



**CONFIDENTIAL**

**PRIVATE INVESTMENT MEMORANDUM**

**LION ALTERNATIVE FUND**

a special limited partnership  
formed under the laws of Luxembourg  
up to EUR 100,000,000 (or equivalent in USD)

**LIMITED PARTNERSHIP UNITS**

15<sup>th</sup> of November 2019

**VERSION : 9.0**

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## 1 PREAMBLE

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This confidential private investment memorandum (the “Memorandum”) is furnished on a confidential basis to investors for the purpose of providing certain information about the limited partnership interests (the “Units”) of LION ALTERNATIVE FUND SLP, a Luxembourg Special limited partnership, (the “Partnership” or the “SLP” or the “Fund”), registered under the number B 224771.

The Units have not been approved or disapproved by any securities commission or similar authority in Luxembourg nor has any such securities commission or similar authority passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is an offence.

The securities described herein are offered only in those jurisdictions where and to those persons to whom they may be lawfully offered for sale, and therein only by persons permitted to sell or issue such securities.

This Memorandum is not, and under no circumstances is it to be construed as, an advertisement or a public offering of the securities referred to herein.

The distribution of Units pursuant to this Memorandum is being made only on a private placement basis and is exempt from the requirement that the Partnership prepares and files a prospectus with Luxembourg securities regulatory authorities. Potential investors who will be acquiring Units pursuant to this Memorandum will not have the benefit of the review of this Memorandum by a securities commission or similar regulatory authority in any of the jurisdictions where this offering is made.

Any resale of Units permitted by the Limited Partnership Agreement of the Partnership must be made in accordance with applicable securities laws, which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with, or pursuant to an exemption from, prospectus and dealer registration requirements. In addition, resales must be made in accordance with the limited partnership agreement. Each Purchaser acknowledges that Units will contain a legend relating to the above resale restrictions.

Purchasers are advised to seek legal advice prior to any purchase or resale of the Units.

In making an investment decision, investors must rely on their own examination of the Partnership and the terms of this Memorandum, the Limited Partnership Agreement and the Subscription Form (as each is defined below), including the merits and risks involved.

Potential investors should pay particular attention to the information under the caption “Risk Factors” in this Memorandum. Investment in the Partnership is suitable only for qualified sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Partnership. Limited Partners must be prepared to bear such risks for an extended period of time.

No assurance can be given that the Partnership’s investment objectives will be achieved or that investors will receive a return of their capital.

Prospective investors should not construe the contents of this Memorandum as legal, tax, regulatory, investment, financial or accounting advice, and each prospective investor is urged to consult with its own advisors with respect to the legal, tax, regulatory, investment, financial, accounting and other consequences of an investment in the Partnership.

This Memorandum contains a summary of the limited partnership agreement of the Partnership (the “Limited Partnership Agreement” or “LPA”) and of other documents referred to herein, which do not purport to be complete. Such summary is subject to and qualified in its entirety by reference to the Limited Partnership Agreement and the subscription form to be signed by each investor (the “Subscription Form”).

This Memorandum is to be used by the prospective investor to which it is furnished solely in connection with considering the purchase of the Units described herein. The information contained herein should be treated in a confidential manner and may not be reproduced or used in whole or in part for any other purpose, nor may it be disclosed, without the prior written consent of the “General Partner”.

Each prospective investor accepting this Memorandum hereby agrees to return it, and any copies of it, promptly upon request. No person has been authorized in connection herewith to give any information or make any representations other than as contained in this Memorandum and any representation or information not contained herein must not be relied upon as having been authorized by the Partnership or any of its partners (including the General Partner), or any of their affiliates or the directors, officers, members, partners, employees, agents, shareholders, associates or affiliates of any of them. The delivery of this Memorandum does not imply that any other information contained herein is correct as of any time subsequent to the date of distribution of this Memorandum.

Certain of the economic, statistical and financial market information contained herein might have been obtained from published sources prepared by other parties. While such sources are believed to be reliable for the purpose used herein, none of the Partnership or any of its partners (including the General Partner or any of their affiliates and none of the directors, officers, partners, employees, agents, shareholders, associates or affiliates of any of them assume any responsibility for the accuracy of the information, and none has independently verified any of the information contained herein.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY APPLICABLE LAW AND THE TERMS OF THE LIMITED PARTNERSHIP AGREEMENT.

This Memorandum contains “forward-looking information”. Forward-looking information includes, but is not limited to, information with respect to the operations, investment strategy and processes of the Partnership as well as the Partnership’s ability to identify and conclude transactions with acquisition targets and complete subsequent liquidity events. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects”, or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “does not anticipate”, or “believes” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will be taken”, “occur”, or “be achieved”.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Partnership, to be materially different from those expressed or implied by such forward-looking information, including risks associated with the private equity industry such as economic and market conditions, the ability to raise sufficient capital, the ability to identify and conclude acquisitions of suitable investment opportunities and complete liquidity events on favorable terms.

Implicit in this forward-looking information are assumptions regarding the general economy, debt financing availability, currency exchange rates, interest rates and opportunities. These assumptions, although considered reasonable by the General Partner based on information currently available to it, may prove to be incorrect. Although the General Partner has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not

place undue reliance on forward-looking information. The General Partner does not undertake to update any forward-looking information, except in accordance with applicable securities.

IF YOU ARE IN ANY DOUBTS ABOUT THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OTHER THAN THAT CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM, OR ANY OF THE DOCUMENTS REFERRED TO HEREIN THAT ARE AVAILABLE FOR PUBLIC INSPECTION AT THE REGISTERED OFFICE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE UNITS AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS HAVE NOT BEEN REVIEWED, APPROVED OR DISAPPROVED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

A limited partnership agreement (LPA) has been signed between the general partners and the first limited partner.

The Limited Partnership Agreement, this Memorandum, the Subscription Form and the Term Sheet complete and are part of the Issuing Documentation to which any future partners are required to agree.

All information contained in this document and the LPA are subject to amendments. In case of inconsistency between the Memorandum/Term Sheet and the LPA, only the terms and conditions of the LPA will prevail.

## **1.1 Distribution of the Issuing Documentation - Selling restrictions**

Prospective Partners should note that unless otherwise provided, the Units have not been, and will not be, registered under the securities law of any country. Therefore, this Issuing Documentation does not constitute an offer of, or an invitation to purchase, Units to anyone in any country or jurisdiction in which (i) such offer or invitation is not authorized, (ii) any person making such offer or invitation is not qualified to do so or (iii) the offer or invitation to such person would be unlawful.

No action has been or will be taken that would permit a public offering of the Units in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Issuing Documentation nor any other information, form of application, advertisement or other document may be distributed or published, in any country or jurisdiction, except under circumstances which are in compliance with any applicable laws and regulations.

It is the responsibility of any person or persons in possession of this Issuing Documentation and wishing to make application for Units to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Units should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

This Issuing Documentation has been furnished on a confidential basis and is intended solely for the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Units described herein. It is not to be reproduced, distributed or used for any other purpose and by any other persons (other than professional advisors of the prospective investor receiving this document).

## **1.2 United States**

The Units have not been and will not be registered under the Securities Act of 1933 of the United States, as amended (the “**1933 Act**”) or the securities laws of any of the states of the United States. The Units may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any “US

Person” except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Units are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act.

The Fund has not been and will not be registered under the United States Investment Company Act of 1940 (as amended) (the “**1940 Act**”) since Units will only be sold to US Persons who are “qualified purchasers”, as defined in the 1940 Act.

Each subscriber for Units that is a US Person will be required to certify that it is an “accredited investor” and a “qualified purchaser”, in each case as defined under applicable US federal securities laws, thereby also qualifying as a “qualified eligible person” as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended (the “**CEA**”).

The Units are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Fund does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the Fund's investment program. The Fund's investment practices, by their nature, may be considered to involve a substantial degree of risk. Subscribers for Units must represent that they are acquiring the Units for investment.

The Units have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Issuing Documentation. Any representation to the contrary is unlawful.

There will be no public offering of the Units in the United States.

This Issuing Documentation has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund, and should not be reproduced or used for any other purpose.

Generally: The distribution of this Issuing Documentation and the offering of Units may be restricted in certain jurisdictions. The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Issuing Documentation and wishing to make application for Units to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Units should inform themselves and seek independent advice and consult with independent advisors as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Notwithstanding any contrary statement in this Issuing Documentation or in any related subscription materials, the recipient of this Issuing Documentation (and each employee, representative, or other agent of that person) may disclose to any and all persons, without limitation of any kind, the US tax treatment and US tax structure of the transactions described in this Issuing Documentation and all materials of any kind (including opinions or other tax analyses) that are provided to the recipient of this Issuing Documentation to the extent they relate to such US tax treatment and US tax structure.

This Issuing Documentation does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation.

### **1.3 Data Protection**

Prospective investors and applicants must be aware that their personal data may be disclosed (i) to the Administrative Agent, the General Partner, the AIFM, the Manager, the Investment Advisor(s) and any member of their groups and to other parties which are involved in the process of the business relationship (for example, external processing centers, and dispatch or payment agents), including companies based in countries where

data protection laws might not exist or be of a lower standard than in the European Union or (ii) when required by law or regulation. By signing the Subscription Form, an investor consents to such disclosure.

## 2 DEFINITIONS

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Unless otherwise defined herein, capitalised terms used throughout this Issuing Documentation shall have the meanings ascribed to such terms hereafter:

1933 Act	the Securities Act of 1933 of the United States, as amended
1940 Act	the United States Investment Company Act of 1940 (as amended)
Administrative Agent	Creatrust Sàrl acting pursuant to the Administrative Agent Agreement in its capacity as domiciliary, corporate, and administrative agent of the Fund in Luxembourg, or such other entity as may be appointed from time to time to act in such capacity
Affiliate	any local or foreign corporation or partnership or other entity (including for the avoidance of doubt any Wholly Owned Affiliate) (a) in which the Fund holds in aggregate more than 50% of the voting rights or (b) which is otherwise controlled by the Fund, and which in either case also meets all of the following conditions: (i) it does not have any activity other than the holding of investment instruments, which qualify under the investment objective and policy of the Fund, (ii) the majority of the managers or board members of such Affiliate are board members of the Fund, except to the extent that this is not practicable for tax or regulatory reasons, (iii) to the extent required under applicable laws and regulations, the accounts of such Affiliate are audited by or under the supervision of the Auditor of the Fund, and (iv) to the extent required under applicable laws and regulations, such Affiliate is consolidated in the annual accounts of the Fund; any of the above mentioned local or foreign corporations or partnerships or other entities shall be deemed to be "controlled" by the Fund if (i) it has the right to appoint or remove a majority of the members of the managing body of that entity or (ii) it controls more than 50% of the voting rights in that entity pursuant to an agreement with the other shareholders Alternative Investment Fund or AIF means an alternative investment fund within the meaning of the Law of 12 July 2013.
Alternative Investment Fund Manager or "AIFM"	means the Manager of the Fund, LION MANAGEMENT, a limited liability company ( <i>société à responsabilité limitée anonyme</i> ), and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 89E Parc d'Activités, 8308 Capellen, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Commercial Register under the registration number B237822, Grand Duchy of Luxembourg,
AIFM Agreement	means, if any, the agreement entered into between the Fund and the AIFM whereby the General Partner appoints the AIFM to act as the Fund's alternative investment fund manager in accordance with the provisions of the Law of 12 July 2013 to perform certain

	management functions, including portfolio management and risk management
AIFM Cause	means any of the following occurrences, which allow the Fund to remove the AIFM with immediate effect, in accordance with the terms and provisions of the AIFM Agreement: (i) the AIFM shall breach its obligations hereunder and in the case of breach capable of remedy, shall fail to remedy the same within 30 days after receipt of written notice from the Fund hereto giving particulars of such breach and requiring it to be remedied; or (ii) a receiver or other official named by a competent court is appointed over the AIFM or any property of the AIFM; or (iii) the AIFM becomes insolvent or unable to pay its debts as they fall due, enters into any voluntary arrangement with its creditors or becomes subject to a judicial administration order; or (iv) the AIFM goes into liquidation (except for the purposes of amalgamation or reconstruction and in such a manner that the entity resulting there from effectively agrees to be bound by or assume the obligations imposed on the AIFM hereunder); or (v) the AIFM loses its regulatory license
AIFM Directive	means the European directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative investment fund managers and amending directive 2003/41/EC and 2009/65/EC and regulations (EC) No 1060/2009 and (EU) No 1095/2010
Appendix	the annexures to the Limited Partnership Agreement or the Memorandum relating to the issuance of the Units
Banker	the bank Sparkasse Bank Malta plc or the institution which opens and maintain a bank account facility to allow the Fund to receive subscription, pay and receive money and redemptions
Bank Account	the bank account of the Fund held by the Banker
Base Currency	the EUR, the base currency of the Fund
Board	the board of directors of the General Partner
Broker	the brokerage firm which provides trading and investment facility, leverage, settlement on financial instruments
Borrowing	any loan, note or other indebtedness of the Fund for borrowed money
Business Day	any day on which banks are conducting normal business activities in Luxembourg
CEA	US federal securities laws, defining person who are considered as “qualified eligible person” as defined in Rule 4.7 under the United States Commodity Exchange Act, as amended
Company Law	the Luxembourg law of 10 August 1915 on commercial companies, as the same may be amended from time to time
CSSF	the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector



Custodian	a regulated bank acting in its capacity of custodian pursuant to the custodian agreement (the "Custodian Agreement") or such other custodian from time to time appointed by the Fund
Conducting Officers	means the conducting officers of the AIFM in accordance with the provisions of Part II of the Law of 13 February 2007 and the Law of 12 July 2013
Distributions	the amount of money, dividends or bonus distributed by the Fund to the Shareholders/Partners pursuant to the Profits made by the Fund
Emergency	a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the General Partner/Manager
Euro/EUR	the lawful currency of the member States of the European Union which have adopted the single currency
Financial Year	the financial year of the Fund, which starts each year on 1st January and ends on 31st December. Notwithstanding the above, the first Financial Year shall start on the date of incorporation of the Fund and shall end on 31st December 2018
Fund	LION ALTERNATIVE FUND , a Special Limited Partnership incorporated in Grand Duchy of Luxembourg, or the Partnership (SLP)
GP	the General Partner
General Partner	the Partner which holds General Partnership Units in the Fund and who the responsibility and powers are defined in the LPA
General Provisions	the content of the Issuing Documentation
Gross Asset Value/GAV	the gross asset value of the Fund as determined by the Administrative Agent
High Watermark	the value of the initial Net Asset Value per Unit and increased to the current net asset value per Unit each time a performance fee is charged
Initial Price	the subscription price at which the Units are offered to Initial Partners
Initial Partners	the Partner(s) investing in the Fund at the incorporation of the Fund.
Investment Advisory Fee	the fee payable by the Fund to the Investment Advisor as mentioned in the Term Sheet
Investment Manager	the Manager
Investor(s)	Any investor who is considered, or may be treated on request, as a Professional Client as defined in MIFID, the Markets in Financial Instruments Directive (EU Directive 2014/65/UE) who has subscribed in Units of the Fund.

Investment Objective and Policy	the investment objective and policy of any of the Fund
Issuing Documentation	the issuing document of the Fund, as the same may be amended, supplemented and modified from time to time which comprises the Limited Partnership Agreement, the Term Sheet, the Memorandum, the Subscription Form and any Appendices
KYC/AML	the legislations and obligations derived from the Anti Money Laundering EU directive.
Launch Date	the launch date of the Fund as specified in the Term Sheet
Law	the law as applicable in Grand Duchy of Luxembourg
Law of 17 December 2010	means the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or replaced from time to time
Law of 12 July 2013	means the Luxembourg law of 12 July 2013 relating to alternative investment fund managers, as amended or replaced from time to time
Limited Partnership Agreement	the articles of incorporation of the Fund as the same may be amended, supplemented and modified from time to time
LPA	the Limited Partnership Agreement
Management Fee	the management fee payable by the Fund to the Manager/AIFM with a view to cover the reasonable, justified and documented cost of the ongoing management and administration of the Fund
Memorial	The official gazette of the Grand Duchy of Luxembourg
Minimum Subscription	a minimum number of Unit or amount in the Reference Currency or Other Denomination Currency, which a Partner must subscribe in the Fund
Minimum Redemption	No minimum
Net Asset Value/ NAV	the net asset value per Unit of the Fund as calculated monthly by the Administrative Agent
Net Proceeds	the balance of the following items: (i) realised proceeds (dividends, interest and disposition proceeds from investments of the Fund) less (ii) expenses directly related to the items pursuant to (i) (i.e. directly occurred to the dispositions proceeds, etc.)
Other Denomination Currency	a currency different from the Reference Currency
Partner(s)	a person recorded as a holder of one or more Units in the Register of Partners
Partnership	LION ALTERNATIVE FUND, a Special Limited Partnership (SLP) incorporated in Grand Duchy of Luxembourg, or the Fund
Performance Fee	the performance fee payable by the Fund to the AIFM as defined (the case may be) in the relevant Appendix of each Sub-Fund

Paying Agent	the General Partner or any company acting pursuant to a Paying Agent Agreement (the "Paying Agent Agreement"), in its capacity as paying agent of the Fund in Luxembourg, or such other sub-entity as may be appointed from time to time to act in such capacity
Paying Agent Agreement	the agreement by virtue of which the Paying Agent render its services of paying agent to the Fund
Prohibited Person(s)	any person, firm, partnership or corporate body, if in the sole opinion of the General Partner such holding may be detrimental to the interests of the existing Partners or of the Fund, if it may result in a breach of any law or regulation, whether Luxembourg or otherwise, or if as a result thereof the Fund may become exposed to tax disadvantages, fines or penalties that it would not have otherwise incurred; the term "Prohibited Person" includes any person, firm, partnership or corporate body, which does not meet the definition of Well-Informed Investors as described below
Profits	for purposes of Distributions, "Profit" means, in relevant period of time, the net earnings of the Fund for that period of time defined as all cash received by such Fund from any source less (i) all principal and interests payment on any third-party indebtedness of the Fund and other sums due to such lenders, and (ii) cash used to pay, or held as reserves for working capital, operating expenses, Management Fee, capital expenditures, and any other expenses, liabilities and obligations of the Fund, including but not limited to those set in the Memorandum
Redemption Price	the price at which the Partner is reimbursed of the Units at a Valuation Date and based on the last NAV.
Reference Currency	the currency in which the Net Asset Value of the Fund is denominated (see Base Currency above)
Register of Partners	the register of the Fund's Partners kept by the Registrar and Transfer Agent
Registrar and Transfer Agent	The Partnership represented by the General Partner acting in its capacity as registrar and transfer agent of the Fund in Luxembourg, or such other entity as may be appointed from time to time to act in such capacity
Regulated Market	a financial market which is regulated, operates regularly and is recognized and open to the public
Risk Manager	the person in charge of the risk management of the Fund pursuant its investment policy
Securities	the Units issued by the Fund
SLP	Special Limited Partnership
Special Provisions	the content of Term Sheet
Subscription Form	each of the subscription forms entered into between the Fund and any Partner in relation to the subscription for Units issued by the Fund setting forth, among other things, (i) the amount of money

	that the Partner has committed, (ii) the rights and obligations of the Partner in relation to the subscription of Units, the Subscription Fees and other relevant information
Subscription Price	the initial subscription price per Unit as described in the relevant Appendix and therefore at the prevailing NAV per Share
Subsequent Partner	or Future Limited Partners are Partners other than the Initial Partners, investing in the Fund during the Subsequent Subscription Period
Subsequent Subscription	any Subscription made after the Initial Subscription Period
Subsequent Subscription Period	the subsequent subscription period is the period during which any Subsequent Subscription can be made
Term Sheet	the term sheet applicable to the subscription of Units, being part of the Issuance Documentation
Transactional Value	the acquisition cost or disposals proceeds (before repayment of any Borrowings used to finance the acquisition of the relevant asset), excluding (i) interest on any such debt financing (ii) related transfer taxes and (iii) costs and expenses associated with such acquisition or disposal
Transfer Request	the written transfer request to be submitted to the General Partner in case of transfer by a Partner of its Units
UCI	means undertaking for collective investments
UCITS	means undertaking for collective investment in transferable securities as defined under the law of 17 December 2010 relating to undertaking for collective investment (as amended)
Unit(s)	registered unit(s) of no par value in issue
USD	the lawful currency of the United States of America
US Person(s)	a citizen or resident of the United States, a corporation, partnership or any other entity created in or under the laws of the United States of America or any person falling within the definition of the term "United States Person" under the 1933 Act
Valuation Day	a Business Day as of which the Net Asset Value per Share of any Class is calculated, being at the end of each calendar monthly and such other dates as might be determined by the Board. NAV per share may also be published on a regular basis between Valuation Days as determined by the Board
Well-Informed Investor	has the meaning and includes: <ul style="list-style-type: none"> <li>(a) institutional investors;</li> <li>(b) professional investors, being those investors who are, in accordance with Luxembourg laws and regulations, deemed to have the experience, knowledge and expertise to make their own investment decisions and properly assess the risk they incur; and any other well-informed investor who fulfils the</li> </ul>

following conditions: (i) has declared in writing his adhesion to the status of well-informed investor; and (ii) invests a minimum of EUR 125,000 in the Fund or (iii) has been the subject of an assessment made by a credit institution within the meaning of Directive 2006/48/EC, by an investment firm within the meaning of Directive 2004/39/EC or by a management company within the meaning of Directive 2001/107/EC certifying his expertise, his experience and his knowledge in adequately appraising an investment in the Fund

Wholly Owned Affiliate

any company or entity in which the Fund has 100% ownership interest

### **3 EXECUTIVE SUMMARY**

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#### **3.1 THE PARTNERSHIP**

The name of the Partnership is “LION ALTERNATIVE FUND ” which is a Luxembourg based Special Limited Partnership (S.L.P.) subject to the law dated August 10, 1915 on commercial companies, as amended (the “Law”). (the “Partnership”). It is registered with the Luxembourg Trade and Companies Register under the number RCSL B224771 It was formed as of 18<sup>th</sup> of May 2018.

#### **3.2 THE REGISTER OFFICER**

Its registered office is located at 89 E, Parc d'Activités, L-8308 Capellen.

#### **3.3 THE GENERAL PARTNER**

Its general partner of which is “LION MANAGEMENT” (the “General Partner”), a Luxembourg based company, located at 89E Parc d'Activités, L-8308 Capellen, registered with the Luxembourg Trade and Companies Register under the number RCSL B237822.

The General Partner is responsible for the management, the administration and the investment objectives of the Fund as well as the investment objectives and investment policy of the Fund.

The General Partner is vested with the broadest powers to perform all acts of administration and disposition of the Fund's assets. All powers not expressly reserved by law to the general meeting of Partners fall within the competence of the General Partner.

The General Partner may, under its full responsibility, be assisted, while managing the Fund's assets by one or several investment managers, advisors or consultants or, delegate its powers in relation to the management of the Fund to one or several investment managers, advisors or consultants as further detailed, if applicable in this Issuance Documentation.

The Conducting Officers of the General Partner are:

**Mr. Daniele CASAMASSIMA**

Experience in Financial Industry since 2007 with IWBANK and WeBank (two of the TOP Trading Online Banks in Italy) as Financial Advisor, than experience in London as Dealer and Business Developer for

an UK FX Broker. After that, he worked as Business Developer and Institutional Manager for different FX Company in Milan and Limassol until 2016 when he opened an FX Broker where he is one of main Shareholders and CEO.

#### **Mr. Georgios KARADIMAS**

Portfolio Management and Trading experience since 1993. Georgios Karadimas has worked in the financial industry in the USA, the UK and Greece, among others at Morgan Stanley and Lehman Brothers. For the last ten years he has been working as Institutional Equity Sales Trader at BETA Securities, Greece.

#### **Mr. Markos MARKOU**

Marcos has more than 30 years of professional experience in the financial services industry, having worked as equity analyst and portfolio manager for Bank Austria for over 10 years, he set up and successfully managed a hedge fund in equities, derivatives and foreign exchange in the most recent years.

### **3.4 THE INVESTMENT MANAGER**

Its investment manager is the General Partner: "LION MANAGEMENT" Sàrl, a Luxembourg based company, located at 89 E, Parc d'Activités, L-8308 Capellen, registered with the Luxembourg Trade and Companies Register under the number RCSL B237822 (the "Manager" or the "Investment Manager" or the "AIFM").

The Manager is registered with the Commission de Surveillance du Secteur Financier (CSSF) since [●] and benefit from the disposition of the Article 2 of the AIFMD.

The Conducting Office of the Investment Manager are:

#### **Mr. Daniele CASAMASSIMA**

Experience in Financial Industry since 2007 with IWBANK and WeBank (two of the TOP Trading Online Banks in Italy) as Financial Advisor, than experience in London as Dealer and Business Developer for an UK FX Broker. After that, he worked as Business Developer and Institutional Manager for different FX Company in Milan and Limassol until 2016 when he opened an FX Broker where he is one of main Shareholders and CEO.

#### **Mr. Georgios KARADIMAS**

Portfolio Management and Trading experience since 1993. Georgios Karadimas has worked in the financial industry in the USA, the UK and Greece, among others at Morgan Stanley and Lehman Brothers. For the last ten years he has been working as Institutional Equity Sales Trader at BETA Securities, Greece.

#### **Mr. Markos MARKOU**

Marcos has more than 30 years of professional experience in the financial services industry, having worked as equity analyst and portfolio manager for Bank Austria for over 10 years, he set up and successfully managed a hedge fund in equities, derivatives and foreign exchange in the most recent years.

The Manager is not supervised by the CSSF as long as its Asset Under Management is below the threshold of EUR 100.000.000.

The Manager acts as AIFM to the Fund and will accordingly perform the following functions in accordance with Annex I of the Law of 12 July 2013 on alternative investment fund managers:

- (a) portfolio management;
- (b) risk management.

The Manager will furthermore perform the following additional administration functions:

1. fund management
2. accounting services;
3. customer inquiries;
4. valuation and pricing,
5. tax returns;
6. regulatory compliance monitoring;
7. maintenance of the Register of Partners;
8. Reception and Execution of subscriptions and redemptions
9. distribution of income;
10. unit issues and redemptions;
11. contract settlements, including certificate dispatch;
12. record keeping.

Finally, subject to the prior consent of the General Partner and to its overall responsibility, control, and supervision, the AIFM may delegate part of the above mentioned administration function to third parties.

The AIFM has delegated under the terms of a service agreement signed with the Administrative Agent (and its applicable business terms) some of the function as listed below:

1. accounting services;
2. calculation of the Net Asset Value per unit,
3. tax returns;
4. preparation of the Register of Partners to be executed by the General Partner ;
5. Reception subscriptions and redemptions (subject to their executions by the General Partner)

### **3.6 Offering**

The offering pursuant to this Offering Memorandum (the “Offering”) is of limited partnership units (“Units”) aggregating up to EUR 100,000,000 (or equivalent), or such lesser or greater amount as determined by the General Partners in their sole discretion.

### **3.7 Investment Objective, restriction and limits**

The Partnership’s investment strategy is to trade multiple majors and minors currency pairs and CFDs with the view to spreading investment risks whilst offering the Partners the benefits of the collective management of its funds.

While the Fund is not invested in those assets, the Manager can decide to hold cash, or invest the liquidity of the Fund in Governments bonds or Money market Fund, or savings accounts.

To cover the exposures of the Fund to the fluctuation of currencies, the Manager may have recourse to foreign exchange transactions or other derivative instruments.

The objective of the Partnership is to offer investors an alternative investment vehicle seeking absolute return on investments and aiming at delivering an average annual net return around 25% or greater, with limited correlation to general market performance. There can be no assurance that the Partnership will achieve its objectives.

### **3.8 Investment Strategy**

The Partnership's investment strategy is to achieve long term capital growth by investing primarily in the above mentioned assets.

The Manager intends to manage the investment portfolio of the Fund substantially as described below. The activities described herein should not be understood, however, as in any way limiting the Fund's investment strategies. The Fund may engage in such activities not described herein as the Manager may, in its discretion, deem appropriate. There can be no assurances that the Fund's investment objective will be achieved. The following information should be read in conjunction with the description of certain risks incident to the Fund's strategy and investment techniques. See "Risk Factors".

In order to achieve the above mentioned investment objective, the Fund will use the Manager's internal data and analysis.

The Manager will base the transactions to be entered into by the Fund on both the fundamental and technical analysis of the markets' opportunities. Fundamental analysis examines factors which are external to the relevant market, such as economic and global macro, market conditions, supply and demand and currency rates. Technical analysis focuses on the data relating to fluctuations in the price and volatility in the markets. The Manager will rely upon both independent economic analysis and analysis developed on a proprietary basis.

Recourse to Leverage:

The Partnership may incur short-term indebtedness due to pending security transactions or investor redemptions.

The Partnership may have recourse to leverage on Forex (1:200).  
Standard leverage from market will be applied on options and futures.

### **3.9 Limited Partner Liability**

The Limited Partner's liability is strictly limited to their contribution into the Partnership.

### **3.10 Minimum Commitment**

The minimum amount of subscription of shares per investor is EUR 100 000,00 (or equivalent in USD). The General Partner, at its sole discretion, may accept lower commitments if the investor is qualified as a Professional Client as defined in MIFID.

### **3.11 Initial Price per Unit**

The Initial Price per Unit during the Initial Subscription Period is set at 100.00 EUR.



### **3.12 Summary of the Fees Structure**

#### **3.12.1 Management Fee**

The Partnership will pay to the Manager a management fee (the "Management Fee") equal to 1,5% p.a. calculated on the Net Asset Value of the Fund on an annual basis and payable monthly within 30 days after the NAV has been calculated by the Administrative Agent.

#### **3.12.2 Subscription fee – Redemption Fee**

No Subscription Fee will be paid to the Manager upon issuance of Units.  
No Redemption Fee. (See 3.14 below.)

#### **3.12.3 Performance fee**

The Partnership will pay quarterly to the Manager a performance fee (the "Performance Fee") equal to 30 % of any NAV increase calculated and accrued on a monthly basis subject to a high water mark. (the "High Watermark")

The High Watermark is fixed at the value of the initial Net Asset Value per Unit and increased to the current net asset value per Unit each time a performance fee is charged.

The Performance Fee is payable on an annual basis, within 30 days after the NAV has been calculated by the Administrative Agent.

The Performance Fee is also calculated upon redemption of Units by an Investor and is charged by the Manager on such redemption. It is then payable with the next 30 Days after the NAV has been calculated by the Administrative Agent.

The General Partner may use series accounting to calculate Performance Fees and set the High Water Mark. The General Partner will establish a new series of Units on each Valuation Date (if subscriptions are received for that month).

The Performance Fee calculation applied at the series level is therefore appropriate for all Partners participating in that series. No adjustments for interim subscriptions are then required.

The General Partner will hold a master series which is the initial series used for the Initial Limited Partner. The other series are converted into this master series, with a corresponding change in the number of Units allocated based on the difference in the NAV per Unit of the respective series.

To ensure an equitable allocation of the Performance Fee to all Partners, conversions will occur only when the master series and other series both pay a Performance Fee on the same date.

This will occur when positive performance exists for both series and once a year.

### **3.13 Eligible Investors**

Any investor who is considered, or may be treated on request, as a Professional Client as defined in MIFID, the Markets in Financial Instruments Directive (EU Directive 2014/65/UE). No US Person will not be accepted as investor in the Fund.

The minimum amount of investment in the Fund must be equivalent to 100.000 Euros.

The General Partner reserves the right to redeem any Units at any time, at its own discretion.

The Partnership Units can never be proposed nor issued nor held by a US Person unless they qualify as accredited investors under the 1933 Act.

### **3.14 Investment Period – Lock Up Period**

The Partnership will be set-up for an unlimited period. The Partnership may only be dissolved upon decision of the General Partner.

Each investment in the Partnership is **not** subject to any Lock Up Period.

### **3.15 Risk management**

The Manager is responsible for the performance of the risk management function. It will employ risk management practices in managing the Partnership's investment activities. It will implement and monitor these constraints using internally developed and third-party risk management analytics and tools.

The Fund is a highly speculative investment and is not intended as a complete investment program. The investment risks set out below do not purport to be exhaustive and potential investors should review this memorandum carefully and in its entirety and consult with their professional advisors before deciding whether or not to invest in the Fund.

### **3.16 Overall Investment Risk**

All securities investments risk the loss of capital. The investment techniques and strategies and the nature of the assets to be purchased and traded by the Manager may increase this risk. While the Manager will devote its best efforts to the management of the Fund's portfolio, there can be no assurance that the Fund will not incur losses. Many unforeseeable events may cause sharp market fluctuations, which could adversely affect the Fund. Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political events and trends, global warming, changes to tax laws and innumerable other factors, can substantially and adversely affect the performance of the investment managers. None of these conditions will be within the control of the Manager.

The Risk Factors associated to the subscription / holding of Units are described below.

## **4 NET ASSET VALUATION**

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### **4.1 Determination of the Net Asset Value termination**

Under the responsibility of the Manager and the General Partner, the Administrative Agent shall determine on each Valuation Day, in accordance with Generally Accepted Accounting Principles in Luxembourg and Luxembourg law, the Net Asset Value ("NAV") of the Partnership and within the conditions as set-out in the Term Sheet.

The NAV of a Partnership consists of the market value of such Partnership's consolidated assets less its consolidated liabilities determined in accordance with the Articles of Incorporation.

The market value of the Partnership's consolidated assets represents the Gross Asset Value ("GAV") of the Partnership.

Below is the method to be used for the determination and calculation of the NAV.

## **4.2 NAV per Unit**

The NAV per Unit shall be expressed in the Reference Currency and shall be determined as of any Valuation Day by dividing

- (i) the NAV (being the value of the portion of assets less the portion of liabilities attributable to such on any such Valuation Day) attributable to each Unit determined in compliance with the provisions of the Issuing Documentation,
- (ii) by the number of Unit(s) issued by the Fund that are fully paid.

The NAV per Unit may be rounded up or down to one hundredth of the Reference Currency.

## **4.3 Accounts**

If any, the accounts of the Affiliates of the Partnership will (to the extent required under applicable accounting rules and regulations) be consolidated with the accounts of the Partnership at each Valuation Day and accordingly the underlying assets and liabilities will be valued in accordance with the valuation rules described below.

## **4.4 Assets**

In particular, the Partnership's assets shall include:

- all cash on hand and on deposit, including interest due but not yet collected and interest accrued on these deposits up to the valuation date,
- all bills and demand notes payable and accounts receivable (including the result of the sale of securities which proceeds have not yet been received),
- all securities, units, shares, debt securities, option or subscription rights and other investments and transferable securities owned by or contracted for by the Partnership,
- all dividends and distribution proceeds to be received by the Partnership in cash or securities insofar as the Partnership is aware of such,
- all interest due but not yet received and all interests yielded up to, but not including, the valuation date by securities owned by the Partnership, unless this interest is included in the principal amount of such securities,
- the incorporation expenses of the Partnership, including the cost of issuing and distributing Units of the Partnership, insofar as they have not been amortized,
- all other assets of whatever nature, including prepaid expenses.

## **4.5 Value of assets**

The value of the Assets shall be determined in accordance with Generally Accepted Accounting Principles in Luxembourg as follows:

- a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interests declared or due but not yet collected will be deemed to be the

full value thereof, unless it is unlikely that such values are to be paid or received in full, in which case the value thereof will be determined by deducting such amount the General Partner considers appropriate to reflect the true value thereof.

- b) The valuation of any security listed or traded on an official stock exchange or any other regulated market operating regularly, recognized and open to the public is based on the last available price of the date preceding the Valuation date and, if this security is traded on several markets, on the basis of the last price known on the market considered to be the main market for trading this security. If the last known price is not representative, the valuation shall be based on the probable realization value estimated by the General Partner with prudence and in good faith.
- c) Securities not listed or traded on a stock exchange or any other regulated market, operating regularly, recognized by and open to the public shall be assessed on the basis of the probable realization value estimated with prudence and in good faith.
- d) Securities expressed in a currency other than the currency of the referred Partnership shall be converted on the basis of exchange prevailing in Luxembourg on the relevant valuation date. The value of the interests in Investment Funds shall be based on the last available valuation. Units or shares issued by Investment Funds which are open-ended undertakings for collective investments ("UCI") shall preferably be valued at their last official net asset value, as reported or provided by such UCIs or their agents or, at their latest unofficial net asset values (i.e. estimates of net asset values which are not generally used for the purposes of subscription and redemption or which may be provided by a pricing source – including the investment manager of the target UCI – other than the administrative agent of the target UCI) if more recent than their official net asset values, provided that the Fund has received reasonable assurance that it will be provided, with an accurate frequency, with reliable estimated net asset values for such target UCI. The Net Asset Value calculated on the basis of unofficial net asset values of target UCIs may differ from the net asset value which would have been calculated, on the relevant Valuation Date, on the basis of the official net asset values determined by the administrative agents of the target UCIs. Subject to the right of the General Partner provided by the Articles, such Net Asset Value is final and binding notwithstanding any different later determination. Units or shares of quoted Investment Funds which are closed-ended UCIs shall be valued at their last available stock market value.
- e) For the purpose of determining the value of the Partnership's assets, the Administrative Agent, having due regards to the standard of care and due diligence in this respect, may, under the responsibility of the General Partner and in accordance with its instructions when calculating the net asset value, completely and exclusively rely, unless there is manifest error or negligence on its part, upon valuations provided by
- f) various pricing sources available on the market such as pricing agencies (i.e., Bloomberg, Reuters) or the UCI administrator, or
- g) by (a) specialist(s) duly authorised to that effect by the General Partner, or (iv) in the case no prices are found or when the valuation may not correctly be assessed, the Administrative Agent may rely upon the valuation provided by the General Partner.

The liabilities of the Partnership shall include:

- all loans, notes and other indebtedness for borrowed money (including convertible debt), bills and accounts payable;
- all accrued interest on such loans and other indebtedness for borrowed money (including accrued fees for commitment for such loans and other indebtedness);
- all accrued or payable fees and expenses (including administrative expenses and advisory fees which includes fees payable to the Investment Advisor, the Custodian, the Administrative Agent, the Independent Appraiser and other corporate agents, Insurance fees);

- an appropriate provision for current taxes payable and deferred taxes based on applicable capital and income tax rates at the valuation Day, as determined from time to time by the General Partner, as well as such amount (if any) as the General Partner may consider to be an appropriate allowance in respect of any contingent liabilities of the Partnership; and
- all known liabilities, present and future (where such future liabilities relate to a specific obligation on the relevant valuation day), including all matured contractual obligations for payments of money or property, including the amount of any unpaid distributions declared by the Partnership, where the valuation day falls on the record date for determination of the person entitled thereto or is subsequent thereto. The Partnership may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount notably for yearly or other periods;
- all of the Partnership's other liabilities, of whatsoever kind and nature with the exception of those represented by Units in the Partnership, reflected in accordance with generally accepted accounting principles. To assess the amount of these other liabilities, the Partnership shall take into account all expenditures to be borne by it, including, without any limitation, the incorporation expenses and costs for subsequent amendments to the LPA, fees and expenses payable to the Manager, accountant, custodian and correspondent agents, domiciliary agent, administrative agent, transfer agent, paying agents or other mandataries and employees of the Partnership, as well as the permanent representatives of the Partnership in countries where it is subject to registration, the costs for legal assistance and for the auditing of the Partnership's annual reports, the advertising costs, printing and publishing the documents prepared in order to promote the sale of Unit, the costs of printing the annual and interim financial reports, the cost of convening and holding Partners' meetings, reasonable travelling expenses of the General Partner and Managers, other fees, the costs of registration statements, all taxes and duties charged by governmental authorities and stock exchanges, the costs of publishing the issue and repurchase prices as well as any other running costs, including financial, banking and brokerage expenses incurred when buying or selling assets or otherwise and all other administrative costs.

For the valuation of the amount of these liabilities, the Partnership shall take into account *pro rata temporis* the expenses, administrative and other, that occur regularly or periodically.

#### **4.6 Other Considerations in Valuation**

As far as possible, all investments and disinvestments decided by the Partnership up to the valuation date shall be taken into consideration.

The value of all assets and liabilities not expressed in the Reference Currency will be converted into the Reference Currency of the Partnership at the rate of exchange ruling in Luxembourg on the relevant Valuation date. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the General Partner.

The General Partner, in its discretion, may permit some other method of valuation to be used, if it considers that such valuation better reflects the fair value of any asset of the Partnership.

In the event that extraordinary circumstances render a valuation in accordance with the foregoing guidelines impracticable or inadequate, the Fund will, prudently and in good faith, use other criteria in order to achieve what it believes to be a fair valuation in these circumstances.

Units of the Partnership to be redeemed (if any) shall be treated as existing and taken into account until the date fixed for redemption, and from such time and until paid by the Partnership the price therefore shall be deemed to be a liability of the Partnership;

Units to be issued by the Partnership shall be treated as being in issue as from the date of issue and from such time and until received by the Partnership the price therefore shall be deemed to be a debt due to the Partnership; and

Where on any valuation day the Partnership has contracted to:

- a) purchase any asset, the value of the consideration to be paid for such asset shall be shown as a liability of the Partnership and the value of the asset to be acquired shall be shown as an asset of the Partnership, but only in the event that the risks and rewards pertaining to such asset have passed to or from the Partnership;
- b) sell any asset, the value of the consideration to be received for such asset shall be shown as an asset of the Partnership and the asset to be delivered by the Partnership shall not be included in the assets of the Partnership, but only in the event that the risks and rewards pertaining to such asset have passed to or from the Partnership and provided also, however, that if the exact value or nature of such consideration or such asset is not known on such Valuation Day, then its value shall be estimated by the General Partner with prudence and good faith.

If a valuation in accordance with the above rules is rendered impossible or incorrect due to special or changed circumstances, the General Partner shall be entitled to use other generally recognized valuation principles, which are verifiable by an auditor in order to value the assets.

In exceptional circumstances, further valuations may be carried out on the same day; such valuations shall be valid for any applications for purchase and/or redemption subsequently received.

#### **4.7 Suspension of the determination of the NAV**

The General Partner may suspend the determination of the NAV of any Partnership:

- during any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Partnership from time to time is quoted, is closed otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of assets owned by the Partnership would be impracticable or if the property market is such that disposal of the assets owned would be seriously detrimental to the interest of the Partners, or if, in the opinion of the General Partner, sale/redemption prices cannot be fairly calculated;
- during any breakdown in the means of communication normally employed in determining the price or value of any of the investments or the current prices or values on any market or stock exchange;
- during any period when the Fund is unable to repatriate funds during which any transfer of funds involved in the realization or acquisition of investments or payments cannot in the opinion of the General Partner be effected at normal prices or rates of exchange;
- during any period when the given Partnership is being liquidated or as from the date on which notice is given of a meeting of Partners at which a resolution to liquidate the Partnership is proposed;
- when for any other reason the prices of any investments owned by the Fund in respect of a Partnership cannot promptly or accurately be ascertained;
- when the General Partner so decides, provided all Limited Partners are treated on an equal footing and all relevant laws and regulations are applied, due to circumstances that may incur excessive losses for the Partnership or a major depreciation of the assets of the Partnership.

The subscription for Units of any Partnership shall be irrevocable except in the event of a suspension of the calculation of the NAV of the Units to be subscribed. In such event, a withdrawal will only be effective if written notification is received by the Partnership before the termination of the period of suspension.

Any such suspension of the determination of the Net Asset Value will be notified to prospective Partners having signed a Subscription Form and will be published if required by law.

#### 4.8 Procedure to Issue Units

To subscribe Units in the Fund, the prospective investor is required within 5 days before the Valuation Date to:

- complete a Subscription Form,
- provide the General Partner the relevant KYC/AML documentation as required by Law and
- effect his payment on the Bank Account of the Fund.

The General Partner may appoint the Administrative Agent to receive the Subscription Form and carry the AML/KYC procedure but remain the only responsible to accept and execute any subscriptions or redemptions.

After the initial issuance of Units to the Initial Limited Partner, the offering price per Unit (the "Offer Price") is the Net Asset Value. The Offer Price is available for inspection at the registered office of the Company.

Investors whose applications are accepted will be allotted Units issued at the relevant Offer Price on the basis of the Net Asset Value per Unit determined as of the Valuation Day (as defined in this Issuing Documentation) following receipt of the Subscription Form provided that such form is received by the Administrative Agent within the timeframe as set forth in this Issuing Documentation, the payment of the subscription, and the identification documentation (KYC/AML).

The General Partner shall have the right to accept subscription for Units for a lesser initial subscription amount than the one stated in this Issuing Documentation.

Payments for Shares will be required to be made in the Reference Currency, if any, in any other currency specified by the investor (in which case any currency conversion costs shall be borne by the investor) within a period as defined in this Issuing Documentation. If payment is not received within the period as defined in this Issuing Documentation, the Investor may be subject to a late payment charge in line with the calculations included in the Directive 2011/7/EU or the General Partner may decide to postpone its subscription. Written confirmations of registered Units will be sent to Partners after the relevant Valuation Day.

The Fund reserves the right to reject any subscription application in whole or in part. The General Partner is the sole responsible to accept and execute the subscriptions or redemptions of Units.

The Fund may agree to issue Units as consideration for a contribution in kind of securities, provided that such securities comply with the investment objective, policy and restrictions of the Fund and in compliance with the conditions set forth by Luxembourg law, in particular and to the extent required by Luxembourg law, the obligation to deliver a valuation report from an independent auditor ("*réviseur d'entreprises agréé*"), which shall be available for inspection. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant Partner. If the contribution in kind's value is greater than 10% of the last known GAV, the Manager will appoint an Independent Expert to value the assets subject to the contribution in kind.

## 5 REDEMPTION OF UNITS

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The Partners may under certain conditions request the redemption of all or part of their Units in accordance with the redemption terms as set forth in more detail in this Issuing Documentation and more precisely in the Term Sheet.

Redemptions will be executed monthly, at the end of each calendar month, by the General Partner assuming that the relevant Redemption Form is received by the Fund at least 5 days before the Valuation Date at which the Partner intends to redeem his Units.

The minimum redemption is fixed at one (1) Unit.

Redemption requests should contain the following information (if applicable): the identity and address of the Partner requesting the redemption, the number of Units to be redeemed, the relevant Class and the bank details to effect the redemption. All necessary documents (including without limitation any anti-money laundering documentation) to complete the redemption should be enclosed with such request.

Partners whose requests for redemption are accepted will have their Units redeemed as of the next monthly following applicable Valuation Day provided that the requests have been received in Luxembourg at a time defined in the Term Sheet.

Units will be redeemed at a price equal to the Net Asset Value per Unit at the relevant Valuation Day (the "Redemption Price").

The payment of the Redemption Price shall be made within a period as defined in the Term Sheet. Payment will be made by wire transfer.

The Redemption Price will be paid in the Reference Currency of the relevant Class, if any, or in the Reference Currency or in any other freely convertible currency specified by the Partner. In the last case, any currency conversion costs shall be borne by the Partner. The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase. Units will not be redeemed if the calculation of the Net Asset Value per Unit is suspended by the Fund.

Furthermore, if in relation to any Valuation Day, if a Partner or partners cumulatively request a redemption which relate to more than twenty five percent (25%) of the Units in issue in the Fund, the General Partner may decide that such requests for redemption will be treated differently by creating a Redemption Pocket which would contains some specific assets selected as follows:

The Fund shall have the right, if the General Partner so determines, to satisfy payment of the Redemption Price to any Partner who agrees, *in specie* by allocating to the holder investments from the portfolio of assets equal in value as of the Valuation Day, on which the Redemption Price is calculated, to the value of the Units to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other Partners. If the auditor of the Fund is required, the costs of any such transfers shall be borne by the transferee.

In relation to the next Valuation Day following such period, these redemption requests will be met on a *pro rata* basis in priority to later requests and in compliance with the principle of equal treatment of Partners.

The General Partner reserves at its own discretion the right to redeem Units held by Partners at its own discretion suspend redemption of Units in case of suspension of determination of the NAV as described in 4.8.

## **5.1 DISTRIBUTION POLICY**

Units may be issued as capitalisation Units and/or as distribution Units. The features of the Units available are set out in this Issuing Documentation.

Dividends not claimed within five years of their due date will lapse and revert to the Fund.

No interest shall be paid on a distribution declared by the Fund and kept by it at the disposal of its beneficiary.



## **6 CHARGES AND EXPENSES**

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### **6.1 General Information**

Any charges and costs attributable to the Partnership will be allocated directly and borne by the Partnership.

### **6.2 Management, Advisory, Risk Manager Fees**

The Investment Manager will be paid by the Fund at a rate as indicated above in the Memorandum.

### **6.3 Administrative Fees**

The Administration fee is a fixed fee or a fee expressed as a percentage of the Net Asset Value, including all the administrative expenses of the Fund.

Such fee includes the remuneration of the Custodian (if any), Administrative Agent, Paying Agent (if any) and Registrar and Transfer Agent (if any appointed by the General Partner) for their services rendered to the Fund as well as all other administrative expenses incurred in the operation of the Fund including, but not limited to:

- the fees of the Auditor, Independent Expert, Legal and Tax Advisor of the Fund (including costs associated with compliance with legal and regulatory requirements);
- the costs relating to the consultation of experts, costs of on-site due diligences which may be performed by the Manager itself or the General Partner or any other such proceedings;
- the costs related with any bank overdraft facilities granted to the Fund;
- the cost of translation, printing and distributing to Investors of the annual report, the Limited Partnership, this Issuing Documentation and any supplement thereto;
- any costs related to the information of the Partners including costs related to the publication of prices of Units in the financial press and the production and (electronic) display of information and presentation material for the Partners;

### **6.4 Formation Costs**

The Fund will bear the third party out-of-pocket formation costs of the Fund. The formation costs will be amortized on the NAV of the Fund over a maximum of 5 (five) Financial Years beginning at the date of the formation of the Fund.

## **7 TAXATION**

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The discussion set forth is only a summary of the tax implications of an investment in the Fund. This summary does not cover all the tax implications which could relate to a given Partner.

This summary is based on the laws, regulations and other texts applicable in Luxembourg as at the date of this Issuing Documentation, each of which is subject to amendment, possibly with retroactive effect. The wording is necessarily general and not applicable to all categories of Partner, some of which, such as banks, insurance companies, distributors and other Partners, may be subject to special rules.

The current tax and financial consequences of purchasing and holding Units will depend on the individual circumstances of the Partner. Prospective Partners are urged to consult with their own tax advisors prior to investing in the Fund, in relation to their individual tax situations. Fund is subject to Luxembourg legislation.

In accordance with current legislation in Luxembourg, the Fund is not subject to any Luxembourg tax on income, capital gains or wealth. It is tax transparent.

The Net Assets of the Fund are not subject to an annual subscription tax ("*taxe abonnement*").

Dividends and interest sourced in other countries may be subject to withholding taxes imposed in such countries. Since the Fund is not subject to any income tax, it will not be entitled to any domestic or foreign tax credit. However, the foreign withholding taxes may be reduced under the provisions of tax treaties, to the extent that the Partners are entitled to such tax treaty benefits.

The Fund will use its best efforts to conduct its operations in such a manner that it will not be subject to tax in any jurisdiction other than Luxembourg and to invest primarily in investments not subject to any withholding tax on interest or discounts.

## **7.1 Taxation of Partners**

The General Partner will not hold more than 5% of the total Units issued by the Partnership.

Therefore the Partners are in principle not subject to any capital gains, income, estate or inheritance tax in Luxembourg with respect to their Units or to any withholding tax (except Partners who are domiciled or reside in or have a permanent establishment in Luxembourg).

The tax consequences for each Partner of purchasing, subscribing, acquiring, holding, converting, selling, redeeming or disposing of Units will depend upon the relevant laws of any jurisdiction to which the Partner is subject. Partners and prospective Partners should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations. Taxation law and practice, and the levels of tax relating to the Fund and to Partners, may change from time to time.

## **7.2 Limitations**

Interest, dividend and other income realized by the Fund 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 Fund will pay since the amount of the assets to be invested in various countries and the ability of the Fund to reduce such taxes is not known.

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 Issuing Documentation to summarize the tax consequences for each prospective Investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Units in the Fund. 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.

## **8 GENERAL MEETINGS, REPORTING, DISSOLUTION AND LIQUIDATION, INFORMATION AVAILABLE TO THE SHAREHOLDERS**

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### **8.1 General Meeting of Partners**

The annual general meeting of Partners of the Fund will be held as described in the Limited Partnership Agreement.

The General Partner may determine all other conditions that must be fulfilled by Partners for them to take part in any meeting of Partners.

## **8.2 Financial Year and Reporting**

The Fund's Financial Year shall start each year on 1st January and shall terminate on 31st December. Notwithstanding the above the first Fund's Financial Year shall start on the date of incorporation of the Fund and shall end on 31st December 2018.

Within 6 months after the end of each Financial Year, the Fund shall publish annual reports for the Financial Year as well as all information pertaining to the Fund necessary in the opinion of the General Partner. The report shall include, inter alia, financial statements, a description of the assets of the Fund and a calculation of the value of the Assets as per the Financial Year end.

The annual report will be sent to all Investors and will be submitted to the annual general meeting of the Partners. In addition, semi-annual financial statements will be furnished to each Investor.

If the General Partner has appointed an Auditor, the annual audited reports are prepared in accordance with Luxembourg law.

## **8.3 Notices to Partners**

All notices and notifications to Partners will be sent by registered mail at their address in the Register of Partners or in the manner as stated in the Subscription Form of the Partners.

## **8.4 Dissolution and Liquidation of the Partnership – Termination, division and amalgamation of Partnerships or Classes**

### **8.4.1. Dissolution and Liquidation of the Partnership**

The Partnership may at any time be dissolved by a resolution taken by the General Partner subject to the quorum and majority requirements as defined in the LPA.

The issue of new Units by the Fund shall cease on the date of publication of the notice of the General Partners, to which the dissolution and liquidation of the Fund shall be proposed. One or more liquidators shall be appointed by the General Partner to realise the assets of the Fund, subject to the supervision of the relevant supervisory authority in the best interests of the Partners.

The proceeds of the liquidation, net of all liquidation expenses, shall be distributed by the liquidators among the holders of Units in accordance with their respective rights. The amounts not claimed by Partners at the end of the liquidation process shall be deposited, in accordance with Luxembourg law, with the *Caisse de Consignation* in Luxembourg until the statutory limitation period has lapsed.

### **8.4.2. Termination of the Partnership**

In the event that for any reason the value of the Net Assets of any Partnership has decreased to, or has not reached, an amount determined by the General Partner to be the minimum level for such Partnership to be operated in an economically efficient manner, or in case of a substantial modification in the political, economic or monetary situation relating to such Partnership would have material adverse consequences on the investments of that Partnership, or as a matter of economic rationalization, the General Partner may decide to compulsorily redeem all the Units of the relevant Partnership at their Net Asset Value per Unit (taking into account actual realization prices of investments and realization expenses) as calculated on the Valuation Day at which such decision shall take effect.

The General Partner shall serve a notice to the Partners of the relevant Partnership prior to the effective date for the compulsory redemption, which will set forth the reasons for, and the procedure of, the redemption operations. Registered Partners shall be notified in writing.

Unless otherwise decided in the interests of, or to keep equal treatment between them, the Partners of the Partnership concerned may continue to request redemption of their Units free of charge (but taking into account actual realization prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Any request for subscription shall be suspended as from the moment of the announcement of the termination, the merger or the transfer of the relevant Partnership.

The General Partner might resolve to redeem all the Units of the Partnership and to refund to the Partners the Net Asset Value of their Units (taking into account actual realisation prices of investments and realisation expenses) determined with respect to the Valuation Day on which such decision shall take effect. There shall be no quorum requirements for such general meeting of Partners, which shall resolve at the simple majority of those present or represented and voting at the meeting.

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

All redeemed Units shall be cancelled by the Fund.

#### **8.4.3. Amalgamation, Division or Transfer of Partnerships or Classes**

Under the same circumstances as provided above for the "Termination of a Partnership", the General Partner may decide to allocate the assets of any Partnership to those of another existing Partnership within the Fund or to another Luxembourg undertaking for collective investment or to another Partnership within such other Luxembourg undertaking for collective investment (the "new Partnership") and to redesignate the Units of the Partnership as Units of another Partnership (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to Partners).

#### **8.5. Annual Reports and Other Information**

Annual reports will be made available for public inspection at the registered office of the Fund and the latest annual report shall be available within 180 days of the end of each financial year and at least 10 Business Days before the annual general meeting.

The annual reports report shall contain information on (i) the historical performance of the Fund, (ii) the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature, (iii) any new arrangements for managing the liquidity of the Fund, (iv) the current risk profile of the Fund and the risk management systems employed by the Manager to manage those risks, (v) any changes to the maximum level of leverage which the Manager may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging agreement, and (vi) the total amount of leverage employed by the Fund.

The Fund's financial year ends on 31 December of each year. The first financial year of the Fund shall begin on the date of its incorporation and shall end on 31 December 2018. The Fund's first annual report will be published for this first financial year.

Any other financial information concerning the Fund, including the periodic calculation of the NAV per Unit will be made available at the registered office of the Fund. Any other substantial information concerning the Fund may be communicated and notified to Partners in such manner as may be specified from time to time by the Manager.

## **8.6. Documents Available for Inspection**

Copies of the following documents may be delivered without cost to interested Investors at their request and may be inspected free of charge during usual business hours on any Business Day at the registered office of the Fund:

- (i) Issuing Documentation;
- (ii) Limited Partnership Agreement;
- (iii) AIFM Agreement;
- (iv) Depository and Paying Agent Agreement;
- (i) Administrative Agent Agreement
- (ii) Registrar Agent and Transfer Agent Agreement
- (viii) Subscription Form and Redemption Form
- (ix) Annual report(s)
- (x) Term Sheet
- (xi) Banker Agreement
- (xii) Prime Broker Agreement
- (xiii) Domiciliation Agreement

## **8.7 Representations, Warranties and Covenants of the Investor**

At the time of its initial subscription for the Units and at each time the Investor makes a payment, the Investor acknowledges, represents, warrants and covenants to the Partnership and its General Partner as follows:

- it commits to keep abreast of the information and data as published by the Partnership on [www.Fundnav.lu](http://www.Fundnav.lu) at least once after and within 5 days following every calculation of the Net Asset Value of the Units (login and password to be requested to the Partnership); and
- it is aware and agrees on the terms and conditions applicable of the central administration agreement signed between the Partnership and CREATRUST Sàrl. It understands the responsibility and the limitation of liability of CREATRUST Sàrl in such regards and agrees to the General Business Terms of CREATRUST Sàrl (Version 07-2019).

## **9 CONFLICTS OF INTEREST**

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Prospective Investors should note that the General Partner, the Manager and their respective Affiliates, managers, directors, officers and shareholders may be involved in other financial, investment and professional activities which may cause conflicts of interest in their relationships with the management and administration of the Fund. In the event of conflicts of interest, the Fund ensures the protection of the Limited Partners' interest.

In the event that any member of the General Partner or the Manager has an interest conflicting with that of the Fund in a transaction which is subject to the approval of the General Partner, such potential conflict of interest is

to be fully disclosed to the General Partner by that manager/director and cause a record of his statement to be included in the minutes of the meeting. This director must not deliberate nor vote upon any such transaction. Such abstention from voting shall not be counted.

At the next following general meeting, before any other resolution is put in vote, a special report shall be made on any transactions in which any of the managers of the General Partner / Manager may have had an interest conflicting with that of the Fund.

The General Partner/Manager, may engage in various business activities other than the Fund's, including providing consulting and other services (including, without limitation, serving as director) to a variety of partnerships, corporations and other entities, not excluding those in which the Fund invests. However the General Partner/Manager, its members and staff will devote the time and effort necessary and appropriate to the business of the Fund and shall act in the best interests of the Fund. The General Partner/Manager shall immediately inform the Fund of any circumstances where the Fund would participate in a transaction in which they may have directly or indirectly a material interest or a relationship with another party which may involve a conflict with the Fund. Any such transaction will be specifically reported in the Fund's annual report.

The Custodian, in carrying out its role as custodian of the Fund, must act solely in the interest of the Partners.

No Partner will be required or expected to disclose or make available to the Fund investment opportunities it may pursue for its own account or in the capacity of a shareholder or manager or advisor of any other company or investment funds.

In the course of their regular business activities, Partners may possess information directly relevant to investment decisions of the Fund. No such Partner will be required or expected to disclose or otherwise reveal any such information to the General Partner.

A policy pertaining to the management of Conflict of Interest will be adopted by the General Partner and will be regularly reviewed and revised if necessary.

## **10 RISK MANAGEMENT PROCESS**

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### **10.1 Risk Management**

The General Partner has structured and implemented a risk management policy to ensure full transparency for Investors and authorities and to manage risk pro-actively by delegating the risk management function to the Manager under its strict and permanent supervision.

In order to organize the work of the General Partner, the General Partner may delegate one officer of the General Partner] as person responsible for the oversight of the risk management at the level of the Fund. (the "Risk Manager")

The Manager's risk management policy is to detect measure and monitor in an appropriate manner risk positions and their contribution to the overall risk profile of the Fund's portfolio.

The Risk Manager will be used as an expert in order to ease and make the reviewing work in an efficient and independent manner. The legal advisor or an Independent Expert may be used in order to assist and advise the Risk Manager on issues concerning compliance rules and new developments around regulations that may affect the level of controls and the way of implementing them.

The Risk Manager will be responsible for conducting the following risk management functions on a quarterly basis by liaising with the General Partner as necessary:

- drafting of, and implementing, a risk management process covering all the risks associated with the investments of the Fund.

- selection and monitoring, of the risk models and issuance of suggestions for corrective action, as the case may be;
- defining the reporting lines;
- defining the conditions under which the risk management function can have recourse to Independent experts
- implementation of the risk management policy and process;
- set-up and monitoring of a risk limit system to cover all the major risks to which the portfolio is exposed;
- production of risk reports by the Manager. This report will determine the contribution of each instrument to the overall risk of the portfolio;
- establish the right to contact Management, and, where applicable, the Chairman of the General Partner.

Regarding the oversight of the risk management functions, it shall *inter alia* cover the following points:

- set the objectives, responsibilities and role of the risk management function;
- establishing the independence and permanence of the risk management function;
- acknowledging its right of to conduct investigations;
- describing the relationship with other departments and functions as well as any need of delegation and/or coordination;
- ensuring that the risk management policy is appropriately implemented, executed and updated as necessary;
- grant the Risk Manager the access right to any information necessary to carry out its responsibilities; ensure that the risk reports are produced in a timely manner and communicated to the other member of the General Partner.

The parties responsible for performing the Risk Management function have taken the necessary steps to cover the following areas through internal procedures for a proper corporate governance:

- Risk Management Policy;
- Procedure pertaining to the management of conflict of interest.

## **11 RISK FACTORS AND OTHER CONSIDERATIONS**

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Prior to making any investment decision, prospective investors should consider carefully all of the information set forth in the Issuing Documentation and, in particular, the risks factors and investment considerations below.

Prospective investors should be aware that an investment in the Fund involves a high degree of risk and should only be undertaken by investors who are capable of evaluating the risks of such an investment and of bearing those risks.

The value of an investment in any investment fund may go up as well as down and involves various risks and investment considerations, some of which are highlighted below. There is a possibility of a total or partial loss of the invested capital. Investors should not subscribe to or invest in the Fund unless they can readily bear the consequences of such loss. No guarantee or representation is made that the Fund will reach its investment objectives, and investment results may vary substantially over time. In particular Investors should evaluate the risk factors discussed below which, individually or in aggregate, could have a material adverse effect on the Fund or its assets and may result in the loss of the Partners' invested capital or lower returns than those discussed herein.

Additionally, the Fund is primarily designed as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program. Where the Reference Currency of the Fund varies from the Partner's home currency, or where the currency of the Fund varies from the currencies of the markets in which the Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

A prospective Investor should consider, among other things, the following factors the description of which is neither detailed nor exhaustive.

## **11.1 General Risk Considerations relating to an investment in the Fund**

### **Investment Objective and Target Return**

The Fund will make investments based on the Manager's estimates or projections of internal rates of return. The Partners have no assurance that actual internal rates of return will equal or exceed the stated targeted return to the Partners.

The Manager, in its absolute discretion, may invest in an investment whose individual expected return is less than the target return where the Manager deems it appropriate in light of the existing or future investments of the Fund to make such investment to ensure a diversification of risk for the Fund as a whole. Accordingly, for the avoidance of doubt, the statement of the Fund's target return does not oblige, and is not a representation, that the Manager will only make investments whose individual expected returns are in excess of the target return.

It should be remembered that the NAV per Unit can go down as well as up. The General Partner and the Manager or any advisor thereto can give no guarantee as to future performance of, or future return from, the Fund. A Partner may not get back the entire amount he has invested.

## **11.2 Lack of Management Rights**

Investors will not be permitted to take part in the management of the business of the Fund or the underlying Fund assets. Accordingly, Investors will have no opportunity to control the day-to-day operation, including investment and disposal decisions of the Fund.

Except in certain limited circumstances, the Manager will have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Fund. Consequently, the Investors will generally not be able to evaluate for themselves the merits of particular investments prior to the Fund's making such investments. Investors will not be able to make investment decisions on behalf of the Fund nor will they have the opportunity to evaluate or approve specific assets prior to investing.

The management, financing, security lending and disposition policies of the Fund and its policies with respect to certain other activities, including its distributions and operating policies, are determined by the Manager. To the extent permitted by the Fund legal documentation and subject to the consent of the General Partner, these policies may be changed from time to time at the discretion of the Manager without a vote of the investors of the Fund, although the Manager has no present intention to make any such changes. Any such changes could be detrimental to the investor's interests in the Fund.

## **11.3 Hedging Policy**

In connection with the financing of certain investments, the Fund may employ hedging techniques designed to protect the Fund. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. While the Fund may benefit from the use of these hedging mechanisms they may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions.

## **11.4 Indemnification**

The General Partner and the Manager generally will not be held liable with respect to its actions or inactions unless they constitute fraud, wilful misconduct, gross negligence or reckless disregard of duties.

The Fund will be required to indemnify the General Partner, the Manager and its members, employees, officers, directors, managers, agents, partners and other Affiliates, and any other person who serves at the request of the General Partner or the Manager, on behalf of the Fund as an officer, director, manager, partner, employee or agent of any other entity, for liabilities incurred in connection with the affairs of the Fund. The indemnification obligation of the Fund would be payable from the assets of the Fund, including Commitments.



### **11.5 Forward-looking Statements**

The Issuing Documentation contains forward-looking statements. These forward-looking statements reflect the Manager or others' views with respect to future events. Actual events could differ materially from those in the forward-looking statements. Investors are cautioned not to place undue reliance on such statements.

### **11.6 Confidential Information**

Affiliates of the General Partner or the Manager may receive certain confidential client information in the normal course of their business. Such confidential information would not ordinarily be available to the General Partner or the Manager in connection with the Fund's business. However, the possession of such information by such Affiliates may preclude the Fund from engaging in certain transactions or impose restrictions on certain transaction.

### **11.7 Disclosure of Identity**

The Manager may be required by law, regulation or government authority to disclose information in respect of the identity of the investors, including beneficial investors in an Investor.

### **11.8 Anti-Money Laundering**

The Manager may be required by law, regulation or government authority to suspect the account of an investor or take other anti-money laundering steps.

### **11.9 Reliance on the Manager**

The success of the Fund depends significantly on the efforts and abilities of the Manager to evaluate investment opportunities. Although the Manager and the Investment Advisor will devote all efforts as reasonably required to implement the objectives of the Fund, there can be no guaranties that suitable investments will be successful

### **11.10 Nominee Risk**

Any Investor shall fully exercise his investor's rights directly against the Fund only in the case where the Investor appears himself and on his behalf in the Register of Partners. In the case where an Investor invests in the Fund through an intermediary (i.e. nominee) investing in the Fund on his name but on behalf of the Investor, certain rights attached to the quality of partner shall only be exercised through this intermediary.

### **11.11 Investors' Rights**

The Manager draws the investors' attention to the fact that any Investor will only be able to fully exercise his investor rights directly against the Fund, notably the right to participate in general meetings of the Partners, if the investor is registered himself and in his own name in the Register of Partners. In cases where an Investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Unitholder's' rights directly against the Fund. Investors are advised to take advice on their rights.

### **11.12 Dependence on Key Persons**

The Fund is a newly-formed entity without any operating history. The success of the Fund will largely depend on the experience, relationships and expertise of the key persons within the General Partner, which have long-term experience in the respective area of investment.

The performance of the Fund may be negatively affected if any of the key persons involved in the management or investment process of the Fund would for any reason cease to be involved. Furthermore, the key persons might be involved in other businesses, including similar projects or investment structures, and not be able to devote all of their time to the Fund, the involvement in similar projects or investment structures may create a source for potential conflicts of interest. The Fund is not the beneficiary of any insurance on the life of the key persons. If the key persons die or become incapacitated or for any other reason cease to act in their capacity, the business of the Fund could be adversely affected.

### **11.13 Liquidity Risk**

An investment in the Fund represents a general liquidity risk and the question whether a Partner will be able to sell its Units will depend on a variety of factors. The Units may also be affected by restrictions on resale imposed under applicable law. The value of the Units will fluctuate based upon the performance of the Fund, other relevant factors and any third party's assessment thereof. Accordingly, if an investor transfers its Units, the sales price may be lower than the originally invested amount. Units may, however, be redeemable at the option of the Fund under certain circumstances.

### **11.14 Possible Lack of Diversification**

The Fund may participate in a limited number of investments and there can be no assurances concerning the diversification of the Fund's assets either by geographic region or asset type. A limited degree of diversification increases risk because, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of a single investment.

### **11.15 Use of Derivative Techniques**

The Fund may engage in various strategies in view of reducing certain risks and/or enhancing return. These strategies may include the use of derivatives instruments. Such strategies might be unsuccessful and incur losses for the Fund, due to market conditions. Derivatives also involve additional specific risks such as the risk of mispricing or improper valuation of derivatives and the risk that derivatives may not correlate perfectly with underlying assets, exchange rates, interest rates and indices.

The Fund may attempt to limit its exposure to adverse price movements by various hedging techniques. To the extent that the Fund establishes fully hedged positions, the gain or loss, if any, may be fixed at the time of entry into the transaction. There is a risk that the Fund may not acquire all the positions required for a fully hedged transaction. To the extent that a transaction is not fully hedged, or to the extent that the Fund is unable to establish, chooses not to establish, or there is a delay in establishing all positions necessary for, a fully hedged transaction, the Fund will be exposed to market risk and may incur substantial losses. The Fund's hedging techniques could result in a loss if the hedging strategy does not correlate well with the Fund's investments or if the other party to a transaction does not perform as promised.

### **11.16 Event Risk**

Certain investments by the Fund may be based on the anticipated outcomes of company-specific or transaction-specific situations, and certain other investments by the Fund will be based on the anticipated outcomes of broader changes in markets or the economy.

If the outcomes are not as anticipated (either because the change did not occur, did not occur in the manner or to the extent anticipated, or, in the worst case, because the outcome was contrary to what had been anticipated), the Fund could suffer losses and loss of opportunities for alternative investments.

### **11.17 Institutional Risk**

There is a possibility that the institutions, including brokerage firms and banks, with which the Fund does business, or to which assets have been entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities or the capital position of the Fund.

### **11.18 Holdings of cash or cash equivalents**

The Fund may hold cash or cash equivalents for distributions and redemptions and for management purposes, including inter alia money market instruments or investments in units in money market funds on an ancillary basis. The value of these Fund holdings of cash or cash equivalents may be adversely affected by interest rate fluctuations, changes in rates of inflation, fluctuations in currency or exchange rates or failure by a counterparty or an investment vehicle in which one of the Fund invests to perform its obligations under a contract or other agreement. Moreover, the Fund could be subject to significant losses if they hold a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### **11.19 Expected Income and Capital Gains may not reflect actual results**

Expected income and capital gains from Partnership investments as well as other balance sheet and profit and loss components indicated in this Memorandum are presented for illustration only and may not reflect the Fund's actual results, which could differ significantly. Among other factors, the termination of contracts, the Fund's inability to renew tariffs or replace existing investments and service providers on comparable terms, changes in economic conditions and other factors described in this section of the Prospectus may affect the Fund's actual results and may cause actual results to differ from annualized amounts, possibly significantly.

### **11.20 Legal and Regulatory Risks**

The Fund must comply with legal requirements, including requirements imposed by the securities laws and company laws in various jurisdictions, including Luxembourg. Should any of these laws change over the duration of the Fund, the legal requirements to which the Fund and the Investors may be subject could differ substantially from current requirements.

Due to the fact that the efficacy of the judicial systems in the target markets varies, the Fund (or an investment made by the Fund) may have difficulty in successfully pursuing claims in the courts of such countries, as compared to countries in the EU. Further, to the extent that the Fund (or an investment made by the Fund) may obtain a judgment but is required to seek its enforcement in the courts of one of the target markets (or other relevant jurisdiction in which the Fund invests), there can be no assurance that such courts will enforce such judgment.

The process of legal and regulatory reform in the target markets does not always coincide with market developments and this may result in ambiguities and inconsistencies, and, ultimately, in increased investment risk.

The regulatory environment in the target markets may vary but in many cases the levels of regulatory control and oversight in respect of such matters as the environment, employee rights, labour relations and consumer protection, as well as in matters of securities regulation and the financial markets, are evolving and may be characterized, broadly, as less stringent than the regulatory controls and oversight that exists in developed economies such as in the countries in the EU. Standard practices, market customs and usages have yet to evolve to those comparable in developed economies. There is a risk, where regulations are unclear in their scope and effect, that activities conducted in good faith on the basis of professional advice will subsequently be regarded as not in compliance with fiscal, currency control, securities, corporate or other regulatory requirements.

## **11.21 Impact of Governmental Regulation and Legislative Changes**

Governmental authorities at all levels (including on a national and EU basis) are actively involved in the promulgation and enforcement of regulations relating to taxation, land use, zoning, planning restrictions, environmental protection and safety and other matters. The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Fund's assets.

Any legislation and its interpretation, and the legal and regulatory regimes which apply in relation to the Fund and/or an investment in the Fund may change during the life of the Fund. Accounting practice may also change, which may affect, in particular, the manner in which the Fund's investments are valued and/or the way in which income or capital gains are recognised and/or allocated by the Fund.

There is also uncertainty about the future costs of energy and other resource costs, security of energy and resource supplies, and the rate and scope of increased governmental regulations and market response which may have the effect of smoothing or amplifying energy and resource price changes or responding to problems with availability or market liquidity.

## **11.22 Tax Risks**

Although the Fund has been structured with the objective of maximizing after-tax distributable cash flow, tax charges and withholding taxes in various jurisdictions in which the Fund will invest will affect the level of distributions made to it and accordingly to Investors. There can be no guarantee that the structure of the Fund or any investment will be tax efficient for a particular Investor or that any particular tax status will be achieved.

Tax laws are complex and quite often not completely clear, and the tax consequences of a particular structure chosen might be questioned or might be subject to challenge by the relevant tax authority in the country concerned. Furthermore, tax laws may change, so that the tax consequences of a particular investment may adversely change after it has been made.

The Fund's intermediate Affiliate companies or the Investors may be subject to income taxes or other taxes in multiple jurisdictions outside of their country. In addition, withholding tax or other taxes may be imposed on earnings of the Fund from investments in such jurisdictions. Local tax incurred in various jurisdictions by the Fund or entities through which it invests may not be creditable to or deductible by the Investors.

In the case of the non-accession of one or more of the target markets in the EU, such a non-accession might impact the tax efficiency of the Fund structure as contemplated.

## **11.23 General Taxation Risk**

The attention of investors is drawn to the taxation Section associated with investing in the Fund. The tax rules, including stamp duty, stamp duty land tax, VAT and withholding tax provisions and their interpretation relating to an investment in the Fund, or the Fund's investments, may change during the life of the Fund, which may have an adverse effect on the Fund or its investments.

Prospective investors should seek their own advice on the taxation consequences of an investment in the Fund. The AIFM or its directors, managers, officers, employees, professional advisers or their Affiliates do not take any responsibility for any advice with respect to any prospective investor's own tax position.

## **11.24 Tax Liability**

Investors may have additional tax liabilities in their country of citizenship or residence or may be entitled to additional tax relief in that country. This could have the effect of increasing or decreasing the post-tax return on their investment in the Fund. Under applicable tax laws, investors may be required to take into account their

allocable share of the Fund's items of income, gain, loss, deduction and credit, without regard to whether they have received or will receive any distributions from the Fund. There can be no assurance that the Fund will have sufficient cash flow to permit it to make distributions in the amount necessary to pay all tax liabilities resulting from an investor's ownership of shares in the Fund. Accordingly, an investor's tax liability for any taxable year associated with an investment in the Fund may exceed (and perhaps to a substantial extent) the cash distribution to that investor during the taxable year.

### **11.25 Taxation in Other Jurisdictions**

The Fund may be subject to income or other tax in the jurisdictions in which investments are made and withholding tax or branch tax may be imposed on earnings of the Fund from investments in such jurisdictions. In addition, tax incurred in foreign jurisdictions by the Fund or vehicles through which it invests may not be creditable to or deductible by the Investors in their respective jurisdictions.

### **11.26 Changes in Tax Law**

Changes in applicable law or interpretations of such law may adversely affect the Fund's ability to efficiently realise income or capital gains. To the extent possible, the Fund will structure its investments and activities to minimise its tax liability; however, there can be no assurance that the Fund will be able to eliminate its tax liability or reduce it to a specified level.

The above should not be considered to be an exhaustive list of the risks which potential Investors should consider before investing into the Fund. Potential Investors should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

## **12 FATCA**

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FATCA provisions generally impose a reporting obligation to the U.S. Internal Revenue Service of U.S. Persons direct and indirect ownership of non-U.S. accounts and non-U.S. entities. Failure to provide the requested information will lead to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends. The basic terms of FATCA currently appear to include that in order to comply, the Fund may require all Partners to provide documentary evidence of their tax residence and all other information deemed necessary to comply with the above mentioned legislation.

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

- Withhold any taxes or similar charges that it is legally required to withhold, whether by law or otherwise, in respect of any shareholding in the Fund;
- Require any Partner or beneficial owner of the Units to promptly furnish such personal data as may be required by the Fund in its discretion in order to comply with any law and/or to promptly determine the amount of withholding to be retained;
- Divulge any such personal information to any tax or regulatory authority, as may be required by law or such authority;
- Withhold the payment of any dividend or redemption proceeds to a Partner until the Fund holds sufficient information to enable it to determine the correct amount to be withheld.

FATCA rules being particularly complex and as the rules governing their implementation for Luxembourg funds are still uncertain, the Fund cannot at this time accurately assess the extent of the requirements that FATCA provisions will place upon it. Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the 30% withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the value of Units held by all

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

## **13 CRS**

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The Organisation for Economic Co-operation and Development ("OECD") has developed a common reporting standard ("CRS") to achieve a comprehensive and multilateral automatic exchange of information ("AEOI") on a global basis.

On 9 December 2014, Council Directive 2014/107/EU amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (the "Euro-CRS Directive") was adopted in order to implement the CRS among the Member States of the EU. The Euro-CRS Directive was implemented into Luxembourg law by the Law on the automatic exchange of financial account information in the field of taxation of 18 December 2015 (the "CRS Law"). The CRS Law requires Luxembourg financial institutions to identify holders of financial assets and establish if they are fiscally resident in countries with which Luxembourg has a tax information sharing agreement. Luxembourg financial institutions will then report financial account information of the asset holder to the Luxembourg tax authorities, which will thereafter automatically transfer this information to the competent foreign tax authorities on a yearly basis.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement to automatically exchange information under the CRS and such agreement aims to implement the CRS among non-Member States; it requires agreements on a country-by-country basis.

Accordingly, Unitholders may be required to provide information in relation to their identity and fiscal residence (and certain other information) in order to ascertain their CRS status and information regarding a Unitholder may be reported to the Luxembourg tax authorities.

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

## **14 GENERAL TRADING RISK**

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Any investment in the Partnership is subject to a number of risks that should be considered before making an investment. All decisions with respect to the management of the Partnership's assets and the operation of the Partnership will be made exclusively by the General Partner. Limited Partners will have no right to participate in the management of the Partnership or to make any decisions with respect to the investments to be made by the Partnership. Consequently, Limited Partners must rely entirely on the General Partner with respect to the selection of investments and management of the Partnership. The success of the Partnership will therefore depend, in large part, upon the skill and expertise of the General Partner and of the Manager in providing advice to the General Partner

There can be no assurance that Limited Partners will recover their invested capital. Although the Principals have formed and managed other funds that are similar to the Partnership in the past, the past performance of these funds can provide no assurance as to the performance of the Partnership.

Further, the existence of the carried interest arrangement may create an incentive for the Manager to make riskier or more speculative investments than it would otherwise make in the absence of such an arrangement.

Units are being sold on a “private placement” basis in reliance on exemptions from prospectus and registration requirements of applicable securities laws and therefore are subject to restrictions on transfer thereunder. In addition, the Partnership can under certain conditions as described in 5. restrict to redeem any Units, and the Partnership Agreement contains significant restrictions on the ability of Limited Partners to transfer or pledge their Units. No market exists for Units and none is expected to develop. Consequently, a Limited Partner should not expect to liquidate its investment in the Partnership readily and must be able to bear the economic risk of its investment in the Partnership for a substantial period of time.

The success of the Partnership will depend on the availability of appropriate investment opportunities and the ability of the Partnership to identify, select, close, improve and exit those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Partnership to invest all of the capital in opportunities that satisfy its investment objectives, or that such investment opportunities will lead to completed investments by the Partnership. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

The Partnership may participate in only a limited number of investments and, as a consequence, the aggregate return on a Limited Partner’s investment in the Partnership may be substantially or completely adversely affected by the unfavorable performance of any one Portfolio Investment.

The return of capital and the realization of gains, if any, will occur only upon the partial or complete disposition of a portfolio investment. The Partnership may, for example, invest in securities that are illiquid and subject to resale restrictions because they are acquired from the issuer in “private placement” transactions.

General instability in the public debt market and other securities markets may impede the ability of portfolio companies to raise money by offering shares for sale on a public market.

## **15 AMENDMENT OF FUND DOCUMENTS**

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The Issuing Documentation may be amended from time to time by the General Partner. It is not subject to CSSF’s prior approval of the contemplated changes.

No amendments may be made which would adversely affect the material and substantial rights or interests of a particular Partner or group of Partners, without the consent of the General Partner.

Furthermore, no amendments may be made to this Memorandum without unanimous consent of the Partners unless these changes are not material or not substantial.

## **16 CONFIDENTIALITY**

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Investors will be bound by confidentiality obligations governing information provided to them with respect to their participation in the Fund.

Such confidentiality obligations do not restrict the right of the Investors to share such information with their Affiliates, employees, directors, managers, officers and advisors provided that the latter are bound by similar confidentiality obligations.

### **16.1 Fight against Money Laundering and Financing of Terrorism**

Pursuant to Luxembourg laws and regulations, in particular the Luxembourg law of 19 February 1973 (as amended) intended to combat drug dependence, the law of 5 April 1993 (as amended) on the financial sector and the law of 12 November 2004 (as amended) concerning the fight against money laundering and the

financing of terrorist activities, CSSF Regulation No. 12-01, Circular 11/529, Circular 13/556 and CSSF Regulation No. 12-02 of 14 December 2012, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes.

This identification procedure will be performed by the Administrative Agent (or the relevant competent agent of the Administrative Agent) and the Fund in the case of direct subscriptions to the Fund, and in the case of subscriptions received by the Fund from any intermediary resident in a country that does not impose on such intermediary an obligation to identify investors equivalent to that required under Luxembourg laws for the prevention of money laundering.

In respect of the above, the Administrative Agent and the Fund may require the subscriber of Units to provide it with any documentation deemed necessary in the Administrative Agent's judgment to satisfy its above referred obligations. Failure to provide proper documentation may result in the withholding of redemption proceeds by the Fund. Any information provided to the Fund in this context is collected for anti-money laundering compliance purposes only.

## **17 APPLICABLE LAW**

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The English version of the Issuing Documentation is the authoritative version and shall prevail in the event of any inconsistency with any translation hereof.

The Issuing Documentation is based on the laws and practice in force at the date of the Issuing Document in the Grand Duchy of Luxembourg, and is subject to changes in those laws and practice.

Any disputes arising under or in connection with the Issuing Documentation and/or the Limited Partnership Agreement shall be brought before a Luxembourg tribunal in accordance with the terms and provisions of the LPA.



**Registered Office of the Partnership – the Fund**

89e Parc d'Activités, L-8308 Capellen, Grand Duchy of Luxembourg  
Trade Register Number: RCSL B-224771

**Date of Incorporation**

was incorporated on the 18<sup>th</sup> of May 2018

**Duration**

Unlimited

**General Partner**

**LION MANAGEMENT Sàrl**

89e Parc d'Activités,  
L-8308 Capellen,  
Grand Duchy of Luxembourg  
Trade Register Number: RCSL B237822

**Represented by**

Mr. Daniele CASAMASSIMA  
Mr. Georgios KARADIMAS  
Mr. Markos MARKOU

**Alternative Investment Manager – AIFM**

**LION MANAGEMENT Sàrl**

89e Parc d'Activités  
L-8308 Capellen  
Grand-Duchy of Luxembourg

Trade Register Number: RCSL B237822

**Conducting Officers of the Alternative Investment Fund Manager**

Mr. Daniele CASAMASSIMA  
Mr. Georgios KARADIMAS  
Mr. Markos MARKOU

**Brokers of the Partnership**

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<p><b><u>Notifications to Partners and NAV</u></b></p> <p><a href="http://www.fundnav.lu">www.fundnav.lu</a></p>