess of the Net Asset Value of the Sub-fund. This leverage presents the potential for a higher rate of total return but also increases the volatility of the Sub-fund, including the risk of a total loss of the amount invested.

Short Sales

- 13.10 The Target Funds may engage in short selling of securities which may expose the portion of the Target Funds' assets committed to such activities to unlimited risk due the lack of an upper limit on the price to which a security may rise. However, to the extent that the Sub-fund is exposed indirectly to the short selling activities of a Target Fund, the Sub-fund's losses will be limited to the amount invested in the relevant Target Fund.

Absence of depositaries and auditors

- 13.11 Some of the Target Funds have a broker as a depositary instead of a bank. In certain cases these brokers may not have the same capacities, size and credit rating as a bank. In addition, contrary to depositaries in regulated environments, these brokers will perform only safekeeping functions with no statutory supervisory obligations. In addition, the jurisdiction of some of the Target Funds may not require the auditing of such Target Funds' accounts.

Conflicts of interests

- 13.12 Conflicts of interests may arise between the Sub-fund and the persons or entities involved as advisers in the management of the Sub-fund and/or the Target Funds' investment managers. The Target Funds' investment managers normally manage assets of other clients that make investments similar to those made on behalf of the Target Funds. Such clients could thus compete for the same trades or investments and whilst available investments or opportunities for each client are generally allocated in a manner believed to be equitable to each, some of those allocation procedures may adversely affect the price paid or received for investments or the size of positions obtained or disposed.

- 13.13 Conflicts may also arise as a result of the other services provided by the External AIFM, the Investment Manager or any other entity belonging to those companies which may provide investment management, advisory, custody or other services to some of the Target Funds in which the Sub-fund invests. Similarly the Directors may also be directors of Target Funds in which the Sub-fund may invest and the interests of such Target Funds and of the Sub-fund could result into conflicts.
- 13.14 Generally, there may be conflicts of interests between the best interests of the Sub-fund and an interest of the Investment Manager and its Affiliates to generate fees, commissions and other revenues. In the event that such a conflict of interests arises, the Investment Manager will endeavour to ensure that it is resolved in the best interests of the Sub-fund.
- 13.15 In addition, the Directors will endeavour that all agreements and transactions entered into by the Company will be negotiated at arm's length. Furthermore, some Target Funds' investment managers may have an equity stake in their own fund. Conflicts of interest can therefore not be ruled out at the level of the Target Funds.

Nature of the Investments

- 13.16 Although the Investment Manager seeks to monitor investments and trading activities of the Target Funds to which the Sub-fund has allocated assets, investment decisions are normally made independently at the level of such Target Funds and it is possible that some Target Funds' investment managers will take positions in the same security or in issues of the same industry or country or in the same currency or commodity at the same time. Consequently, the possibility also exists that one Target Fund purchases an instrument at about the same time as another Target Fund decides to sell it. There is no guarantee that the selection of the Target Funds' investment managers will actually result in a diversification of investment styles and that the positions taken by the Target Funds will always be consistent.
- 13.17 There are only very limited constraints on the investment strategies and techniques that can be employed by the Target Funds' investment managers. Furthermore, each Target Fund has its own investment policy as set forth in its own prospectus or issuing document. As a result of its diversified investments, the Sub-fund may incur other risks, including currency exchange risks in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions, political risks relating to political, social and economic factors which may affect the assets of the Target Funds in which the Sub-fund invests, which are held in countries which may be subject to economic difficulties, political or social unrest.