

*TERM SHEET
APPENDIX 1
Limited Partnership Units*

Issuer:
LION ALTERNATIVE FUND
Special Limited Partnership
2 C, Parc d'Activités
L-8308 Capellen
RCSL: B224771

LION ALTERNATIVE FUND is a Special Limited Partnership based in Grand Duchy of Luxembourg. A Limited Partnership Agreement ("LPA") has been signed between the General Partner and the initial Limited Partner. This Term Sheet is part of the Issuing documentation to which any future Limited Partners are required to agree before the issuance of Limited Partnership Units. All information contained in this document and the LPA are subject to amendments. In case of inconsistency between the Term Sheet and the LPA, only the terms and conditions of the LPA will prevail.

Risk Warnings

No investment strategy is without risk and markets influence investment performance. Investment markets and conditions can change rapidly. Strategies or products can lose money as well as gain. All investors should consider investing only if they can accept the risks associated with investing including a loss of invested capital. Only Eligible Investors can invest in this Partnership and should be fully aware of the risk factors associated with such investment. Investors with questions should additionally seek independent investment advice tailored to their needs, circumstances, and risk tolerances.

TERMS & CONDITIONS

<p>The Vehicle – the Partnership - The Fund</p>	<p>LION ALTERNATIVE FUND 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"), registered under the number B224771 (the "Partnership").</p> <p>Its registered office is located at 2C, Parc d'Activités, L-8308 Capellen.</p> <p>The Partnership is issuing Limited Partnership Units to Limited Partners.</p> <p>The investment objective is to seek an absolute return for investors with a view to capital gain. There can be no assurance that the Partnership will achieve its objectives.</p> <p>The Partnership is a non regulated vehicle.</p>
<p>General Partner</p>	<p>LION MANAGEMENT Sàrl, a private limited liability company incorporated under the laws of Luxembourg, having its registered office at 2C, Parc d'Activités, L-8308 Capellen, registered under the number B237822.</p>
<p>Investment Manager</p>	<p>The Investment Manager is the General Partner, LION MANAGEMENT Sàrl.</p> <p>The Investment Manager is being registered by the Commission de Surveillance du Secteur Financier to act as an Alternative Investment Fund Manager under the conditions of the paragraph 3, (2), a) of the law of 12th of July 2013.</p> <p>The Investment Manager is responsible for the approval of investments of the Partnership according to its competences and the established eligibility criteria.</p>
<p>Investment Strategy</p>	<p>The Limited Partnership investment strategy is to invest in the following assets and within the following limits:</p> <ul style="list-style-type: none"> • Forex (between 0 and 100% of the total assets of the Fund) • Equity (between 0 and 100% of the total assets of the Fund)
<p>Eligible Investors</p>	<p>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), and who invests a minimum amount equivalent to 100 000 Euros in the Partnership. The General Partner is authorized to accept or reject any Limited Partner at its own discretion.</p>

Risk Management	<p>The General Partner is responsible for the performance of the risk management function. The General Partner will employ risk management practices in managing the Partnership's investment activities. The General Partner will implement and monitor these constraints using internally developed and third-party risk management analytics and tools.</p> <p>An investment in the capital of the Partnership involves certain risks including, but without limitation to, the risks described below.</p> <ul style="list-style-type: none"> - Concentrations Risk: All the potential assets that the Partnership could invest in the same asset. Hence, the Partnership could be exposed to geographical, sector-specific and asset type risks. - Lack of Liquidity - Market Volatility - Counterparty: The Partnership will retain and deposit funds with a banks or broker which can be subject to a bankruptcy or similar procedure in which case all or part the funds of the Partnership might be lost. - Multi-Jurisdictional Legal Complexities: There may be situations where the Partnership faces difficulty to enforce its rights due to cross-border legal complexities or cost, - Operational Risk: The Partnership's activity also entails a risk of loss deriving from operational risk-related matters. The Partnership shall not accept any liability for loss or damage arising from such events and may have indemnified the relevant person or service provider responsible for such loss or damage. - General Economic conditions
Liquidity Management	<p>The Investment Manager maintains a liquidity management process to monitor the liquidity risk of the Partnership, which includes, among other the liquidity, the subscription and the redemption process of the Underlying Fund.</p> <p>The Investment Manager will maintain tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions, in particular to manage the subscription and redemption process of the Partnership shares.</p>
Leverage	<p>The Partnership may have recourse to leverage on Forex (1:20). Standard leverage from market will be applied on equities.</p>
Limited Partner Liability	<p>The Limited Partner's liability is strictly limited to their contribution into the Partnership.</p>
Partnership Maximum Size	<p>EUR 100.000.000,00 (or equivalent in USD)</p>
Minimum Commitment	<p>The minimum amount of subscription of shares per Partner is EUR 125.000,00 (or equivalent in USD) unless he/she qualifies as Professional / Well Informed Investor.</p>
Initial Limited Partnership Unit Price	<p>EUR 100,00 per Limited Partnership Unit, divisible in thousand of Unit.</p>
NAV calculation Date	<p>At the end of each month. The General Partner reserves the right to issue an estimate or calculate an Adhoc NAV in the course of the month.</p>
Subscription Period	<p>No subscription period</p>

Target Return	The Partnership aims to achieve equity market neutral returns of 10% annualised.
Term of the Partnership	The Partnership will be set-up for an unlimited duration.
Application Procedure	<p><u>Subscription Agreement:</u> In order to subscribe for Units of the Partnership the proposed Limited Partner shall execute a Subscription Form whereby he/she irrevocably commits to contribute a given amount of cash in the Partnership.</p> <p>Subscription requests may be made at any time before 18:00 CET five (5) business days before the valuation day. The orders issued after 18:00 CET will be processed together with those made the next workday.</p> <p><u>Redemption of shares:</u></p> <p>The redemption request must be notified with 5 business days of notice (cut-off: 18:00 CET) in order to allow the Manager to rebalance the portfolio. The Net Asset Value applicable to the redemption will be the last day of the civil month as calculated by the Administrative Agent. Redemption payments shall be made within a maximum period of thirty (30) business days from the date of the monthly fixing of the Net Asset Value which may apply, depending on the previously agreed timetable.</p>
Subscription Fee	No Subscription Fee
Management Fee	Remuneration due to the Investment Manager: 1,5 % of the Net Asset Value annualised, calculated and payable at the end of each calender month.
Placement Fee	No Placement Fee
Performance Fee	The Partnership will incur monthly a performance fee (the "Performance Fee") of 20% net of expenses and subject to a high watermark (the "High Watermark"), payable to the Manager at the end of each calendar year.
Redemption Fee	No Redemption Fee
Dividends Distribution	The Partnerships Units are of capitalization and unless the General Partner decides to pay a dividend,
Accounting Standard	Lux GAAP
AIFM status	The Partnership is managed by the General Partner and benefits from the so called "sub-threshold partial exemption" of Article 3 under the Luxembourg law dated 12 July 2013 relating to alternative investment fund managers. The General Partner is registered as an alternative investment fund manager with the CSSF.
Tax Regime	The Partnership is tax transparent and neutral. No income tax will be applicable as long as the General Partner (if a Luxembourg based company) holds less than 5% of the equity of the Partnership.

Reporting	<p>Online Access: A unique and proprietary real time web interface available at fundnav.lu that will connect our Partners with the Partnership capital portfolio, consolidated news and updates will be made available through web and responsive interface.</p> <p>Net Asset Value (NAV): Will be provided every month to the Limited Partners.</p> <p>Financial Statements: The Partnership's financial statements will be made available within six (6) months of the end of the Partnership's financial year financial year.</p>
Banker	<p>Sparkasse Bank Malta plc 101 Townsquare, Ix-Xatt ta' Qui-si-Sana Sliema SLM3112 Malta</p>
Central Administration, Accounting, Domiciliation and NAV Calculation	<p>CREATRUST Sarl 2 C, Parc d'Activités L-8308 Capellen Luxembourg</p>
Subscription via FundSettle	Under number: TBD
FundNAV	Information on the Partnership and update of the NAV, please consult www.fundnav.lu
Currency	EUR
Statutory Auditor	<p>FIDROYAL Sarl 9-11 rue Louvigny, L-1946 Luxembourg</p>
Prime brokers	<p>IS PRIME LTD. 55 Baker street London, W1U 8Eu United Kingdom www.isprimefx.com</p> <p>Interactive Brokers Gotthardstrasse 3 CH-6300 Zug Switzerland www.interactivebrokers.co.uk</p> <p>XNT LTD. Portomaso Business Tower, Level 7, PTM01, ST. Julians, Malta Tel. +356 20150000 www.exante.eu</p>
Custodian	<p>Interactive Brokers Gotthardstrasse 3 CH-6300 Zug Switzerland www.interactivebrokers.co.uk</p>