



ISSUING DOCUMENT

PRUDENT INVESTMENT FUND

A Luxembourg specialised investment fund (SIF) with variable share capital (SICAV) incorporated as a *société anonyme*

Registered pursuant to the Luxembourg law of 13 February 2007 relating to specialized investment funds, as amended and supplemented from time to time.

REGISTERED OFFICE

2, boulevard de la Foire
L-1528 Luxembourg

APPLICATIONS FOR SUBSCRIPTION ARE RESERVED TO WELL-INFORMED INVESTORS WHO, ON THE BASIS OF THIS CONFIDENTIAL OFFERING DOCUMENT, THE ARTICLES AND THE RELEVANT SUBSCRIPTION FORM, HAVE MADE THEIR OWN ASSESSMENT OF THE CONDITIONS OF THEIR PARTICIPATION IN THE COMPANY. ACCORDINGLY, IT IS THE RESPONSIBILITY OF PARTICIPATING INVESTORS TO DETERMINE WHETHER THEIR RIGHTS AND OBLIGATIONS AS MEMBERS ARE SUITABLE FOR THEM.

JULY 2016

IMPORTANT INFORMATION

The Prudent Investment Fund, a public limited company with variable capital (the "**Company**") is offering Shares (the "**Shares**") of several separate sub-funds (individually a "**Sub-Fund**" and collectively the "**Sub-Funds**") on the basis of the information contained in this issuing document (the "**Issuing Document**") and in the documents referred to herein. No person is authorised to give any information or to make any representations concerning the Company other than as contained in the Issuing Document and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Issuing Document will be solely at the risk of the purchaser.

The Company is subject to the provisions of the law of 13 February 2007 on specialised investment funds as amended by the law of 26 March 2012 (hereafter referred as to the "**SIF Law**") and the law of 12 July 2013 related to alternative investment fund managers. Hence, the sale of the Shares is reserved to well-informed investors as defined by article 2 of the SIF Law (the "**Well-Informed Investors**", and each a "**Well-Informed Investor**"). The Company will refuse to issue Shares to physical persons and companies that do not qualify as Well-Informed Investors. The Company will further refuse any transfer of Shares that would result in Shares being held by a non-Well-Informed Investor. The Company, at its sole discretion, may refuse the issue or transfer of Shares if there exists no sufficient evidence that the person or entity to which the Shares should be issued or transferred is a Well-Informed Investor. The Company may, at its sole discretion, reject any application for subscription of Shares and proceed, at any time, to the compulsory redemption of all the Shares held by a non-Well-Informed investor.

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

By accepting this Issuing Document, Investors are not to construe the contents of this Issuing Document or any prior or subsequent communications from the Company, the Company's board of directors (the "**Board of Directors**"), the Alternative Investment Fund Manager (the "**AIFM**"), the initiators or any of their respective officers, members, employees, representatives or agents

as investment, legal, accounting, regulatory or tax advice. Prior to investing in the Shares, Investors should conduct their own investigation and analysis of an investment in the Company and consult with their legal advisers and their investment, accounting, regulatory and tax advisers to determine the consequences of an investment in the Shares and arrive at an independent evaluation of such investment, including the applicability of any legal sales or investment restrictions without reliance on the Company, the Board of Directors, the AIFM, the initiators or any of their respective officers, members, employees, representatives or agents. Neither the Company, the Board of Directors, the AIFM, the initiators nor any of their respective officers, members, employees, representatives or agents accepts any responsibility or liability whatsoever for the appropriateness of any Investors investing in the Company. Investors are urged to request any additional information they may consider necessary or desirable in making an informed investment decision. Each Investor is encouraged, prior to the consummation of their investment, to ask questions of, and receive answers from, the initiators concerning the Company and this offering and to request any additional information in order to verify the accuracy of the information contained in this Issuing Document or otherwise.

The text of the Articles is integral to the understanding of this Issuing Document. Investors should review the Articles carefully. In the event of any inconsistency between this Issuing Document and the Articles, the Articles shall prevail.

Prior to subscribe for Shares, Investors should obtain a copy of the subscription agreement (the "**Subscription Agreement**") which contains, inter alia, representations on which the Board of Directors may accept an Investor's subscription.

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

Investors should be aware that they may be required to bear the financial risk of their investment for a significant period of time as Investors may not request redemption of their Shares. Additionally, there will be no public market for the Shares. Accordingly, Investors should have the financial ability and willingness to accept the risks of investing in the Company (including, without limitation, the risk of loss of their entire investment) and accept that they will have recourse only to the assets of the Compartment in which they invest as these will exist at any time.

Certain statements contained in this Issuing Document are forward-looking statements. These forward-looking statements are based on current expectations, estimates and projections about the markets in which the Company will operate, and the beliefs and assumptions of the Company. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "forecasts", "projects", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted

in such forward-looking statements. Among the factors that could cause actual results to differ materially are the general economic climate, inflationary trends, interest rate levels, the availability of financing, changes in tax and corporate regulations and other risks associated with the ownership and acquisition of investments and changes in the legal or regulatory environment or that operation costs may be greater than anticipated.

An investment in the Shares involves significant risks and there can be no assurance or guarantee as to positive return on any of the Company's investments or that there will be any return on invested capital. Investors should in particular refer in this Issuing Document. The investment objectives are based on a number of assumptions which the Company believes reasonable, but there is no assurance that the investment objectives will be realised.

The Board of Directors has taken all reasonable care to ensure that the information contained in this Issuing Document is accurate as of the date as stated herein. Other than as described below, neither the Company, nor the initiators has any obligation to update this Issuing Document.

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

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

Applicable Law

The Luxembourg District Court is the place of performance for all legal disputes between the Shareholders, the Fund and the Depositary Luxembourg law shall apply.

Anti-Money Laundering and Terrorist Financing Prevention

Pursuant to the Luxembourg law of November 12th, 2004 and the CSSF Regulation n°12-02 of 14th December 2012 relating to the prevention of money laundering and terrorist financing, as amended from time to time, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering purposes and terrorist financing purposes. Within this context, a procedure for the identification of Shareholders has been imposed requiring each non-individual Shareholder to provide certified copies of its articles of incorporation and, where applicable, an extract from the commercial register and/or such other evidence of identification as may be required. Shareholders who are individuals must provide certified copies of their identity card or a valid passport and/or such other evidence of identification as may be required.

This identification procedure must be complied with by Apex Fund Services (Malta Limited) Luxembourg Branch, acting as Registrar and Transfer Agent in the case of direct subscriptions to a Sub-Fund, and in the case of subscriptions received by the Sub-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 and terrorist financing. It is generally accepted that professionals of the financial sector resident in a country that has ratified the conclusions of the Financial Action Task Force (*Groupe d'Action Financière*) are deemed to be intermediaries having an identification obligation equivalent to that required under Luxembourg law.

In relation to any application for subscription or redemption, or transfer of, Shares, the Company and/or Registrar and Transfer Agent may require at any time such documentation as it/they deem appropriate. Failure to provide such information in a form which is satisfactory to the Company and/or Registrar and Transfer Agent may result in any application or transfer request not being processed. Should documentation not be forthcoming with regard to the return of payments or the redemption of Shares, then such payment may not proceed.

Data protection

Certain personal data of Investors (including, but not limited to, the name, address and invested amount of each Investor) may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Company, the Board of Directors, the initiators or any of their respective officers, members, employees, representatives or agents. In particular, such data may be processed for the purposes of account and distribution fee administration, anti-money laundering and terrorism financing identification, tax identification, where appropriate, under the European Savings Directive or for the purpose of compliance with FATCA or similar laws and regulations, maintaining the register of Shareholders, processing subscription, redemption and conversion orders (if any) and payments of dividends to Shareholders and to provide client-related services. Such information shall not be passed on to any unauthorised third persons.

The Company may sub-contract to another entity (the Processor) the processing of personal data. The Company undertake not to transfer personal data to any third parties other than the Processor except if required by law or on the basis of a prior consent of the Shareholders.

Each Investor has a right of access to his/her/its personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

By subscribing to the Shares, each Investor consents to such processing of its personal data. This consent is formalised in writing in the Subscription Agreement used by the relevant intermediary.

For the purpose of FATCA compliance, the Company and/or Central Administration of the Company may be required to disclose personal data relating to US Persons and/or non-participant FFIs to the Luxembourg tax authorities which may transfer them to the Internal Revenue Service in the US.

DIRECTORY

Registered Office

2, boulevard de la Foire
L-1528 Luxembourg
Grand-Duchy of Luxembourg

Board of Directors

- Mr Dennis KLEMMING, Chairman, 2, boulevard de la Foire, L-1528 Luxembourg, Grand-Duchy of Luxembourg
- Mr Giovanni CATALDI NETO, Director, 2, boulevard de la Foire, L-1528 Luxembourg, Grand-Duchy of Luxembourg
- Mr Alfred NEIMKE, Director, 2, boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg
- Mr Jonathan BURGER, Director, 2, boulevard de la Foire, L-1528 Luxembourg, Grand-Duchy of Luxembourg

Alternative Investment Fund Manager (AIFM)

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49, boulevard Prince Henri
L-1724 Luxembourg
Grand-Duchy of Luxembourg

Directors of the day-to-day management at the AIFM

- Mr Timothé FUCHS, CEO, 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg
- Mr Bertrand BARTHEL, COO, 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg

Depositary Bank

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Administrative Agent, Domiciliary Agent, Registrar Agent and Transfer Agent

Apex Fund Services (Malta Limited) Luxembourg Branch
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Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers, *société coopérative*
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Legal Advisor

LEXTRUST - Avocats à la Cour
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Investment Adviser

Prudent Investment Adviser, N.V.
45 Pareraweg
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INTRODUCTION & OVERVIEW OF THE ISSUING DOCUMENT

An introduction: Luxembourg specialised investment funds with multiple sub-funds

Luxembourg law of 13 February 2007 relating to specialised investment funds as amended (the "**SIF Law**") and the law of 12 July 2013 related to alternative investment fund managers (the "**AIFM Law**") includes provisions for the creation of investment vehicles with multiple sub-funds.

The SIF Law further provides that each sub-fund of such a vehicle is linked to a specific portfolio of investments, which is segregated from the portfolio of investments of the other sub-fund(s). Pursuant to this principle, although the vehicle and its sub-fund(s) constitute a single legal entity, the assets of a sub-fund are exclusively available to satisfy the rights of investors in relation to that sub-fund and the rights of creditors whose claims have arisen in connection with the operation of that sub-fund.

For each sub-fund, a separate portfolio of investments and assets will be maintained and invested in accordance with the investment objective and policy applicable to the relevant sub-fund, as described in the relevant supplement. As a result, the Company is an "umbrella fund" reserved to institutional investors, professional investors and well-informed investors within the meaning of the SIF Law, enabling investors to choose between one or more investment objectives by investing in one or more sub-funds.

The Company is one single legal entity. However with regards to third parties, in particular towards the Company's creditors, each sub-fund shall be exclusively responsible for all liabilities attributable to it. The Company shall maintain for each sub-fund a separate portfolio of assets. As between Shareholders (the "**Shareholders**"), each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

The Prudent Investment Fund (the "**Company**" or the "**Fund**") is Luxembourg specialised investment fund with multiple sub-funds reserved to institutional investors, professional investors and well-informed investors within the meaning of the SIF Law. As a consequence, the sale of Shares is restricted to Well-Informed Investors as defined by article 2 of the SIF Law:

1. Investors who qualify as institutional investors according to the Luxembourg laws and regulations,
2. Investors who qualify as professional investors according to the Luxembourg laws and regulations, and
3. Investors who:
 - a. declare in writing their status as well-informed investors and
 - b. either invest a minimum of the equivalent of EUR 125,000 in the Fund or benefit from a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, an investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC stating that they are experienced to appreciate in an adequate manner the investment made in the Fund.

In order to ensure a risk diversification, investments of the Fund will be spread over several projects, industries, products and different asset types.

The portfolio diversification of the Fund will be ensured according to the rules provided by the Circular of the *Commission de Surveillance du Secteur Financier* 07/309 of 3 August 2007 on risk spreading in the context of specialised investment funds according to which a specialised

investment fund may not invest more than 30% of its assets or commitments in securities of the same type issued by the same issuer.

The Issuing Document

The Company's official documentation regarding the offering documents comprises this issuing document (the "**Issuing Document**") and the specific investment policy of each different sub-fund (each a "**Sub-Fund**" and collectively the "**Sub-Funds**"), such as set out in the relevant appendix of each sub-fund (the "**Sub-Fund Appendix**"), the articles of incorporation of the Company (the "**Articles**") and the latest financial reports when available.

All of the above documents, as well as any other document relating to the Company and likely to be made available to the public, may be obtained free of charge or are available for inspection at the registered office of the Company.

Sub-Fund Appendix

The Sub-Fund Appendix forms part of the Issuing Document within the meaning of the SIF Law and contain information specific to each Sub-Fund and the related Shares series and Classes proposed for subscription. Any reference to a Sub-Fund Appendix pertains to the relevant Sub-Fund.

No person is authorised to give any information or to make any representations concerning the Company other than as contained in this Issuing Document, its Sub-Fund Appendix and the documents referred to herein, and any purchase made by any person on the basis of statements or representations contained in this Issuing Document and its Sub-Fund Appendix shall be solely at the risk of the investor.

The distribution of this Issuing Document is not authorized unless it is accompanied by the most recent annual and semi-annual reports (if any) of the Fund. Such report or reports are deemed to be an integral part of this Issuing Document.

AIFM Status of the Company

At as the date of the present Issuing Document, the Company qualifies as an Alternative Investment Fund (the "**AIF**") within the meaning of the AIFM Law and is managed by Fuchs Asset Management Luxembourg S.A., acting as Alternative Investment Fund Manager (the "**AIFM**") governed by the AIFM Law and authorized by the CSSF.

PART I

GENERAL PART

I. THE COMPANY

The Prudent Investment Fund (the "**Company**") was set up in Luxembourg on 14 May 2014 pursuant to the SIF Law and is incorporated as a public limited company (*société anonyme*) with variable share capital (*SICAV*). The Company is authorized and supervised by the *Commission de Surveillance du Secteur Financier* ("**CSSF**") and registered on the list of specialized investment funds governed by the SIF Law and qualifies as an alternative investment fund within the meaning of the AIFM Law.

Pursuant to an extraordinary general meeting of the Shareholders of 19 April 2016, the Company was transformed into an investment company with multiple sub-funds.

The registered office of the Company is at 2, Boulevard de la Foire, L-1528 Luxembourg, Grand-Duchy of Luxembourg. The Company was registered with the Luxembourg Trade and Companies' Register under number B 187.591. The Company's central administration is located in Luxembourg. The Company's Articles was published at the *Mémorial C, Recueil des Sociétés et Associations* n°2099 of 8 August 2014.

As a SICAV, the Share capital of the Company will, at all times, be equal to the value of the net assets of the Company and its Sub-Funds. It is represented by registered Shares without certificate, all fully paid up, without par value. The minimum capital is laid down in the SIF Law. The consolidation currency of the Company is U.S. Dollars (USD). Share capital variations are fully legal and there are no provisions requiring publication and entry in the Trade and Companies register as prescribed for increases and decreases in the Share capital of public limited companies (*sociétés anonymes*).

Such as specified in the Articles, the Company may issue additional Shares at any time at a price to the investors (the "**Ordinary Shares**") set in compliance with the contents of the Chapter "Shares", without any reference right being reserved for existing Shareholders.

The Company had an initial Share capital of EUR 31,000 (thirty one thousand Euros) represented by 310 (three hundred ten) Shares with no par value (the "**Founder Shares**"). Within the period of 12 months from approval by the CSSF, the SIF Law prescribes that minimum capital must amount to EUR 1,250,000 (one million two hundred and fifty thousand Euros) or equivalent in USD.

The Company is managed by its Board of Directors. The broadest powers are vested in the Board of Directors to act under all circumstances on behalf of the Company, subject to those powers expressly conferred by the SIF Law and the Articles to the Shareholders' meetings.

The Board of Directors (subject to Shareholder approval where applicable) directs the general management of the Company as well as the policies for administration and investment.

Any or all members of the Board of Directors may be dismissed only under the circumstances prescribed by the Articles.

The Board of Directors has appointed Fuchs Asset Management Luxembourg S.A. as its external AIFM. Fuchs Asset Management Luxembourg S.A. is authorized as AIFM by the CSSF. For a more detailed description of Fuchs Asset Management Luxembourg S.A., please refer to section VIII "Management".

The Board of Directors may issue Shares in several Classes having for example:

- A specific sales and redemption charge structure and/or,
- A specific management, advisory and assistance and coordination fee structure and/or,
- Different distribution, Shareholder servicing or other fees and/or,
- Different types of targeted investors and/or,
- A different hedging structure, currencies and/or,
- Such other features as may be determined by the Board of Directors from time to time.

The Board of Directors may, at any time, decide to create further Sub-Funds and additional Classes of Shares and in such case this Issuing Document will be updated by adding or by updating the corresponding Sub-Fund Appendix. Each Share represents the proportion of each Shareholder's ownership interest in the assets and liabilities of the relevant Sub-Fund to which each Shareholder is beneficially entitled. Ownership of Shares of a given Sub-Fund shall entitle each Shareholder to participate and share in the property comprising the relevant Sub-Fund including, without limitation, incomes, interest, dividends, profits and other similar amounts derived or generated from the investment of such property received by the Sub-Fund. Shares of each Class of each Sub-Fund are equally entitled to net assets attributable to that Class.

II. **INVESTMENT OBJECTIVE AND POLICY**

The Board of Directors of the Company has determined the investment objective and policies of each Sub-Fund as described in the relevant Sub-Fund Appendix. There can be no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and policies of any Sub-Fund must be in compliance with the risk spreading rules and investment policy applicable to the relevant Sub-Fund.

The Board of Directors may, at its discretion, alter investment objectives of each Sub-Fund provided that any material change in the investment objectives and policies is notified to Shareholders at least one month prior to effecting such a change in order to enable Shareholders to request redemption or conversion of their Shares, free of charge, during such period. In addition, this Issuing Document shall be updated accordingly.

The investment objective and policy of each Sub-Fund is as set out in respect of that Sub-Fund in the relevant Sub-Fund Appendix.

There can be no guarantee that the investment objectives of the Company or of any Sub-Fund will be met.

At least 90% of the investment of each Sub-Fund will be made (directly or indirectly) in any kind of assets (including derivatives), which are eligible under the SIF Law, in compliance with the risk spreading rules and investment policy applicable to the relevant Sub-Fund.

Each Sub-Fund's investments may be partly financed through short-term loans up to a maximum of 30% of its net assets.

Pursuant to the Annex 4, point 9 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the

Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, the Company would qualify as a fund of funds.

III. **RESTRICTIONS ON INVESTMENTS**

The Prudent Investment Fund will apply restrictions to its investments in relation to certain economic sectors which are considered to be not compatible with the ethical, social and environmental conduct that each Sub-Fund intends to apply.

The Prudent Investment Fund will not invest in the following restricted sectors:

- illegal economic activities such as production, trade or activity illegal under the laws or regulations of the host countries;
- production of and trade in weapons and ammunition;
- companies that use child labor;
- companies that are exploiting woman or ethnical minority groups;
- companies acting against religious freedom;
- financing illegal and unethical researches on life science;
- project detrimental to national defense, security and public interest.

Special care requirements are needed in the following vulnerable and sensitive areas:

- Weak regulatory frameworks;
- High corruption or lack of transparency;
- Human rights violations;
- Vulnerable indigenous groups.

Transparency, governance, safeguards for human rights and tangible benefits to local communities and host governments are particularly important in such areas.

Each Sub-Fund must not invest more than 20% of its assets in participations in non-listed companies. Each investment in a company must stay below 10% of the share capital of this company except the cases where the Company invests into (i) real estate companies, (ii) public-private partnerships or (iii) companies with the purpose of production of renewable energies.

IV. **INVESTMENT PROCESS**

Investments decisions will be made by the AIFM in accordance with the Investment Objective and Policy as described in the relevant Sub-Fund Appendix and on the basis of investment advises from Prudent Investment Adviser, N.V. a Curacao registered company (the "**Investment Adviser**").

The Investment Adviser will be responsible for making investment and divestment recommendations to the AIFM. The AIFM will examine proposals made by the Investment Adviser and will carefully review these proposals to make its decisions in accordance with the Investment Policy.

The Investment Adviser will be managed by an experienced group of investment professionals.

The Investment Adviser will be responsible for the following:

- Identifying and selecting investment opportunities;
- Handling of the related preliminary studies and preliminary due diligence;
- Handling of the development of the project prior to any investment;
- Reviewing the experience and expertise of the management and owner of Target companies that will invest in;
- Issuing operational recommendations to the transaction and financing scheme;
- Assisting the operations of the Company investments to broaden investments;
- Providing detailed frameworks to implement sales plans as well as templates for monitoring the performance;
- Providing detailed quality control and on-going monitoring to investment companies;
- Overseeing the on-going currency exposure of the Company;
- Overseeing the Investment Objective to ensure that the Company operates within the Investment Policy requirements and achieves the defined objectives;
- Reviewing the performance of the portfolio's investments to identify areas of potential improvements or seeking divestment opportunities.

The AIFM will be in charge of:

- Managing asset allocations of the portfolio of the Company on the basis of the recommendations issued by the Investment Adviser;
- Taking care of executing transactions for the Company;
- Assessing and accepting the quality and legal enforceability of collateral provided by target companies, such as pledged insurance policies covering the instruments that the target Companies may invest in;
- Implementing and processing investment and divestment decision, and making strategic decisions;
- Processing and overall reporting;
- Assessing on an on-going basis the overall risk exposure, and any endeavour to mitigate such risks;
- Assessing whether the terms of the contractual relationships between the Company and its counterparties provide for the most efficient protection of the investors in case of bankruptcy;
- Assessing on an on-going basis the liquidity of the market and of the underlying assets: illiquidity may entail inability of the Company to satisfy massive redemptions from shareholders;
- Supervising and monitoring the risk management process and procedures;
- Supervising and monitoring all the operational tasks;
- Applying good corporate governance principles.

V. **FORM OF INVESTMENTS**

Each Sub-Fund will make its investments either through (i) receivables or other financing instruments to existing and operating companies, or via (ii) a direct or indirect ownership of shares, through one or more subsidiaries which may be a wholly-owned subsidiary, or other

intermediate vehicles or companies jointly-owned by the relevant Sub-Fund, and as a co-investor, or (iii) directly in companies and assets. The main purpose of the intermediate vehicles shall be to own investments acquired in accordance with the Investment Objective and Policy.

Each Sub-Fund can use Luxembourg or foreign companies (referred hereafter as to the “**SPV**”) and receivables of profit participating loans (“**PPLs**”) to be granted to the SPV. The funds invested in the SPVs will in turn be invested in the different private equity related companies and assets falling within the scope of the Investment Objective above-described. In that case, the SPVs will be 100% held by the Company, and the Board of Directors will at any time control the management team of the SPV. The AIFM will in such cases have the right to look through the SPV to its underlying holdings.

Each Sub-Fund will primarily hold direct and indirect investments and will have the ability to hold cash, equities and other financial instruments including financial derivative instruments for hedging purposes. Most of these investments should either be common or preferred stock, or unlisted corporate bond issues with detachable warrants.

Each Sub-Fund will strive to maintain an appropriate cash balance or liquid assets for redemption and new opportunities, determined to be in the best interest of its investors.

Global and local macro-economic evolution, geopolitical factors, government policies, unexpected changes in unit costs and prices could all affect the opportunities to invest in those different assets and projects.

VI. **INFORMATION ON INVESTMENTS/PORTFOLIO DIVERSIFICATION**

The Company invests in an undivided collection of assets made-up and managed according to the risk-spreading principle on behalf of joint owners (*i.e.*, the Shareholders) who are liable only up to the amount contributed by them and whose rights are represented by Shares intended to be dedicated to investors as defined by article 2 of the SIF Law (the “**Well-Informed Investors**”, and each a “**Well-Informed Investor**”) only.

In order to ensure a risk diversification, investments will be spread over at least five assets, processes, projects and companies and sectors involving different investment risks in each Sub-Fund. For each Sub-Fund, the portfolio diversification will be ensured according to the rules provided by the CSSF’s Circular 07/309 of 3rd August 2007 on risk spreading in the context of specialised investment funds according to which a specialised investment fund may not invest more than 30% of its assets or commitments in securities of the same type issued by the same issuer per Sub-Fund.

The number of investments in the Portfolio of each Sub-Fund may be limited and may vary at the discretion of the AIFM and the Investment Adviser which will be continuously looking for the best opportunities and may therefore buy or sell assets according to the Investment Objective and Policy.

As a consequence, the Company undertakes, excepted otherwise foreseen and prior agreed by the CSSF, to apply the investments restrictions as stated in the CSSF’s Circular 07/309 according

to which each Sub-Fund may not invest more than 30% of its assets or commitments to subscribe securities of the same type issued by the same issuer. This restriction does not apply to:

- a. Investments in securities issued or guaranteed by an OECD Member State or its regional or local authorities or by EU, regional or global supranational institutions and bodies;
- b. Investments in target UCIs that are subject to risk-spreading requirements at least comparable to those applicable to the Company.

For the purpose of the application of this restriction, every sub-fund of a target umbrella undertakings for collective investment ("**UCI**") is to be considered as a separate issuer provided that the principle of segregation of liabilities among the various sub-funds vis-à-vis third parties is ensured.

The risk spreading rules above-mentioned will be observed on an on-going basis at the level of the Company after the completion of a ramp-up period of 6 months starting at the launching date of the Prudent Investment Fund.

The Company's sole purpose is to generate long-term capital gain by making direct or indirect investments in all types of assets in accordance with the SIF Law.

In the context of its objectives, the Company will be able to offer a choice of several Sub-Funds, which are managed and administered separately.

Each Sub-Fund has a distinct investment objective and policy that is compatible with the general provisions contained in Part I of this Issuing Document, which include provisions relating to the broader objective, policies, restrictions and strategy of the Company. Within the general provisions contained in Part I of the Issuing Document, the Board of Directors may resolve to apply geographical and other investment restrictions to any Sub-Fund.

The specific investment policy of the different Sub-Funds is set out in the relevant Appendix relating to each Sub-Fund. In the context of its investments, the assets of any given Sub-Fund are only liable for the debts, liabilities and obligations relating to this Sub-Fund. Between Shareholders, each Sub-Fund is treated as a separate entity.

The Board of Directors may issue one or more Classes of Shares for each Sub-Fund. The cost structures, the minimum provided for the initial investment, the currency in which the net asset value is expressed and the eligible investor categories may differ depending on the different Classes of Shares. Classes of Shares may also be differentiated according to other objective elements as determined by the Board of Directors.

The Company is an open-ended company. Shares of the relevant Sub-Fund may be redeemed, upon request of the Shareholder under the conditions foreseen in each Sub-Fund Appendix.

VII. **RISK FACTORS**

Investment in the Company involves significant risks and it is possible that an investor may lose a substantial proportion or all of its investment in a Sub-Fund. The value of the investments may fall as well as rise. An investment in a Sub-Fund is suitable only for Well-Informed Investors and

requires the financial ability and willingness to accept for an indefinite period of time the risk and lack of liquidity inherent in each Sub-Fund. Whilst it is the intention of each Sub-Fund to implement strategies which are designed to minimize potential losses, there can be no assurance that these strategies will be successful. Performance of each Sub-Fund is subject to changes in various factors including, without limitation, fluctuations in equity values, currencies and interest rate movements. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Sub-Fund. The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Company.

Potential investors must be aware that the investments of each Sub-Fund are subject to normal and exceptional market fluctuations as well as other risks inherent in the investments. The value of investments and the income generated thereof may fall as well as rise and there is a possibility that investors may not recover their initial investment. In particular, investors' attention is drawn to the fact that if the objective of each Sub-Fund is medium and long-term capital growth, depending on the investment universe, elements such as exchange rates, investments in the emerging markets, the yield curve trend, changes in issuers' credit ratings, the use of derivatives, investments in companies or the investment sector may influence volatility in such a way that the overall risk may increase significantly and/or trigger a rise or fall in the value of the investments. It should also be noted that the AIFM may, in compliance with the applicable investment limits and restrictions imposed, temporarily adopt a more defensive attitude by holding more cash in the portfolio when he believes that the markets or the economy in countries in which each Sub-Fund invests are experiencing excessive volatility, a persistent general decline or other negative conditions. In such circumstances, the Sub-Fund concerned may prove to be incapable of pursuing its investment objective, which may affect its performance.

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

VII.1. ABSENCE OF OPERATING HISTORY

Although the management of the assets will be in the hands of key individuals and organisations with a wide range of experience, and financial information is available on the historical performance of the investment made, no risk or performance history on the Company is available to investors. Past performance of the investments made is not indicative of the future performance of the Company. There can be no assurance that each Sub-Fund will achieve its investment objective. There can be no assurance that appreciation will occur or that losses will not be realised.

VII.2. GENERAL ECONOMIC CONDITIONS

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates and the liquidity of the markets for both equities and interest-rate-sensitive securities. Certain market conditions, including unexpected volatility or illiquidity in the market in which each Sub-Fund directly or indirectly holds positions, could impair the Company's ability to achieve its objectives and/or cause it to incur losses.

VII.3. FUTURE INVESTMENT UNSPECIFIED

Because investments may be made over a substantial period of time, there will be risks of interest rate fluctuations, currency fluctuations and possible adverse changes in target markets of each Sub-Fund. Any decision to engage in a new investment could result in the exposure of the Company's capital to additional risks which may be substantial.

VII.4. LEGAL CONSIDERATIONS

The offer and sale of the Shares in certain jurisdictions may be restricted by law, and investment in each Sub-Fund may involve legal requirements, foreign exchange restrictions and tax considerations unique to each prospective investor. Shares acquired by any person, or in any transaction, in violation of applicable law, may be mandatory redeemed. There is a possibility that each Sub-Fund's investments may violate regulations of the jurisdictions in which the Sub-Fund operates. There may be occasions where a transaction proves unenforceable at law due to changes in law or regulation. These occasions may cause the loss in value of the assets.

VII.5. GENERAL RISK IN INVESTING IN PRIVATE EQUITY

VII.5.1. Available opportunities

The success of each Sub-Fund will depend on the availability of appropriate investment opportunities and the ability 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 each sub-Fund to invest all of its assets in opportunities that satisfy its investment objectives, or that such investment opportunities will lead to completed investments by each Sub-Fund. Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

VII.5.2. Influence of principal shareholders of investee companies

Each Sub-Fund may invest in companies or joint ventures where other principal shareholders may exercise control or be in a position to exert significant influence over matters relating to the investee companies, including the appointment of the companies' boards of directors and the approval of significant change-in-control transactions. In addition, this control may have the effect of making certain transactions or business strategies more difficult without the support of the directors of the investee companies and may have the effect of delaying or preventing an acquisition or other change in control of the investee companies.

VII.5.3. Investee companies may need future additional capital

Each Sub-Fund may invest in companies whose capital requirements depend on numerous factors. If their businesses and cash flows do not develop according to best-estimated projections, it is difficult to predict the timing and amount of additional financing that may be required. Any additional equity financing required may be dilutive to shareholders including each Sub-Fund and debt financing, if available, may involve restrictions on financing and operating activities. If the investee companies are unable to obtain additional financing as needed, they may be required to reduce the scope of operations, modify the timing of anticipated expansion or engage in other restructuring activities.

VII.5.4. Forward-looking statements

Certain statements in this Issuing Document may constitute forward-looking statements relating to such matters as projected financial performance, business prospects, new products and services and similar matters. A variety of factors could cause the actual results and experience to differ materially from the anticipated results or other expectations expressed in the forward-looking statements.

VII.5.5. Target return

The quality of management, particularly with respect to the selection of assets, and the terms and conditions of acquisitions and transfers, is essential to ensuring a good return on investments and therefore the success of each Sub-Fund's investments. However, there is no guarantee that the target return will be achieved, whether by reason of different market conditions applying than those on which the calculations were based or for any other reason. There is no guarantee that losses will not occur.

VII.5.6. Risks linked to the valuation of the assets

The valuation of unlisted assets depends on subjective factors and can be difficult to realize with accuracy. Furthermore the accounting, auditing and financial reporting standards in specific may not correspond to International Financial Accounting Standards or are not equivalent to those applicable in more developed market economies. This is because accounting and auditing has been carried out solely as a function of compliance with tax legislation. The reliability and quality of information that will be collected in order to value the assets of each Sub-Fund may therefore be less reliable than in respect of investments in more developed markets economies.

VII.6. OPERATIONAL RISKS

Each Sub-Fund is subject to operational risk which is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events. Each Sub-Fund will endeavour to mitigate the internal risks by active operational risk management. The risk of direct or indirect loss resulting from external events which are the insurable risks, will be mitigated by entering into an adequate insurance program. Each Sub-Fund depends significantly on the efforts and abilities of the Board of Directors, the AIFM and the Investment Advisers..

VII.7. RISKS LINKED TO INVESTMENTS IN THE SECTORS

Prospective investors should acknowledge that the portfolio of each Sub-Fund will be composed of assets presenting a greater risk and a higher volatility than investment in a broader range of securities covering different economic sectors. The value of the investments made will be highly dependent upon the successful and timely completion of the various expansion phases of the portfolio products and of the final approval given by the competent authorities in each country for their distribution. In addition, this sector may be subject to greater government regulations than other sector, and, as a result, changes to such government regulations may have a material adverse effect on this sector. Such investments may therefore drop sharply in value in response to market, regulatory or research setbacks in addition to possible adverse effects from the competition of new market entrants, patent considerations and product obsolescence.

VII.8. MINORITY INTEREST

Each Sub-Fund may acquire minority interests in certain assets and it is unlikely that the Sub-Fund will have critical elements of control over the relevant assets. This may involve risk not present in investments where the Sub-Fund has a controlling interest, including the risk that other investors in the asset might at any time have economic or business interests or goals that are inconsistent with those of the Sub-Fund or may be in a position to take action contrary to the Sub-Fund's investment objective. In addition, each Sub-Fund may be liable for the actions of its co-investors in respect of such assets.

VII.9. TAX RISKS LINKED ASSOCIATED WITH THE TAX STRUCTURING OF THE COMPANY INVESTMENT

The Company, for each of its Sub-Funds, plans to structure their investments in each relevant country in a manner which, based on professional advice obtained by the Company, seeks to optimise its tax position in those countries. The structures adopted are based on relevant laws and regulations in each country and the interpretation of those laws and regulations.

To the extent that the laws and regulations or interpretations of those laws and regulations change, or to the extent that the professional advice obtained by the Company is incorrect, the structures adopted may not be tax efficient and consequential tax charges could be significant and have a material adverse effect on the financial condition and results of operations of the Company.

Tax charges and withholding taxes in various jurisdictions in which each Sub-Fund will invest will affect the level of distributions made to it and accordingly to its Shareholders. No assurance can be given as to the level of taxation suffered by the portfolio investment of the Sub-Fund.

VII.10. COUNTRY RISKS

Regulatory changes may have a material and adverse effect on the prospects for profitability for each Sub-Fund of the Company. Global markets are subject to on-going and substantial regulatory supervision, and it is impossible to predict what statutory, administrative or exchange imposed restrictions may become applicable in the future. While the Company believes that the current process of reform of the economic and legal system in the target jurisdictions in which it seeks to invest is favourable to economic growth and the rates of return on investments which the Company will seek to achieve, most (if not all) of the investments will be highly sensitive to any significant change in political, social or economic policy or circumstance in the relevant jurisdictions. The Sub-Fund's investments may also be affected by uncertainties arising from political and social developments in or changes in the laws or regulations of the relevant jurisdictions.

VII.11. GENERAL EMERGING MARKET RISK

The regulatory, accounting, and auditing standards, and legal and political systems in some of the countries in which the Sub-Fund may invest may compare unfavourably with those in more developed countries, exposing the Sub-Fund's investments to higher associated risks.

VII.12. INVESTMENT AND REPATRIATION RESTRICTIONS

A number of attractive emerging securities markets restrict, to varying degrees, foreign investment in their securities. Furthermore, some attractive equity securities may not be available to each Sub-Fund of the Company because foreign shareholders already hold the maximum amount permissible under the current law, or the foreign registered shares may trade at a premium to the normal local registered shares giving a further risk of premium contraction; or when the foreign premium is deemed excessive, each Sub-Fund may buy local shares and wait in a queue for registration, during which queuing period the Sub-Fund may forfeit dividends, entitlements to capital increases or other similar corporate actions. Repatriation of investment income, capital gains and proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging markets and may be subject to currency exchange control restrictions. Each Sub-Fund will only invest in markets where the risks associated with these restrictions are considered acceptable.

VII.13. SETTLEMENT RISKS

Settlement systems in emerging markets may be less well organised than in developed markets. Thus there are risks that settlement may be delayed and that cash or securities of each Sub-Fund may be in jeopardy because of failures or of defects in the systems. In particular, market practice may require that payment shall be made prior to receipt of the security which is being purchased or that delivery of a security must be made before payment is received. In such cases, default by a broker or bank (the "Counterparty") through whom the relevant transaction is effected might result in a loss being suffered by the Sub-Fund. The AIFM of the Company will seek, where possible, to use Counterparties whose financial status is substantial such that this risk is reduced. However, there can be no certainty that the Sub-Fund will be successful in eliminating this risk, particularly as Counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

VII.14. LACK OF DIVERSITY

Each Sub-Fund is not subject to specific legal or regulatory risk diversification requirements, other than those specified in the circular CSSF 07/309 risk diversification requirements as it may be amended from time to time. Therefore, each Sub-Fund is in principle authorized to make a limited number of investments and, as a consequence, the aggregate returns realized by the Shareholders may be substantially adversely affected by the unfavourable performance of even one investment. In addition, the assets of each Sub-Fund may be concentrated in certain industries and segments of activity.

VII.15. NATURE OF INVESTMENTS AND VALUATION OF ASSETS

Investment in unquoted investments or investments that are traded on small stock exchanges that have a limited history of legal precedent for enforcement of appropriate regulations involves a higher degree of risk than is normally associated with equity investments on established stock exchanges.

At any one time, each Sub-Fund may find it difficult to value its investments and/or to sell them at reasonable prices. There can be no assurance as to the availability of appropriate investments for investment by the Sub-Fund as a result both of suitability and legal restrictions in certain

areas. The Board of Directors does not believe that such investment restrictions currently impose a material constraint on the Sub-Fund's ability to invest, although foreign investment in companies in certain countries may, in certain cases, be legally restricted.

VII.16. FOREIGN EXCHANGE/CURRENCY RISK

The AIFM may invest in assets denominated in a wide range of currencies and currency exposure may be hedged. The Net Asset Value expressed in its respective unit currency may fluctuate in accordance with the changes in foreign exchange rate between the currency of reference of each Sub-Fund and the currencies in which the Sub-Fund's investments are denominated. Each Sub-Fund may use Financial Derivative Instruments for the purpose of hedging. Where appropriate, the Sub-Fund may choose to hedge market, currency and interest rate risks using derivatives. There is no guarantee that hedging techniques will achieve the desired result.

VII.17. ILLIQUID INVESTMENTS

The investments to be made by each Sub-Fund may be highly illiquid. The eventual liquidity of all investments will depend on the success of the realisation strategy proposed for each investment. Such strategy could be adversely affected by a variety of factors. There is a risk that the Sub-Fund may be unable to realise its investment objectives by sale or other disposition at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on dispositions. The return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposition of an investment. Prospective investors should therefore be aware that they may be required to bear the financial risk of their investment for an undetermined period of time.

VII.18. EQUITY INVESTMENTS

Market risks associated with holding an equity investment can be split into three categories: specific risk, industry risk and systemic or index risk. Specific risk arises from factors which affect only the issuing company of the security, and not the rest of the market. Examples of such factors are management changes in the issuing company and loss of market share because of new competitors or law suits. Industry risk arises where an industry group, containing several similar issuing companies, responds differently from other groups to, for example, changes in economic conditions or government regulations. Systemic or index risk arises where external influences affect the market as a whole rather than individual companies or groups of similar companies. Such influences include fiscal and monetary policies, political events and changes in interest rates. In the worst case, the value of an equity can fall to zero. Therefore, these risks can each lead to considerable losses being incurred by those exposed to such instruments.

VII.19. RISKS RELATED TO THE SUB-FUND'S BORROWINGS

Each Sub-Fund's investments may be partly financed through a short-term loan up to a maximum of 30% of its net assets. Even if the level of indebtedness must, as a matter of policy, remain prudent, there is no guarantee that the investments in general or a particular asset can generate enough income to cover debt servicing and other operating expenses and investment costs and/or make it possible to distribute dividends to Shareholders.

VIII. **MANAGEMENT**

VIII.1. **ALTERNATIVE INVESTMENT FUND MANAGER**

Fuchs Asset Management Luxembourg S.A. has been appointed as external Alternative Investment Fund Manager (the "**AIFM**") of the Company. The AIFM is a Luxembourg law public limited company (*société anonyme*) incorporated on 10 June 2014, authorized by the CSSF as a management company pursuant to Chapter 15 of the law of 17 December 2010 relating to Undertakings for Collective Investment, as amended (the "**Law of 2010**") and as an Alternative Investment Fund Manager pursuant to Chapter II of the AIFM Law, with registered office at 49, boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Company Register under number B 188.359.

The AIFM currently also acts as Management Company and AIFM for other investment funds. The subscribed capital of the AIFM is set at EUR 700,000.-.

The purpose of the AIFM is the management of the collective portfolio management of the Company and/or any of its Sub-Funds for the account and in the exclusive interest of the Shareholders of the Company in compliance with Chapter 15 of the Law of 2010 and the management of AIFs pursuant to Chapter II of the AIFM Law.

In the scope of its appointment under the AIFM Agreement entered into the Company and the AIFM, the AIFM will perform the following activities:

- Portfolio Management;
- Risk Management;
- Marketing/ Distribution of Shares;
- Liquidity Management;
- Regulatory Monitoring;
- Operational Risk Monitoring;
- Supervision on delegates;
- AIFM reporting.

In accordance with the laws and regulations currently in force and with the prior approval of the Board of Directors of the Company, Fuchs Asset Management Luxembourg S.A. is authorised to delegate, under its own responsibility part of the above-indicated functions, control and coordination and its own expense all or part of its duties and powers to any person or company which it may consider appropriate. The Board of Directors of the Company remains liable for the content of the Issuing Document and for any amendments on it.

The AIFM will at all times have professional liability cover in place as prescribed by the AIFM Law and AIFM Regulation.

In consideration for its services, the AIFM shall be paid a fee as determined from time to time in the AIFM Agreement. The AIFM Agreement may be terminated by either the AIFM on 3 months written notice or by the Fund upon 3 months written notice. The AIFM commits to disclose further details at the written request of the Shareholders.

VIII.2. PORTFOLIO MANAGEMENT

The AIFM is responsible for the investment decisions for each Sub-Fund and places purchase and sale orders for the Sub-Fund's transactions and executes the investment decisions as further described in the relevant Sub-Fund Appendix of this Issuing Document.

The AIFM may delegate the management of other investment strategies relating to any Sub-Fund to an Investment Manager. Note that the AIFM and Investment Manager are regulated entities which have been delegated the role of portfolio management in accordance with the AIFM Regulation requirements. The AIFM and/or Investment Manager are not the same as an Investment Adviser in the context of the Sub-Funds.

Subject to its overall responsibility, control, and supervision, the AIFM may appoint Investment Advisers to provide day-to-day investment recommendations, for instance, relating to the asset allocation between the permitted investment instruments regarding the Sub-Funds' transactions. The AIFM is not obliged to follow these recommendations.

The names of the Investment Advisers/Managers, as well as the remuneration to which they are entitled are further described in each Sub-Fund relevant Appendix.

The AIFM, Investment Manager and/or Investment Adviser may be entitled to the payment of an additional commission linked to the performance of each one of the Sub-Funds (the "**Performance Fee**"), as stipulated in each Sub-Fund's relevant Appendix. The remuneration of the AIFM, the Investment Managers and the Investment Advisers and all eligible service providers, shall at all times be in accordance with ESMA's "Guidelines on Sound Remuneration Policies under AIFMD" as issued in 2013, as amended. Unless otherwise provided in the relevant Appendix, the remuneration of all these service providers is expressed as a percentage of the average total asset value.

VIII.3. RISK AND LIQUIDITY MANAGEMENT

Within the scope of the AIFM Agreement, the Company has delegated the risk management function and the liquidity management system to the AIFM. The AIFM implements on behalf of the Company an appropriate risk management system and an appropriate liquidity management system in compliance with the AIFM Law, by which all risks which are significant for the relevant investment strategy of the Sub-Funds and to which each Sub-Fund is exposed to or may be exposed to may be adequately identified, measured, managed and monitored, and which enable the Company to monitor the liquidity risks of the Sub Funds and ensure that the liquidity profile of the investments covers its underlying commitments.

Risk Management

The AIFM must functionally and hierarchically separate the functions of risk management from the operating units, including from the functions of portfolio management, in order to demonstrate independent performance of risk management activities.

The AIFM is required to implement adequate risk management systems, which will be reviewed and adapted, with appropriate frequency at least once a year, in order to identify, measure,

manage and monitor appropriately all risks relevant to each Sub-Fund's investment strategy and to which each Sub-Fund is or may be exposed.

The AIFM is required at least to:

- implement an appropriate, documented and regularly updated due diligence process when investing on behalf of each Sub-Fund, according to the investment strategy, the objectives and risk profile of the Sub-Fund;
- ensure that the risks associated with each investment position of each Sub-Fund and their overall effect on the Sub-Fund's portfolio can be properly identified, measured, managed and monitored on an ongoing basis, including through the use of appropriate stress testing procedures;
- ensure that the risk profile of the Sub-Funds shall correspond to the size, portfolio structure and investment strategies and objectives of the Sub-Funds as laid down in the Articles of Incorporation, Issuing Document and other marketing documents of the Company.

The AIFM has established and maintains a permanent risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an ongoing basis all risks relevant to each Sub-Fund's investment strategy including in particular market, credit, liquidity, counterparty, operational and all other relevant risks.

Furthermore, the risk management process ensures an independent review of the valuation policies and procedures as per Article 70 (3) of the Commission Delegated Regulation (EU) N°231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the "**AIFM Regulation**").

The AIFM applies a comprehensive process based on qualitative and quantitative risk measures to assess the risks of each Sub-Fund. It thereby differentiates between Sub-funds investing mostly in liquid or sufficiently liquid securities and derivatives ("**Liquid funds**") and Sub-Funds mainly investing in illiquid assets such as private equity ("**Illiquid funds**"). Liquid funds are subject to the standard risk management setup of the AIFM, entailing standard monitoring process which consists of pre-defined monitoring items and cycles. Illiquid funds are typically subject to a dedicated risk management setup entailing the establishment of a dedicated monitoring map, enhanced pre-trade due diligence and a customized monitoring process which consists of dedicated monitoring items and cycles aligned with the Sub-Fund's requirements.

As part of their investment policy, the Sub-Funds may invest in financial derivative instruments, provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in the investment policy of the respective Sub-Fund, as specified for each Sub-Fund in the relevant Sub-Fund Appendix.

The global exposure of the Sub-Funds will be calculated either through (i) the value-at-Risk (VaR) methodology or through (ii) the commitment methodology taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions or through (iii) other advanced risk measurement methodologies as may be appropriate.

The VaR methodology provides a measure for the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level.

According to the commitment methodology, financial derivative instruments are converted into equivalent positions in the underlying assets while taking into consideration any netting and hedging effects. In addition, the commitment methodology considers any other arrangements that are likely to generate incremental exposure to the AIF. Such other arrangements may include, but are not limited to, reinvestment of borrowings, repurchase agreements or securities lending.

The risk management of the AIFM supervises compliance of these provisions in accordance with the requirements of applicable circulars or regulation issued by the CSSF or any other European authority authorized to issue related regulation or technical standards.

Liquidity Management

The liquidity management system implements procedures which enable the Company to monitor the liquidity risks of the Sub-Funds and ensure that the liquidity profile of the investments covers its underlying commitments. Furthermore, the liquidity management system provides for the regular performance of stress tests on the base of normal and extraordinary liquidity conditions. By such stress tests the liquidity risks of the Sub-Funds are valued and respectively monitored. By an appropriate liquidity management it can be ensured that the investment strategy, the liquidity profile and the redemption policies are congruent. By appropriate escalation measures it needs to be ensured that expected or actual liquidity shortfalls or other emergency situations can be managed.

Leverage

In accordance with the AIFM Law, the AIFM will, for each Sub-Fund, provide to relevant authorities and investors the level of leverage of each Sub-Fund both on a gross and on a commitment method basis in accordance with the gross method as set out in Article 7 and the commitment method as set out in Article 8 of the AIFM Regulation. The Sub-Funds will set a maximum level of leverage which may be employed as indicated for the respective Sub-Fund Appendix in Part II of the Issuing Document.

Some of the Sub-Funds may maintain net open positions in securities, currencies or financial instruments with an aggregate value in excess of such Sub-Fund's net asset value (leverage).

The leverage factor and its calculation method are specified for the respective Sub-Funds in Part II of the Issuing Document.

Such leverage presents the potential for significant profits but also entails a high degree of risk including the risk that losses in excess of the amount invested will be sustained. Even where a Sub-Fund will not be leveraged, certain transactions may give rise to a form of leverage if the Sub-Fund may borrow funds and/or employ financial instruments and techniques with an embedded leverage effect. The consequence of the leverage effect is that the value of the Sub-Fund's assets increases faster if capital gains arising from investments financed through leverage exceed the related costs, notably the interest borrowed monies and premiums payable on

derivative instruments. A fall in prices, however, causes a faster decrease in the value of the Sub-Fund's assets.

VIII.4. MARKETING / DISTRIBUTION

The Marketing and Distribution function have been delegated to the AIFM by the Company. The Marketing and Distribution activities will be performed by the AIFM pursuant to the conditions and requirements set forth in the AIFM Law.

IX. DEPOSITARY BANK, PAYING AGENT, ADMINISTRATIVE AGENT, DOMICILIARY AGENT, REGISTRAR AGENT, TRANSFER AGENT AND AUDITOR

IX.1. DEPOSITARY AND PAYING AGENT

ABN Amro Bank (Luxembourg) S.A., with registered office at 46, avenue J-F Kennedy, L-1855 Luxembourg is appointed as Depositary Bank of the Company's assets (the "**Depositary**"). Founded on 2nd February 1982, ABN AMRO Bank (Luxembourg) S.A. administers and manages assets for individuals, personal trusts, defined contribution and benefit plans and other institutional and corporate clients. The Depositary shall carry out the usual duties of a Luxembourg investment Company's Depositary.

The Depositary shall carry out the usual duties of a Luxembourg investment Company global Depositary, within the meaning of the AIFM Law. In particular, upon the instructions of the AIFM (or the Investment Managers, if appointed), it shall execute settlement of all financial transactions and provide all banking facilities to the Company. The Depositary shall be entrusted with the custody of the assets of the Company. Any liability that the Depositary may incur with respect to any damage caused to the Company, the Shareholders or third parties as a result of the defective performance of its duties will be determined under the laws of the Grand Duchy of Luxembourg. The Depositary, the Company and the AIFM may terminate the Depositary and Paying Agent Agreement Depositary at any time upon ninety (90) days written notice delivered to the other parties, however, that any termination is subject to the condition that a successor Depositary assumes within two (2) months the responsibilities and the functions of the Depositary and provided, further, that the duties of the Depositary hereunder shall continue thereafter for such period as may be necessary to allow for the transfer of all assets of the Company to the successor Depositary.

The Company has further appointed ABN Amro Bank (Luxembourg) S.A. as Paying Agent of the Company (the "**Paying Agent**"), responsible for making dividend payments and payments of redemption proceeds to Shareholders. The rights and duties of the Depositary in its functions as Depositary and Paying Agent of the Company are governed by a written Depositary and Paying Agent Agreement between the Depositary the Company and the AIFM.

IX.2. ADMINISTRATIVE AGENT, DOMICILIARY AGENT, REGISTRAR AGENT AND TRANSFER AGENT

Apex Fund Services (Malta) Limited, Luxembourg Branch, with registered office at 2, Boulevard de la Foire L-1528 Luxembourg, Grand Duchy of Luxembourg is appointed as Administrative

Agent, Domiciliary Agent, Registrar and Transfer Agent of the Company (the "**Administrative Agent**") pursuant to the Administrative Agent Agreement and Registrar Agent and Transfer Agent Agreement entered into for an unlimited period of time between the Company, the AIFM and the Administrative Agent (the "**Administrative, Registrar and Transfer Agent Agreements**").

The Administrative Agent will have as its principal function among other things the calculation of the Net Asset Value of the Shares of each Sub-Fund on each Valuation Day in accordance with the AIFM Law, and based on the methodology set forth in, this Issuing Document and the Articles of Incorporation. The Administrative Agent will also keep the accounts of the Company and arrange for the preparation and publication of the accounts and annual financial reports of the Company.

As Registrar and Transfer Agent, the Administrative Agent will be responsible among other things for processing issues, redemptions and transfers of Shares, for the maintenance of the register of Shares of the Company. The Administrative Agent will provide assistance to the AIFM in the verification that Investors are Well Informed Investors.

As Domiciliary Agent of the Company, the Administrative Agent will be responsible for the domiciliation of the Fund and will perform, inter alia, the functions as foreseen in the Luxembourg act of 31 May 1999 on the domiciliation of companies, as amended and, in particular, allow the Company to establish its registered office at the registered office of the Domiciliary Agent and provide facilities necessary for the meetings of the Company's officers, directors and/or of the shareholders of the Company.

IX.3. AUDITOR

PricewaterhouseCoopers, *société coopérative*, with registered office at 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg has been appointed by the Shareholders as the auditor (*réviseur d'entreprises agréé*) of the Company (the "**Auditor**"). The Shareholders have instructed the Auditor to perform an annual audit of the Company and its Sub-Funds, to determine if the Board of Directors, the AIFM, the Depositary, the Paying Agent, the Domiciliation Agent and the Administrative Agent, or any other duly involved party have observed all applicable laws as well as the provisions of this Issuing Document and the Articles.

X. SHARES

Any legal entity or individual may acquire Shares of the Company in accordance with the provisions of Section XI Subscriptions and Redemptions of Shares of Part I of the Issuing Document. The Shares are issued without reference to a value. When new Shares are issued, the existing Shareholders do not benefit from any preferential subscription rights. The Board of Directors may issue one or more Classes of Shares for each Sub-Fund. These may be limited to a specific group of investors (*e.g.*, investors from a specific country or region), differ from another one with regard to its cost structure, the initial investment required, the currency in which the Net Asset Value is expressed or any other feature. The Board of Directors may impose obligations for initial investments in certain Classes of Shares in a specific Sub-Fund or in the Company. Capitalisation and/or distribution Shares may exist within each Class. Details are to be found in the relevant Sub-Fund Appendix contained in Part II of the Issuing Document. Other Classes of Shares may be created by the Board of Directors. All Classes of Shares will be specified in each

of the relevant Sub-Fund Appendix. Whenever dividends are distributed on distribution Shares, the portion of net assets of the Class of Shares to be allocated to all distribution Shares will subsequently be reduced by an amount equal to the amounts of the dividends distributed, thus leading to a reduction in the percentage of net assets allocated to all distribution Shares, whereas the portion of net assets allocated to all capitalisation Shares will remain the same. Any payment of dividends coincides with an increase between the ratio of the value of capitalisation Shares to distribution Shares of the type and Sub-Fund concerned. This ratio is known as parity. Within a single Sub-Fund, all the Shares have equal rights with regard to dividends, the proceeds of liquidation and redemption (subject to the respective rights of the distribution Shares and capitalisation Shares, taking account of the parity at the time). Shares are issued in registered form.

XI. **SUBSCRIPTION AND REDEMPTION OF SHARES**

Shares may be subscribed, redeemed and converted through the Administrator and financial services companies. Fees and expenses relating to subscriptions, redemptions and conversions are indicated in each relevant Sub-Fund Appendix in Part II of this Issuing Document. Only registered Shares may be issued as stipulated in each Sub-Fund Appendix. The subscription, redemption or conversion price is subject to any and all taxes, duties and stamp duty payable by virtue of the subscription, redemption or conversion. In the event of suspension of the Net Asset Value calculation and/or suspension of subscription, repurchase and conversion orders, the received orders will be executed at the first applicable Net Asset Value upon the expiry of the suspension period. The Company does not authorize practices associated with market timing and reserves the right to reject subscription and conversion orders from an investor that it suspects of employing such practices and, where applicable, to take measures necessary to protect the interests of the Company and of other investors.

XI.1. **MINIMUM COMMITMENT**

The minimum commitment per Shareholder will be determined in each Sub-Fund Appendix, subject however to the Board of Directors' right to reject any offer from any investors for any reason or to accept subscriptions in lesser amounts.

XI.2. **SUBSCRIPTION**

The Company accepts subscription requests on each bank business day in Luxembourg unless otherwise stated in the relevant Sub-Fund Appendix. Investors whose request has been accepted will receive Shares that will be issued on the basis of the applicable Net Asset Value set out in the relevant Sub-Fund Appendix. The amount due may be subject to a subscription fee payable to the relevant Sub-Fund and/or the distributor as more described in the Sub-Fund Appendix. Under no circumstances the rate will exceed the limits stated in the relevant Sub-Fund Appendix. The subscription amount is payable in the reference currency of the relevant Share Class of the relevant Sub-Fund. In case payment is made in a different currency than indicated on the subscription order, the currency indicated on the subscription order prevails and a conversion at the expense of the subscriber will be automatically done. Shareholders requesting to make the payment in another currency must bear the cost of any foreign exchange charges. This amount is payable within the stated time limit indicated in the relevant Sub-Fund Appendix.. The Board

of Directors of the Company will be entitled at any time to stop the issuance of Shares. It may limit this measure to certain countries, Sub-Funds or Share Classes.

XI.3. RESTRICTION ON OWNERSHIP OF SHARES

The sale of Shares is restricted to Well-Informed Investors as defined by article 2 of the SIF Law:

1. Investors who qualify as institutional investors according to the Luxembourg laws and regulations,
2. Investors who qualify as professional investors according to the Luxembourg laws and regulations, and
3. Investors who:
 - a. declare in writing their status as well-informed investors and
 - b. either invest a minimum of the equivalent of EUR 125,000 in the Company or benefit from a certificate delivered by a credit institution within the meaning of Directive 2006/48/EC, an investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2009/65/EC stating that they are experienced enough to appreciate in an adequate manner the investment made by the Company.

The Board of Directors will not issue or give effect to any transfer of Shares to any investor who may not be considered as an institutional investor, a professional investor or a well-informed investor. The Board of Directors may, at its discretion, delay the acceptance of any subscription for Shares until such date as it has received sufficient evidence on the qualification of the investor as an institutional investor, a professional investor or a well-informed investor. If it appears at any time that a Shareholder is not an institutional investor, a professional investor or a well-informed investor, the Board of Directors will, at its discretion, compulsorily redeem the relevant Shares and notify the relevant Shareholder of such redemption.

The Company may restrict or prevent the ownership of Shares by any US person and/or any person, firm or corporate body if in the opinion of the Company such holding may be detrimental to the Company or its Shareholders, may result in a breach of any applicable law or regulations (whether Luxembourg or foreign) or may expose the Company or its Shareholders to liabilities (to include, inter alia, regulatory or tax liabilities and any other tax liabilities that might derive, inter alia, from any breach of FATCA requirements) or any other disadvantages that it or they would not have otherwise incurred or been exposed to. Such persons, firms or corporate bodies (including persons in breach of FATCA requirements) are herein referred to as "**Prohibited Persons**".

For such purposes, the Company may:

- decline to issue any Share and decline to register any transfer of a Share, where it appears to it that such registration or transfer would or might result in beneficial ownership of such Share by a Prohibited Person;
- at any time require any person whose name is entered in, or any person seeking to register the transfer of Shares on, the register of shareholders to furnish it with any representations and warranties or any information, supported by affidavit, which it may consider necessary for the purpose of determining whether or not, to what extent and under which circumstances, beneficial ownership of such Shareholder's Shares rests or

will rest in a Prohibited Person, or whether such registration will result in beneficial ownership of such Shares by a Prohibited Person;

- where it appears to the Company that any Prohibited Person, either alone or in conjunction with any other person, is a beneficial owner of Shares or is in breach of its representations and warranties or fails to make such representations and warranties in a timely manner as the Company may require, may compulsorily redeem from any such Shareholder all or part of the Shares held by such Shareholder in the manner more fully described in the Articles;
- decline to accept the vote of any Prohibited Person at any meeting of shareholders of the Company.

XI.4. REDEMPTION AND TRANSFER OF SHARES

XI.4.1. Redemption of Shares

The Company is an open-ended company with multiple Sub-Funds. Shares may be redeemed, upon request of the Shareholder.

The Company accepts redemption requests on each bank business day in Luxembourg. The redemption amount will be set on the basis of the applicable Net Asset Value specified in each Sub-Fund Appendix. The amount due may be subject to a redemption fee payable to the relevant Sub-Fund as further described in the Sub-Fund Appendix. Under no circumstances will such fee exceed the limits stated in the relevant Sub-Fund Appendix of Part II of this Issuing Document. The redemption amount is payable in the reference currency of the relevant Share Class of the relevant Sub-Fund. Shareholders requesting payment in another currency must bear the cost of any foreign exchange charges. Neither the Board of Directors nor the Transfer Agent shall be responsible for any lack of payment resulting from the application of any exchange control or other circumstances beyond their control which may limit or prevent the transfer of the proceeds of the redemption of the Shares.

XI.4.2. Transfer of Shares

Shares may only be transferred or assigned to third parties with the prior written consent from the Company, which consent shall not be unreasonably withheld. Any transfer or assignment of Shares is subject to the purchaser or assignee thereof fully and completely assuming in writing, prior to the transfer or assignment, all outstanding obligations of the seller under the subscription agreement entered into by the seller.

XI.5. CONVERSION

Shareholders may apply for any Shares from any Sub-Fund to be converted into Shares of another Class of Shares except otherwise stated in each Sub-Fund Appendix, on the basis of their respective net asset values calculated on the Valuation Day following the conversion request date, after approval of the Board of Directors. Nevertheless, in the case of conversion requests in a Sub-Fund for which the limit for receiving requests differ from that applicable to a subscription to the targeted Sub-Fund, the conversion application will be treated as a redemption request followed by a subscription request for the targeted Sub-Fund, without any additional costs charged to the Shareholder. Fractions of Shares remaining following the conversion are bought back by the Company. The value of such fractions is reimbursed to the Shareholders at the applicable value date providing that the amount to be reimbursed exceeds USD 50.00. The

redemption and subscription costs connected with the conversion may be charged to the Shareholders. Currently, no charge is levied. Otherwise, the details will be indicated in each Sub-Fund Appendix.

XI.6. SUBSCRIPTION AND REDEMPTION IN KIND

The Company may, should a Shareholder so request, agree to issue Shares of the Company in exchange for a contribution in kind of eligible assets, subject to compliance with Luxembourg law and in particular the obligation to produce an independent auditor's evaluation report. The nature and type of eligible assets will be determined by the Board of Directors on a case by case basis, provided that the securities comply with the investment policy and objectives of the Company. Costs arising from such subscriptions in kind will be borne by the Shareholders who apply to subscribe in this way. The Company may, following a decision taken by the Board of Directors, make redemption payments in kind by allocating investments from the pool of assets with respect to the Share Class or Classes concerned up to the limit of the value calculated on the Valuation Day on which the redemption price is calculated. Redemptions other than those made in cash will be the subject of a report drawn up by the Company's independent auditor. A redemption in kind is only possible provided that (i) equal treatment is afforded to Shareholders of the relevant Class of Shares, (ii) the Shareholders concerned have so agreed and (iii) the nature and type of assets to be transferred are determined on a fair and reasonable basis and without harming the interests of the other Shareholders of the relevant Class of Shares. In this case, the costs arising from these redemptions in kind will be borne by the pool of assets with respect to the Share Class or Classes concerned.

XII. NOMINEES

The Company may decide to appoint nominees within the framework of the distribution of its Shares in countries where they will be marketed. Where the issue of registered Shares is available and where the intervention of a nominee is an integral part of the marketing arrangement, the relations between the Company, the nominee, the Administrator and the investors must be stipulated in a contract that specifies the respective obligations of the parties. The Company will ensure that the nominees that they have chosen present sufficient guarantees for the proper execution of their obligations to investors using their services. Furthermore, the intervention of a nominee is subject to compliance with the following conditions:

1. The condition of "Well-Informed Investor" required by Article 2 of the SIF Law for each investor, has to be checked and guaranteed by the nominee to the Company;
2. Investors must be able to invest directly in the Sub-Fund of their choice without using the nominee as a broker;
3. Contracts between the nominee and investors must contain a cancellation clause that confers on the investor the right to claim, at any time, direct ownership of the securities subscribed to through a nominee.

It is understood that the conditions laid down in (1) and (2) above will not be applicable in the event that recourse to the services of a nominee is indispensable, and even mandatory, for legal or regulatory reasons or restrictive practices.

In the event of the appointment of a nominee, the latter must comply with the rules related to the prevention of money laundering and financing of terrorism as laid out in this prospectus. Nominees are not authorised to delegate their functions and powers or part of these.

XIII. **NET ASSET VALUE AND EVALUATION METHODOLOGY**

The net asset value per Share of each Class within each Sub-Fund of the Company (the "**Net Asset Value**") shall be determined by the Administrative Agent in the reference currency of the relevant Sub-Fund, as disclosed in the relevant Sub-Fund Appendix, on each valuation day by defining for each Sub-Fund as specified in the relevant Sub-Fund Appendix, dividing the value of the net assets attributable to such Sub-Fund less the liabilities (including the fees, costs, charges and expenses set out in this Issuing Document and any other provisions considered by the Board of Directors to be necessary or prudent) of the Sub-Fund attributable to such Class of Shares by the total number of Shares outstanding in the relevant Class at the time of the determination of the Net Asset Value on the relevant valuation day. The value of the assets of each Sub-Fund shall be determined as follows:

1. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is reasonably considered by the Administrative Agent or its agents unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as may be considered appropriate in such case to reflect the true value thereof;
2. Equity and debt securities are valued on the basis of dealer-supplied quotations or by pricing services as determined by the Administrative Agent. The prices derived by a pricing agent reflect broker/dealer-supplied valuations and electronic data processing techniques;
3. Securities (equity, debt and structured financial instruments) which are not listed on a stock exchange nor dealt on a regulated market are determined at the fair value based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors who may use valuation guidelines such as but not limited to:
 - the International Private Equity and Venture Capital Valuation Guidelines (IPEVCVG) published by the European Private Equity and Venture Capital Association (EVCA),
 - the British Venture Capital Association (BVCA),
 - the Luxembourg Private Equity (LPEA),
 - the Emerging Markets Private Equity Association (EMPEA).The evaluation methodologies have been adopted by most of the venture capital and private equity associations as well as by the International Limited Partners Association.
4. The value of money market instruments not listed or dealt in on any stock exchange or other Regulated Market (as defined in the Luxembourg Law of 16 July SIF concerning markets in financial instruments) and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less will be valued by the amortised cost method;
5. The liquidating value of futures, forward and options contracts not traded on a stock exchange or other Regulated Market shall mean their net liquidating value determined, pursuant to the policies established in good faith by the Board of Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures,

forward and options contracts traded on stock exchanges or other Regulated Markets, shall be based upon the last available settlement prices of these contracts on stock exchanges or other Regulated Markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Board of Directors may deem fair and reasonable.

6. Values expressed in a currency other than the reference currency of a Class of Shares shall be converted on the basis of the rate of exchange prevailing on the relevant valuation day or such other exchange rate as the Board of Directors may determine is appropriate to provide a fair market value.

In the event that extraordinary circumstances, as determined by the Board of Directors, render valuations as aforesaid impracticable or inadequate, the Board of Directors is authorised, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Company.

If since the time of determination of the Net Asset Value per Share of any Class in a particular Sub-Fund there has been a material change in the quotations in the markets on which a substantial portion of the investments of such Sub-Fund are dealt in or quoted, the Board of Directors may, in order to safeguard the interests of the Shareholders and the Company, cancel the first valuation of the net asset value per Share and carry out a second valuation. All the subscription, redemption and exchange orders to be dealt with on such day will be dealt with at the second net asset value per Share.

Each Sub-Fund shall be valued so that all agreements to purchase or sell securities are reflected as of the date of execution, and all dividends receivable and distributions receivable in respect of such securities are accrued as of the relevant ex-dividend dates in respect of such securities.

XIV. **SUSPENSION OF THE COMPUTATION OF THE NET ASSET VALUE AND/ OR THE ISSUE, REDEMPTION AND CONVERSION OF SHARES**

The Board of Directors is authorised to temporarily suspend the calculation of the value of the assets and of the Net Asset Value per Share of one or several Sub-Funds and/or the issue, redemption and conversion of Shares in the following cases:

1. In the event of the closure, for periods other than normal holidays, of a stock exchange or other regulated market that operates regularly, is recognised and open to the public and provides the listings for a significant portion of the assets of one or more Sub-Funds, or in the event that transactions on such markets are suspended, subject to restrictions or impossible to execute in the required quantities;
2. Where there is a breakdown in the methods of communication normally used to determine the value of investments of the Company or the current value on any investment exchange or when, for any reason whatsoever, the value of investments cannot be promptly and accurately ascertained;
3. Where exchange or capital transfer restrictions prevent the execution of transactions on behalf of one or more Sub-Funds or where purchases and sales made on its behalf cannot be executed at normal exchange rates;

4. Where factors relating inter alia to the political, economic, military or monetary situation, and which are beyond the control, responsibility and operational ability of the Company, prevent it from disposing of its assets and determining their net asset value in a normal or reasonable way;
5. Following any decision to dissolve one, several or all Sub-Funds of the Company;
6. Where the market of a currency in which a significant portion of the assets of one or more Sub-Funds is expressed is closed for periods other than normal holidays, or where trading on such a market is either suspended or subject to restrictions;
7. To establish exchange parities in the context of a merger, contribution of assets, split or any restructuring operation, within or by one or more Sub-Funds. Furthermore, in order to prevent Market Timing opportunities arising when a net asset value is calculated on the basis of market prices which are no longer up-to-date, the Board of Directors is authorised to temporarily suspend the issue, redemption and conversion of Shares of one or several Sub-Funds when the stock exchanges or regulated markets that provide the prices for a significant portion of the assets of one or several Sub-Funds are closed;
8. If on any Valuation Day redemption requests relate to more than 10% of the Shares in issue in a specific Class or Sub-Fund, the Company may decide that part or all of such requests for repurchase will be deferred for such period as the Company considers to be in the best interests of the Shareholders.

In all the above cases, the requests received will be executed at the first Net Asset Value applicable upon the expiry of the suspension period. In exceptional circumstances which may have an adverse effect on the interests of Shareholders, in the event of large volumes of subscription, redemption or conversion requests or in the event of a lack of liquidity on the markets, the Board of Directors reserves the right to set the net asset value of the Company Shares only after carrying out the required purchases and sales of securities on behalf of the Company. In this case, any subscriptions, redemptions and conversions simultaneously pending will be executed on the basis of a single net asset value. The suspension of the calculation of the Net Asset Value and/or the issue, redemption or conversion of Shares of one or more Sub-Funds will be announced by any appropriate means and more specifically by publication in the press, unless the Board of Directors feels that such a publication is not useful in view of the short duration of the suspension. Such a suspension decision will be notified to any Shareholders requesting the subscription, redemption or conversion of Shares.

XV. INVESTMENTS IN OTHER COMPARTMENTS

In accordance with Article 71(8) of the SIF Law, a compartment of the Company is able to invest in one or more other compartments of the Company, subject to (i) a prohibition on reciprocal investments of compartments (i.e. where the target compartment, in turn, also holds interests in the investing compartment), (ii) the suspension of voting rights attaching to interests held by the investing compartment in the target compartment, and (iii) the value of the holding of the interest held by the investing compartment in the target compartment will not be taken into account for the purpose of calculating whether the minimum capitalisation required by the SIF Law has been reached.

XVI. **PERIODIC REPORTS**

Annual Report

Annual reports, including accounting data, will be certified by the Auditor will be made available to Shareholders at the registered offices of the AIFM, Administrative Agent and other establishments responsible for financial services, as well as at the Company's registered office. The annual reports will be published within six months of the end of the financial year.

The annual reports contain all the financial information relating to each of the Sub-Fund of the Company, the composition and evolution of their assets and the consolidated situation of all the Sub-Funds, expressed in U.S. Dollar.

The annual report must at least contain the following:

- a balance-sheet or a statement of assets and liabilities of each Sub-Fund;
- an income and expenditure account for the financial year;
- a report on the activities of the financial year;
- any material changes in the information listed in Article 21 of the AIFM Law during the financial year to which the report refers;
- the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the Company;
- the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the Company.

The following disclosures will be made in the annual report or in another appropriate periodic reporting, and where necessary on an ad hoc basis:

- Where available, the historical performance of each Sub-Fund;
- Changes to the Depositary's liability;
- The loss of a financial instrument;
- Any changes to the maximum level of leverage which the AIFM may employ on behalf of each Sub-Fund as well as any right of the re-use of collateral or any guarantee granted under the leveraging arrangement if applicable;
- The level of leverage employed by each Sub-Fund;
- Any new arrangements for managing the liquidity of the each Sub-Fund;
- The percentage of each Sub-Fund's assets which are subject to special arrangements arising from their illiquid nature;
- The current risk profile of each Sub-fund and the risk management systems employed by the AIFM to manage those risks;
- Any changes to risk management systems employed by the AIFM as well as its anticipated impact on each Sub-Fund and their investors.

The first annual report was dated 31 December 2014 and was available from 30 June 2015.

Reporting to the CSSF

The AIFM must regularly report and provide the following information to the CSSF:

- the percentage of the Sub-Funds' assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Sub-Funds;
- the current risk profile of the Sub-Funds and the risk management systems employed by the AIFM to manage the market risk, liquidity risk, counterparty risk and other risks including operational risk;
- information on the main categories of assets in which the Sub-Funds invested; and
- the results of the stress tests performed in accordance with point (b) of Article 14(3) and the second subparagraph of Article 15(1) of the AIFM Law.

The AIFM must, on request, provide the following documents to the CSSF:

- an annual report of each Sub-Fund managed by the AIFM and of each Sub-Fund marketed by it in the European Union, for each financial year, in accordance with Article 20(1) of the AIFM Law;
- for the end of each quarter a detailed list of all Sub-Funds which the AIFM manages.

An AIFM managing Sub-Funds employing leverage on a substantial basis shall make available to the CSSF information about the overall level of leverage employed by each Sub-Fund it manages, a break-down between leverage arising from borrowing of cash or securities and leverage embedded in financial derivatives and the extent to which the Sub-Fund's assets have been re-used under leveraging arrangements. That information shall include the identity of the five largest sources of borrowed cash or securities for each of the Sub-Funds managed by the AIFM, and the amounts of leverage received from each of those sources for each of those Sub-Funds.

If the CSSF considers that such communication is necessary for the effective monitoring of systemic risk, it may require the AIFM to communicate additional information on a periodic as well as on an ad-hoc basis.

XVII. **GENERAL MEETINGS**

The annual general meeting of Shareholders will be held in Luxembourg, either at the Company's registered office or at any other location in Luxembourg specified in the convening notice, at 14:00 on the third Monday of the month of June. Convening notices of ordinary and extraordinary general meetings will be published in the countries in which the Shares are available to the public and are required by the legislation of these countries. In Luxembourg, in the case of ordinary meetings, the convening notices will be published in the *Mémorial* and in a Luxembourg newspaper and, in the case of extraordinary meetings, in the *Mémorial* and in a Luxembourg newspaper (first meeting) or in two Luxembourg newspapers (if the first meeting is not competent to pass resolutions). Letters will be sent to registered Shareholders at least eight days before the meeting, without having to prove that this formality has been fulfilled. When all the Shares are registered Shares, the meetings may be convened by registered letter alone. Notices to attend any general meeting will contain the agenda. Each Share, regardless of its value, confers the right to one vote. The participation, quorum and majority required for any general meeting are those

stipulated by Articles 67 and 67-1 of the Luxembourg Company Law of 10 August 1915 and in the Company's Article. The meeting may be held abroad if the Board of Directors considers that exceptional circumstances require it.

XVIII. **DIVIDENDS**

For distribution Shares, the payment of a dividend will be made in compliance with the stipulations of each of the Sub-Fund relevant Appendix. The general meeting of the Shareholders will set the amount of the dividend on the recommendation of the Board of Directors, within the framework of the legal limits and those of the Articles in this regard, it being understood that the Board of Directors may distribute interim dividends. A dividend may be distributed regardless of any realized or unrealized capital gains or losses. However, no distribution may have the effect of reducing the capital of the Company to an amount below the minimum capital specified by the SIF Law. In accordance with the SIF Law, the Board of Directors will determine the dates and places where the dividends will be paid and the manner in which their payment will be announced to Shareholders. No interest will be paid to the Shareholder on the dividend amounts to be paid. Dividends not claimed within five years of the payment date shall be forfeited and will revert to the relevant Sub-Fund of the Company.

XIX. **LIQUIDATION**

The Company and each of its Sub-Funds have been established for an unlimited period of time. However, the Company or any of its Sub-Funds may be terminated at any time by decision of the Board of Directors. The Board of Directors may decide such dissolution where the value of the net assets of the Company or any of its Sub-Funds has decreased to an amount determined by the Board of Directors to be the minimum level for the Company to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation. The liquidation of the Company or of a Sub-Fund cannot be requested by a Shareholder. The event leading to dissolution of the Company must be announced by a notice published in the *Mémorial C, Recueil des Sociétés et Associations* (the "**Mémorial'**"). In addition, the event leading to the liquidation of the Company must be announced in at least three newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the Shareholders in such other manner as may be deemed appropriate by the Board of Directors. The Board of Directors or, as the case may be, the liquidator it has appointed, upon termination of the Company, may distribute the assets of the Company or of the relevant Sub-Fund wholly or partly in kind to any Shareholder (at that Shareholder's expense) in compliance with the conditions set forth by the Board of Directors (including, without limitation, delivery of an independent valuation report issued by the auditors of the Company) and the principle of equal treatment of Shareholders. In the event that a Shareholder does not wish to receive a distribution of assets, the Board of Directors or, as the case may be, the liquidator it has appointed, will realise the assets of the Company or of the relevant Sub-Fund in the best interest of the Shareholders thereof, and upon instructions given by the Board of Directors, the Depositary or the liquidator will distribute the net proceeds from such liquidation, after all deduction of liquidation expenses have been made, the Board of Directors will instruct the Depositary or the liquidator to distribute the net proceeds from such liquidation, amongst the Shareholders of the relevant Sub-Fund in proportion to the number of Shares held by them. At the close of liquidation

of the Company, the proceeds thereof corresponding to Shares not surrendered will be kept in safe custody with the Luxembourg *Caisse des Consignations* until the prescription period has elapsed. Shares may be redeemed, provided that Shareholders are treated equally.

As far as the liquidation of any Sub-Fund is concerned, the proceeds thereof corresponding to Shares not surrendered for repayment at the close of liquidation will be kept in safe custody with the Depositary during a period not exceeding 6 months as from the date of the close of the liquidation; after this period, these proceeds shall be kept in safe custody at the *Caisse des Consignations*. Shares may be redeemed, provided that Shareholders are treated equally. The Board of Directors may resolve the cancellation of Shares issued in the Company or in any Sub-Fund and, after deducting all expenses relating thereto, the allocation of Shares to be issued in another Sub-Fund of the Company, or another undertaking for collective investment in the case where the value of the assets of the Company or of the Sub-Fund affected by the proposed cancellation of its Shares has decreased to an amount determined by the Board of Directors to be the minimum level for the Company or for such Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation. In such event, notice shall be published to the attention of the Shareholders of the Company or of the Sub-Fund the Shares of which shall be cancelled. Such notice shall be published at least one month before the date on which the resolution of the Board of Directors shall take effect. Shareholders of the Company or of the Sub-Fund the Shares of which shall be cancelled shall have the right, during one month from the date of such publication, to request the redemption or (to the extent conversions are authorised) conversion of all or part of their Shares at the applicable Net Asset Value per Share without paying any fee.

XX. **CONFLICTS OF INTEREST**

The AIFM, Investment Manager and any investment advisers, the Depositary Bank and the Paying Agent, the Administrative Agent, the Registrar and Transfer Agent, together with their subsidiaries, administrators, the assistance and coordinating agent and its directors and the Shareholders (collectively the "**Parties**") are, or may be, involved in other professional and financial activities that may possibly conflict with the interest, the management and administration of the Company. This includes in particular the management of other funds, the management of investments in other compartments, the purchase and sale of securities, brokerage service, custody of securities and the fact of acting as a member of the board, director, consultant or representative with power of attorney of other funds or companies in which the Company may invest.

Each Party undertakes respectively to ensure that the execution of his obligations vis-à-vis the Company is not compromised by such involvements. In the event of a proven conflict of interest, the Parties concerned undertake to resolve this in an equitable manner within a reasonable period of time and in the exclusive interests of the Shareholders of the Company.

XXI. FEES AND COMPANY'S EXPENSES

XXI.1. FEES PAYABLE BY THE COMPANY

The Company shall pay from its assets the costs relating to its establishment and operation; it may also cover promotional costs. These costs may, in particular and without being limited to the following, include, the remuneration of the Depositary Bank as well as the fees of the Auditor, the costs of printing, distributing and translating prospectuses and management regulations and periodic reports, brokerage, fees, taxes and costs connected with the movements of securities or cash, Luxembourg subscription tax and any other taxes, the costs of printing certificates, translations and legal publications in the press, the financial servicing costs of its securities and coupons, the costs, where applicable, of listing on the stock exchange or of publishing the price of its Shares, the costs of official deeds and legal costs, legal and tax advices relating thereto and the expenses. In certain cases, the Company may also cover sums due to the authorities of countries where its Shares are available to the public, as well as any costs incurred in registering abroad. The Company may bear the cost of the remuneration of the AIFM, Investment Manager, Investment Adviser, Administrator and other service providers, where applicable. The costs and expenses of the formation of the Company and the initial issue of its Shares could be amortised over a period not exceeding five years. These expenses are borne by the respective Sub-Funds created at the launch of the Company. In case where further Sub-Funds are created in the future, these Sub-Funds will bear, in principle, their own formation expenses. The Depositary and Paying Agent is entitled to receive out of the assets a fee, together with transaction fees, calculated in accordance with customary banking practice in Luxembourg and payable monthly in arrears.

A Management fee, as defined in each relevant Sub-Fund Appendix, will be accrued at each Valuation Day and paid monthly in arrears by each relevant Sub-Fund to the AIFM for the services rendered in relation to the Portfolio Management function of the AIFM. The AIFM may remunerate from the Management Fee one or more Investment Advisers in relation to the delivery of investment recommendations that the AIFM may accept or reject at its own discretion. The AIFM may also receive a Performance Fee calculated as per indicated in the relevant Sub-Fund Appendix.

For Risk Management and other services rendered by the AIFM as specified in Annex 1 of the AIFM Law, the AIFM is entitled to receive from the relevant Sub-Fund a fee calculated in accordance with the AIFM Agreement between the Company and the AIFM and payable monthly in arrears.

For administrative management services, the Administrator, as Administrative Agent, and the Domiciliation Agent are entitled to receive out of the assets of the relevant Sub-Fund a fee calculated in accordance with customary banking practice in Luxembourg and payable monthly in arrears. The assets of a given Sub-Fund will be liable only for the debts, liabilities and obligations relating to that Sub-Fund.

For the fees of the Depositary and Payment Agent, and the fees of the Administrator, the Company will pay in aggregate to its service providers above-indicated an annual fee of maximum 2% per annum on the Net Asset Value (without VAT) of a relevant Sub-Fund from which it will pay the fees of the Depositary, Paying Agent, the Administrative Agent and the Domiciliation Agent per Sub-Fund. This remuneration and the costs are payable monthly by Company in arrears. The investors or potential investors may contact the Board of Directors and/or the AIFM to obtain the detail of the prevailing fees.

The fees outlined above may be subject to some minimum if the assets are below a certain threshold; also, transaction fees, especially linked to private equity investments may not be included in the above estimates. In addition, these service providers are entitled to be reimbursed by the Company for their reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

XXI.2. FEES PAYABLE BY THE INVESTORS

Where applicable, depending on the particularities stipulated in each Sub-Fund's relevant Appendix, investors may be required to bear the costs and fees relating to issue or reimbursement or Shares.

XXII. TAXATION

The following summary is given as a general guideline to the Luxembourg treatment of the Company and its non-Luxembourg Shareholders. It is based on current law and revenue practice, which may change, but this summary is believed to be accurate as of 6 November 2015. The present note does not deal with the treatment of the Company in the country of residence of the Shareholders. Shareholders should seek their own advice on the tax consequences of an investment in the Company.

XXII.1. LUXEMBOURG TREATMENT OF THE COMPANY

The Company is subject to a fixed registration duty of EUR 75 at the time of its incorporation and in case of modification of its Articles.

The Company is not subject to corporate income tax, municipal business tax and net wealth tax in Luxembourg. This means that any and all proceeds received by the Company will not be taxed to corporate income tax, municipal business tax and net wealth tax at the level of the Company.

The Company is subject to an annual subscription tax of 0.01 percent assessed on its net asset value. This tax is payable and calculated quarterly, based on the total net asset value of the Company on the last day of every calendar quarter. This means that any and all proceeds received by the Company will in principle enter into the subscription tax basis, subject to certain exemptions in relation to some assets.

XXII.2. LUXEMBOURG TAX CONSIDERATIONS FOR NON-LUXEMBOURG SHAREHOLDERS

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding and/or disposing of shares of the Company or the execution, performance or enforcement of its rights thereunder.

Proceeds received from by the Company will be distributed to the Shareholders by means of dividend distribution or redemption of shares by the Company.

The foreign tax treatment of the income or gain realised by Shareholders and the timing of the tax will depend *inter alia* on their respective status/country of residence.

(a) Luxembourg withholding tax on dividend distributions

No Luxembourg withholding tax will apply on dividend distributions by the Company to the Shareholders.

(b) Luxembourg tax treatment of sale or redemption of shares by the Company

Under current Luxembourg legislation, non-resident Shareholders are not subject to any capital gains or income taxes in Luxembourg with respect to their shares in the Company, except if they have a permanent establishment or a permanent representative in Luxembourg through which/whom such shares are held.

(c) EUSD

The Council of the European Union (EU) has adopted on 3 June 2003 Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**Directive**").

Under the Directive, member states of the EU will be required to provide the tax authorities of another EU member state with information on payments of interest or other similar income paid by a paying agent (as defined by the Directive) within its jurisdiction to an individual resident in that other EU member state. Austria and Luxembourg have opted instead for a tax withholding system for a transitional period in relation to such payments. Switzerland, Monaco, Liechtenstein, Andorra and San Marino and the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean, have also introduced measures equivalent to information reporting or, during the above transitional period, withholding tax.

The Directive has been implemented in Luxembourg by a law dated 21 June 2005 (the "**Law**"). Dividends distributed by the Company are subject to the Directive and the Law if more than 15% of the Company's assets are invested in debt claims (as defined in the Law) and proceeds realised by shareholders on the redemption or sale of shares in the Company will be subject to the Directive and the Law if more than 25% of the Company's assets are invested in debt claims. The applicable withholding tax is at a rate of 35%.

The Luxembourg government has however announced that it will elect out of the withholding system in favour of the automatic exchange of information with effect as from 1 January 2015.

Consequently, if in relation to the Company a Luxembourg paying agent makes a payment of dividends or redemption proceeds directly to a unitholder who is an individual resident or deemed resident for tax purposes in another EU member state or certain of the above mentioned dependent or associated territories, such payment will, subject to the next paragraph below, be subject to withholding tax at the rate indicated above.

No withholding tax will be withheld by the Luxembourg paying agent if the relevant individual either (i) has expressly authorised the paying agent to report information to the tax authorities in accordance with the provisions of the Law or (ii) has provided the paying agent with a certificate drawn up in the format required by the Law by the competent authorities of his state of residence for tax purposes.

The Company reserves the right to reject any application for shares if the information provided by any prospective investor does not meet the standards required by the Law as a result of the

Directive. The foregoing is only a summary of the implications of the Directive and the Law, is based on the current interpretation thereof, may be subject to future changes and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the Directive and the Law.

(d) Net Wealth Tax

Luxembourg non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which the shares are attributable, are subject to Luxembourg net wealth tax on such shares, unless the Shareholder is an individual taxpayer.

Other jurisdictions

Interest, dividend and other income realized by the Company on the sale of securities of non-Luxembourg issuers, may be subject to withholding and other taxes levied by the jurisdictions in which the income is sourced. It is impossible to predict the rate of foreign tax the Company will pay since the amount of the assets to be invested in various countries and the ability of the Company to reduce such taxes is not known.

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 Document to summarize the tax consequences for each prospective Investor of subscribing, converting, holding, redeeming or otherwise acquiring or disposing of Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in an Investor's country of citizenship, residence, domicile or incorporation and with his or her personal circumstances.

FATCA

The Foreign Account Tax Compliance Act ("**FATCA**"), which is an amendment to the U.S. Internal Revenue Code, was enacted in the United States in 2010 and many of the operative provisions will be effective as of 1 July 2014.

Generally, FATCA requires financial institutions outside the US ("**Foreign Financial Institutions**" or "**FFIs**") to provide the U.S. Internal Revenue Service ("**IRS**") with information about financial accounts held directly or indirectly by certain specified US persons. A 30% withholding tax is imposed on certain types of US source income paid to an FFI that fails to comply with FATCA.

On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("**IGA**") with the United States of America and a memorandum of understanding in respect thereof. The Company would hence have to comply with such Luxembourg IGA, once the IGA has been implemented into Luxembourg law in order to comply with the provisions of FATCA rather than directly complying with the US Treasury Regulations implementing FATCA.

Under the IGA, the Company will be required to collect information aiming to identify its direct and indirect Shareholders that are US Persons for FATCA purposes ("**Reportable Accounts**").

Any such information on Reportable Accounts provided to the Company will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America pursuant to Article 28 of the convention between the Government of the United States of America and the Government of the Grand-Duchy of Luxembourg for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes in Income and Capital, entered into in Luxembourg on 3 April 1996. The Board of Directors has delegated the reporting obligations under the provisions of the Luxembourg IGA to the Central Administration of the Company.

The Company intends to comply with the provisions of the Luxembourg IGA as implemented in Luxembourg law to be deemed compliant with FATCA and will thus not be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed U.S. investments of the Company.

The Company will continually assess the extent of the requirements that FATCA and notably the Luxembourg IGA as implemented in Luxembourg law places upon it. As from the date of signature of the Luxembourg IGA and until the Grand Duchy of Luxembourg has implemented the national procedure necessary for the entry into force of the IGA, the United States Department of the Treasury will treat the Company as complying with and not subject to the FATCA Withholding.

To ensure the Company's compliance with FATCA and the Luxembourg IGA in accordance with the foregoing, the Board of Directors may:

- request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder's FATCA registration with the IRS or a corresponding exemption, in order to ascertain such Shareholder's FATCA status;
- report information concerning a Shareholder and his account holding in the Company to the Luxembourg tax authorities if such account is deemed a US reportable account under the Luxembourg IGA;
- report information to the Luxembourg tax authorities concerning payments to account holders with the FATCA status of non-participating foreign financial institution; and d. deduct applicable US withholding taxes from certain payments made to a Shareholder by or on behalf of the Company in accordance with FATCA and the Luxembourg IGA, if applicable, from 2017 or later.

Common Reporting Standard

The Company will be registered as a Luxembourg Reporting Financial Institution under the Common Reporting Standard ("**CRS**") regimes and will therefore collect the respective reportable information to the Luxembourg tax authorities, which shall in turn forward such information to the relevant foreign tax authorities.

The CRS implemented within the European Union through the Council Directive 2014/107/EU amending the Council Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("**CRS Directive**") has been adopted on 9 December 2014 in order to implement the CRS among the EU Member States through bilateral or multilateral agreements between participating countries.

The CRS provides for annual automatic exchange between governments of financial account information, including balances, interests, dividends, and sales proceeds from financial assets, reported to governments by financial institutions and covering accounts held by individuals and entities, including trusts and foundations. It sets out the financial account information to be exchanged, the financial institutions that need to report, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.

Luxembourg tax authorities signed the OECD's multilateral competent authority agreement ("Multilateral Agreement") to automatically exchange information under the CRS. In that respect, the Luxembourg law of 18 December 2015 relating to the automatic exchange of information in tax matters ("**2015 Tax Law**") has been published in the Official Journal on 24 December 2015. The 2015 Tax Law transposes CRS Directive and entered into force on 1 January 2016.

Under the 2015 Tax Law, the first exchange of information is expected to be applied by 30 September 2017 for information related to the year 2016. Accordingly, the Company may be required to run additional due diligence process on its investors and to report the identity and residence of financial account holders (including certain entities and their controlling persons), account details, reporting entity, account balance/value and income/sale or redemption proceeds to the local tax authorities of the country of residency of the foreign investors to the extent that they are resident of another EU Member State or of a country for which the Multilateral Agreement is in full force and applicable. Investors should consult their professional advisors on the possible tax and other consequences with respect to the implementation of the CRS.

Future changes in applicable law

The foregoing description of Luxembourg tax consequences of an investment in, and about the operations of, the Company is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Company to income taxes or subject Investors to increased income taxes.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS ISSUING DOCUMENT DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SUBSCRIBERS. PROSPECTIVE SUBSCRIBERS SHOULD CONSULT THEIR OWN COUNSEL REGARDING TAX LAWS AND REGULATIONS OF ANY OTHER JURISDICTION THAT MAY BE APPLICABLE TO THEM.

XXIII. INFORMATION AND DOCUMENTS AVAILABLE TO THE PUBLIC, DISCLOSURE

Information and Documents available to the public

The Net Asset Value of the Shares in each Class is made available to the public at the Company's registered office, at the AIFM, Administrative Agent and other establishments responsible for financial services, as from the first banking day following the calculation of the aforementioned net asset values. The Company will also publish the Net Asset Value by all the means that it deems appropriate, and at the same frequency as its calculation, in the countries where the Shares are offered to the public.

On request, before or after a subscription to Shares in the Company, the Issuing Document, the Articles and annual report may be consulted and obtained free of charge at the counter of the Administrative Agent and other establishments designated by it and at the registered office of the Company.

Preferential treatment of investors

Shareholders are being given a fair treatment by ensuring that they are subject to the same rights and, as the case may be, the same obligations vis-à-vis the Company as those to which other Shareholders, having invested in, and equally or similarly contributed to, the same class of Shares, are subject to. Notwithstanding the foregoing paragraph, it cannot be excluded that a Shareholder be given a preferential treatment in the meaning of, and to the widest extent, allowed by the Articles and this Issuing Document. Whenever a Shareholder obtains preferential treatment or the right to obtain a preferential treatment, a description of that preferential treatment, the type of Shareholders who obtained such preferential treatment and, where relevant, their legal or economic links with the Company or the AIFM will be made available at the registered office of the Company within the same limits required by the Law of 2013.

Applicable law, jurisdiction and governing language

Disputes arising between the Shareholders, the AIFM and the Depositary shall be settled according to Luxembourg law and subject to the jurisdiction of the District Court of Luxembourg, provided, however, that the AIFM and the Depositary may subject themselves and the Company to the jurisdiction of courts of the countries, in which the Shares of the Company are offered and sold, with respect to claims by Shareholders resident in such countries and, with respect to matters relating to subscriptions, redemptions and conversions by Shareholders resident in such countries, to the laws of such countries.

English shall be the governing language for this Issuing Document, provided, however, that the AIFM and the Depositary may, on behalf of themselves and the Company, consider as binding the translation in languages of the countries in which the Shares of the Company are offered and sold, with respect to units sold to Shareholders in such countries.

PART II

SUB-FUND APPENDIX

The Sub-Funds launched are the following:

Sub- Fund 1

Prudent Investment Fund – Prudent Diversified Corporate Lending Fund

Sub-Fund 2

Prudent Investment Fund – Prudent Enhanced Yield Fund

PRUDENT INVESTMENT FUND

PRUDENT DIVERSIFIED CORPORATE LENDING FUND

Introduction

The Sub Fund **Prudent Investment Fund – Prudent Diversified Corporate Lending Fund** (the "**Sub-Fund**").

Investment Objective

The Sub-Fund seeks to provide long-term capital appreciation by offering an attractive yield. The objective of the Sub-Fund is to extract substantial capital value and income by managing the earnings from investments in a portfolio of private equity companies domiciled in or carrying out the majority of their business activities in North or South America with a strong focus on Brazilian companies.

The Sub-Fund aims to provide stable, consistent, high level returns for Shareholders, reduce volatility, and provide a hedge against the risk of high inflation. The objective is to generate strong and stable cash flows meanwhile preserving initial capital. The Sub-Fund may invest in various sectors such as Health Care, Business Services, Consumer goods, Industrial Materials with a heavy bias towards different industrial sectors.

The Sub-Fund will primarily hold direct investments in PRUDENT FIDC-NP, a regulated Brazilian *Fundo de Investimento em Direitos Creditórios* (the "**FIDC**"). The investment objective of the FIDC seeks to provide investors with superior secured investment returns and attractive yields via a portfolio of short-term corporate receivables. A conservative portfolio allocation strategy allows the FIDC to mitigate many unforeseen risks in this investment process and provide excellent long-term risk adjusted returns.

Pursuant to the Annex 4, point 10 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, the Sub-Fund would qualify as a fund of private equity fund.

Investment Policy

The AIFM's approach in selecting investments for the Sub-Fund is primarily focused on individual company analysis. At least 90% of the investments will be made in debt securities, non-securitized loan receivables, profit participating loans (PPLs), rated senior debt instruments, other financing instruments directly or indirectly, directly or indirectly in PRUDENT FIDC-NP, a regulated Brazilian FIDC (*Fundo De Investimento Em Direitos Creditorios*) or regulated or unregulated existing operating companies, which the AIFM believes offer an attractive ratio of return versus low risk in the marketplace as well as when compared to yields offered by other companies in the same and other industries, based on factors such as assets, sales, earnings, cash flow, growth potential or short term order development.

The Investment Policy of the Sub-Fund is to invest in companies diversified in different sectors, such as Health Care, Business Services, Consumer goods, Industrial Materials with a heavy bias towards different industrial sectors.

The preferred target companies of the Sub-Fund can be described as companies that have:

- A clean three years history is prioritized whilst the Fund strive to reduce exposure to companies with many negative remarks with external credit rating agencies;
- Focus on doing business with target companies, where owners, managers, accountant etc. associated with each client on an individual basis have good payment records;
- Companies that can show three years of annual financial statements that indicate a stable business development. Monthly sales for the primary target group would be up to USD 25m;
- Companies that have been in business for more than five years tend to be part of the typical client group.

The Sub-Fund may selectively sell assets to take advantage of favourable market conditions and create further return for investors.

Investors are offered a unique opportunity to capitalise on the growth in local demand and major industry expansion within the South or North American region; investors will enjoy the benefits in the potential capital growth and yields of the projects.

The Sub-Fund's Investment Policy will follow the pre-defined "Investment criteria's" (the "**Investment Criteria's**") before the acquisition of the prime assets. The Investment Criteria's are defined as below:

- managerial excellence;
- sector leader;
- high quality services or products;
- high or growing market share and quality leader;
- strong intrinsic demand and growth potential with expansion to the middle class;
- cost leader and high margins;
- high growth potential of the selected market;
- excellent distribution network;
- quality operational management team.

The Sub-Fund's Investment Policy could change according to the evolution of the micro and macro economical changes, determined to be in the best interest of the investors.

Investment decisions will be made by the AIFM to invest in the above mentioned assets, taking into consideration, at its sole discretion, the recommendations of the appointed Investment Adviser.

The Sub-Fund's investments may be partly financed through short-term loans up to a maximum of 30% of its net assets.

Portfolio Diversification

In order to ensure risk diversification, investments will be spread over at least five assets, processes, projects and companies and sectors involving different investment risks and may be allocated over different Investment Advisers or Managers with different investment styles.

The Sub-Fund will not invest more than 30% of its total net assets in securities issued by the same underlying issuer. For the purposes of applying this investment limit, each sub-fund of an umbrella fund is to be regarded as a separate issuer, provided the principle of segregation of the liabilities of the different sub-funds in relation to third parties is ensured.

Forms of Investment

The Sub-Fund will make its investments either through (i) receivables or other financing instruments to existing and operating companies, or via (ii) a direct or indirect ownership of shares, through one or more subsidiaries which may be a wholly-owned subsidiary, or other intermediate vehicles or companies jointly-owned by the Fund, and as a co-investor, or (iii) directly in companies and assets. The main purpose of the intermediate vehicles shall be to own investments acquired in accordance with the Investment Objective and Policy.

The Sub-Fund can use Luxembourg or foreign companies (referred hereafter as to the "**SPV**") and receivables of profit participating loans ("**PPLs**") to be granted to the SPV. The funds invested in the SPVs will in turn be invested in the different private equity related companies and assets falling within the scope of the Investment Objective above-described. In that case, the SPVs will be 100% held by the Fund, and the Board of Directors will at any time control the management team of the SPV.

The Sub-Fund will primarily hold direct and indirect investments and will have the ability to hold cash, equities and other financial instruments including financial derivative instruments for hedging purposes. Most of these investments should either be common or preferred stock, or unlisted corporate bond issues with detachable warrants.

The Sub-Fund will strive to maintain an appropriate cash balance or liquid assets for redemption and new opportunities, determined to be in the best interest of its investors.

Global and local macro-economic evolution, geopolitical factors, government policies, unexpected changes in unit costs and prices could all affect the opportunities to invest in those different assets and projects.

Risk Profile

Investment in the Sub-Fund involves significant risks and it is possible that a Shareholder may lose a substantial portion or all of its investment in the Sub-Fund.

The value of the investments may fall as well as rise. The performance of the Sub-Fund is subject to changes in various factors described in Part I of this Issuing Document.

In particular, the Sub-Fund invests in other regulated investment funds as a primary strategy, so the Sub-Fund's investment performance and risks are directly related to the performance and risks of the underlying investment funds. Investment decisions in respect of the underlying funds will be made independently of the Sub-Fund and it is possible that certain underlying funds may invest in the same security or in issues of the same asset class, industry, currency, country or commodity at the same time. Accordingly, there can be no assurance that effective diversification of the Sub-Fund's portfolio will always be achieved. Underlying funds will be subject to certain fees and other expenses, which will be reflected in the Net Asset Value of the Sub-Fund.

Leverage

In accordance with the AIFM Law, the AIFM will provide to the relevant authorities and to the Shareholders the level of leverage of the Sub-Fund using both the gross method as set out in Article 7, and the commitment method, as set out in Article 8 of the AIFM Regulation.

The maximum level of leverage which the AIFM is entitled to employ is 150% of the total assets, in accordance with the commitment method and 200% of the total assets, in accordance with the gross method.

Reference Currency

U.S. Dollars (USD)

Investment Adviser

Prudent Investment Adviser, N.V.

45 Pareraweg

Curaçao

TERM SHEET/ORDINARY SHARES

<p>Share Classes</p> <p>Class E1 (EUR) Class E2 (EUR) Class E3 (EUR) Class E4 (EUR) Class E5 (EUR) Class E6 (EUR)</p> <p>Class U1 (USD) Class U2 (USD) Class U3 (USD) Class U4 (USD) Class U5 (USD) Class U6 (USD)</p> <p>Class S1 (SEK) Class S2 (SEK) Class S3 (SEK) Class S4 (SEK) Class S5 (SEK) Class S6 (SEK)</p> <p>Class R3 (BRL) Class R4 (BRL)</p>	<p>Class E1: Ordinary Shares in EUR: offered to private Well-Informed Investors and to Institutional Investors; Class E2: Ordinary Shares in EUR: offered to private Well-Informed Investors and to Institutional Investors; Class E3: Ordinary Shares in EUR: offered to private Well-Informed Investors and to Institutional Investors; Class E4: Ordinary Shares in EUR: offered to private Well-Informed Investors and to Institutional Investors; Class E5: Ordinary Shares in EUR: offered to private Well-Informed Investors and to Institutional Investors; Class E6: Ordinary Shares in EUR: offered to private Well-Informed Investors and to Institutional Investors;</p> <p>Class U1: Ordinary Shares in USD: offered to private Well-Informed Investors and to Institutional Investors; Class U2: Ordinary Shares in USD: offered to private Well-Informed Investors and to Institutional Investors; Class U3: Ordinary Shares in USD: offered to private Well-Informed Investors and to Institutional Investors; Class U4: Ordinary Shares in USD: offered to private Well-Informed Investors and to Institutional Investors; Class U5: Ordinary Shares in USD: offered to private Well-Informed Investors and to Institutional Investors; Class U6: Ordinary Shares in USD: offered to private Well-Informed Investors and to Institutional Investors;</p> <p>Class S1: Ordinary Shares in SEK: offered to private well-informed investors; Class S2: Ordinary Shares in SEK: offered to private well Informed Investors; Class S3: Ordinary Shares in SEK: offered to private Well-Informed investors and institutional investors; Class S4: Ordinary Shares in SEK: offered to private Well-Informed investors and to institutional investors. Class S5: Ordinary Shares in SEK: offered to private Well-Informed Investors and Institutional Investors; Class S6: Ordinary Shares in SEK: offered to private Well-Informed Investors and to Institutional Investors.</p> <p>Class R3: Ordinary Shares in BRL: offered to private Well-Informed Investors and to Institutional Investors; Class R4: Ordinary Shares in BRL: offered to private Well-Informed Investors and to Institutional Investors.</p>
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<p>Type of Shares</p> <p>E1, E3, E5, U1, U3, U5, S1, S3, S5, R3</p> <p>E2, E4, E6, U2, U4, U6, S2, S4, S6, R4</p>	<p>Distribution of income on a quarterly basis.</p> <p>Profit on each shareholding in the respective dividend paying Share Classes will be paid out as a difference between the NAV from the date of investment during the first quarter of investment until the NAV at the end of the quarter. For every subsequent full quarter of investments, the Shareholders receive the full quarterly net return calculated as the percentage of net performance during the calendar quarter.</p> <p>Capitalisation of income</p>
<p>Form of Shares</p>	<p>Registered Share without certificate (book entry)</p>
<p>Fraction of Shares</p>	<p>Up to five decimal (only for Shares issued in book entry form)</p>
<p>Duration</p>	<p>The Company is launched for an unlimited period of time.</p>
<p>Reference Currency</p>	<p>USD</p>
<p>NAVs: Valuation Day and Transaction Day</p>	<p><u>Class E1, E2, E3, E4, E5, E6, U1, U2, U3, U4, U5, U6, S1, S2, S3, S4, S5, S6, R3 and R4</u></p> <p><u>Valuation Day:</u> Weekly, by every Friday Bank Business Day of every week. The Board of Directors may, at its discretion, decide to compute additional NAV if determined to be in the best interest of the investors of such share class.</p> <p><u>Transaction Day:</u> each Friday Bank Business Day of each week.</p>
<p>Subscription/ Redemption</p>	<p>Investors will have their Shares allotted at the Net Asset Value per Share as of the relevant weekly Valuation Day. Shares are redeemed at their Net Asset Value per Share minus any applicable redemption fees on a weekly basis.</p>
<p>Initial subscription value per share</p>	<p>Class E1: EUR 100 Class E2: EUR 100 Class E3: EUR 100 Class E4: EUR 100 Class E5: EUR 100 Class E6: EUR 100</p> <p>Class U1: USD 100 Class U2: USD 100 Class U3: USD 100</p>

	<p>Class U4: USD 100 Class U5: USD 100 Class U6: USD 100</p> <p>Class S1: SEK 100 Class S2: SEK 100 Class S3: SEK 100 Class S4: SEK 100 Class S5: SEK 100 Class S6: SEK 100</p> <p>Class R3: BRL 100 Class R4: BRL 100</p>
<p>Minimum initial subscription amount</p>	<p>Class E1: EUR 10,000 Class E2: EUR 10,000 Class E3: EUR 250,000 Class E4: EUR 250,000 Class E5: EUR 250,000 Class E6: EUR 250,000</p> <p>Class U1: USD 10,000 Class U2: USD 10,000 Class U3: USD 250,000 Class U4: USD 250,000 Class U5: USD 250,000 Class U6: USD 250,000 Class S1: SEK 70,000 Class S2: SEK 70,000 Class S3: SEK 2,000,000 Class S4: SEK 2,000,000 Class S5: SEK 2,000,000 Class S6: SEK 2,000,000</p> <p>Class R3: BRL 1,000,000 Class R4: BRL 1,000,000</p> <p>The initial minimum subscription amount is the nominal amount indicated for the respective share class.</p>
<p>Subscription Fee / Redemption Fee</p>	<p><u>Classes E1, E2, U1, U2, S1 and S2:</u> Subscription fee payable to the Company: N/A</p> <p>Redemption fee payable to the board of directors of the Company: up to 5% for redemptions occurring during the first 6 months of shareholding.</p>

	<p><u>Classes E3, E4, E5, E6, U3, U4, U5, U6, S3 S4, S5, S6, R3 and R4:</u></p> <p>Subscription fee payable to the Company: N/A</p> <p>Redemption fee payable to the board of directors of the Company: up to 5% for redemptions occurring during the first 15 months of shareholding.</p>
<p>Minimum holding amount</p>	<p><u>Class E1, E2, E3, E4, E5, E6, U1, U2, U3, U4, U5, U6, S1, S2, S3 S4, S5, S6, R3 and R4</u></p> <p>Class E1: EUR 10,000 Class E2: EUR 10,000 Class E3: EUR 250,000 Class E4: EUR 250,000 Class E5: EUR 250,000 Class E6: EUR 250,000</p> <p>Class U1: USD 10,000 Class U2: USD 10,000 Class U3: USD 250,000 Class U4: USD 250,000 Class U5: USD 250,000 Class U6: USD 250,000</p> <p>Class S1: SEK 70,000 Class S2: SEK 70,000 Class S3: SEK 2,000,000 Class S4: SEK 2,000,000 Class S5: SEK 2,000,000 Class S6: SEK 2,000,000</p> <p>Class R3: BRL 1,000,000 Class R4: BRL 1,000,000</p> <p>Holding an amount below of EUR 125,000 or its equivalent in currencies can be accepted, subject to the condition that Article 2 of the SIF Law shall be respected.</p>
<p>Cut-off time for receipt of subscription and redemption requests</p>	<p><u>Subscriptions:</u></p> <p>Subscription order have to be placed before 15.30 Luxembourg time one (1) bank business day prior to the applicable Valuation Day. If a subscription for Share Classes E1, E3, E5, U1, U3, U5, S1 S3, S5 or R3 (quarterly payments of dividend) is received within 30 days from the first quarterly payment date, then the first payment will automatically roll over to the first full quarter, i.e. at the end of the next calendar quarter. There is otherwise a</p>

	<p>risk that the payment routine will not be set-up on time for such a payment to be carried out. The investor will receive the full payment for the investment period at the completion of the next quarterly payment cycle.</p> <p><u>Redemptions:</u> Redemption orders have to be placed before 15.30 Luxembourg time two (2) bank business days prior to the relevant Valuation Day.</p>
<p>Payment date of subsequent subscription and redemption requests</p>	<p><u>Subscriptions:</u> Before 15:30, minimum one (1) bank business day in Luxembourg prior to the applicable Valuation Day in the currency of the share class of the Fund. In case of non-payment of the subscription orders' monies, the orders will be cancelled within 10 bank business days. In case of late payment of the subscription orders' monies, the order will be executed at the next Valuation Day. In case of payment in a different currency than indicated on the subscription order, the currency indicated on the subscription order prevail.</p> <p><u>Redemptions:</u> The redemption price will be equal to the Net Asset Value per Share of the Fund on the relevant Valuation Day. Payment for redemptions will be made within twenty (20) bank business days from the availability of the Net Asset Value.</p>
<p>Management Fee</p>	<p><u>Classes E1, E2, E3, E4, E5, E6, U1, U2, U3, U4, U5, U6, S1, S2, S3, S4, S5, S6, R3 and R4:</u> A management fee of 40 basis points of the gross assets of the Sub-Fund per annum will be charged and paid to the AIFM. Director fees due to the board members of the Company will be deducted and paid directly from the Management Fee payable to the AIFM. This management fee will be accrued weekly and paid out monthly.</p>
<p>Performance Fee</p>	<p><u>Classes E1, U1 and S1:</u> The Performance Fee is calculated as 10% of the gross return after the Management Fee and charged if and when this gross return exceeds the target return rate for each respective share-class per calendar year. If the target return rate for a particular year is not reached, the Performance Fee will only be charged in the subsequent year when an adjusted target rate, including the performance deficit</p>

from the preceding year is met. For the sake of clarity it is noted that the Performance Fee is only charged if the charging of the Performance Fee does not result in the reduction of the investors' net return below the target return rate.

The Performance Fee is charged per annum and is payable to the AIFM with a target return rate of 10.00%.

This Performance Fee will be paid out in January if the return target has been met for the preceding calendar year.

Classes E2, U2 and S2:

The Performance Fee is calculated as 10% of the gross return after the Management Fee and charged if and when this gross return exceeds the target return rate for each respective share-class per calendar year.

If the target return rate for a particular year is not reached, the Performance Fee will only be charged in the subsequent year when an adjusted target rate, including the performance deficit from the preceding year is met. For the sake of clarity it is noted that the Performance Fee is only charged if the charging of the Performance Fee does not result in the reduction of the investors' net return below the target return rate.

The performance fee is charged per annum and is payable to the AIFM with a target return rate of 10.50%.

This Performance Fee will be paid out in January if the return target has been met for the preceding calendar year.

Classes E3, U3 and S3:

The Performance Fee is calculated as 10% of the gross return after the Management Fee and charged if and when this gross return exceeds the target return rate for each respective share-class per calendar year.

If the target return rate for a particular year is not reached, the Performance Fee will only be charged in the subsequent year when an adjusted target rate, including the performance deficit from the preceding year is met. For the sake of clarity it is noted that the Performance Fee is only charged if the charging of the Performance Fee does not result in the reduction of the investors' net return below the target return rate.

The Performance Fee is charged per annum and is payable to the AIFM with a target return rate of 14.00%.

This Performance Fee will be paid out in January if the return target has been met for the preceding calendar year.

Classes E4, U4 and S4:

The Performance Fee is calculated as 10% of the gross return after the Management Fee and charged if and when this gross return exceeds the target return rate for each respective share-class per calendar year.

If the target return rate for a particular year is not reached, the Performance Fee will only be charged in the subsequent year when an adjusted target rate, including the performance deficit from the preceding year is met. For the sake of clarity it is noted that the Performance Fee is only charged if the charging of the Performance Fee does not result in the reduction of the investors' net return below the target return rate.

The Performance Fee is charged per annum and is payable to the AIFM with a target return rate of 14.50%.

This Performance Fee will be paid out in January if the return target has been met for the preceding calendar year.

Classes E5, E6, U5, U6, S5 and S6:

The Performance Fee is calculated as 10% of the gross return after the Management Fee and charged if and when this gross return exceeds the target return rate for each respective share-class per calendar year.

If the target return rate for a particular year is not reached, the Performance Fee will only be charged in the subsequent year when an adjusted target rate, including the performance deficit from the preceding year is met. For the sake of clarity it is noted that the Performance Fee is only charged if the charging of the Performance Fee does not result in the reduction of the investors' net return below the target return rate.

The performance fee is charged per annum and is payable to the AIFM with a target return rate of 12.00%.

This Performance Fee will be paid out in January if the return target has been met for the preceding calendar year.

	<p><u>Class R3 and R4:</u></p> <p>The Performance Fee is calculated as 10% of the gross return after the Management Fee and charged if and when this gross return exceeds the target return rate for each respective share-class per calendar year.</p> <p>If the target return rate for a particular year is not reached, the Performance Fee will only be charged in the subsequent year when an adjusted target rate, including the performance deficit from the preceding year is met. For the sake of clarity it is noted that the Performance Fee is only charged if the charging of the Performance Fee does not result in the reduction of the investors' net return below the target return rate.</p> <p>The Performance Fee is charged per annum and is payable to the AIFM with a target return rate of 20%.</p> <p>This Performance Fee will be paid out in January if the return target has been met for the preceding calendar year.</p>
AIFM Fee	The AIFM will receive from the Sub-Fund an AIFM Fee up to 8 bps per annum, with a minimum of EUR 14,000.- per year. This AIFM Fee will be accrued weekly and paid out monthly.
Risk Management Report Fee	EUR 4,500.- per year
Distribution Support/Registration Fee	EUR 2,500 per country EUR 1,500.- p.a. for maintenance purposes
Subscription tax	0.01% per year.

PRUDENT INVESTMENT FUND – PRUDENT ENHANCED YIELD FUND

Introduction

The **Prudent Investment Fund – Prudent Enhanced Yield Fund** (the “**Sub-Fund**”) will be launched on September 2016.

Investment Objective

The Sub-Fund seeks to provide long-term capital appreciation by offering an attractive yield. The objective of the Sub-Fund is to extract substantial capital value and income by managing the earnings from investments in a portfolio of insured payments by a large insurance company specialising in insuring the commercial payments from short-term commercial transactions. The companies representing the payees in the investment portfolio will be large privately held or publicly traded companies domiciled in or carrying out part of their often global business activities in North or South America with a strong focus on relatively large Brazilian companies.

The Sub-Fund aims to provide stable, consistent, high level returns for Shareholders, reduce volatility, and provide a hedge against the risk of high inflation. The objective is to generate strong and stable cash flows meanwhile preserving initial capital. The Sub-Fund may invest in various sectors such as Health Care, Food Industry, Business Services, Consumer goods or Industrial Materials.

The Sub-Fund will primarily hold direct investments in PRUDENT BRAZIL FIDC-NP, a regulated Brazilian *Fundo de Investimento em Direitos Creditórios* (the “**FIDC**”). The investment objective of the FIDC seeks to provide investors with superior secured investment returns and attractive yields via a portfolio of short-term corporate receivables. The portfolio is enhanced with credit insurance provided by Euler Hermes, a Brazilian subsidiary of the Allianz Group. A conservative portfolio allocation strategy allows the FIDC to mitigate many unforeseen risks in this investment process and provide excellent long-term risk adjusted returns.

Pursuant to the Annex 4, point 10 of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, the Sub-Fund would qualify as a fund of private equity fund.

Investment Policy

The AIFM’s approach in selecting investments for the Sub-Fund is focused on internal individual company analysis within a universe of selected number of large companies. These companies, which are often multinational or even global entities, has already been researched, evaluated and rated by the insurance company. At least 90% of the investments will be made directly or indirectly through an SPV in debt securities, non-securitized loan receivables, rated senior debt instruments or through PRUDENT BRAZIL FIDC-NP, a regulated Brazilian FIDC (*Fundo De Investimento Em Direitos Creditorios*) to regulated or unregulated existing and operating companies, which the AIFM believes offer an attractive ratio of return versus low risk in the

marketplace as well as when compared to yields offered by other companies in the same and other industries.

The Investment Policy of the Sub-Fund is to invest in companies diversified in different sectors, such as Health Care, Food Industry, Business Services, Consumer goods or Industrial Materials.

The preferred target companies of the Sub-Fund can be described as follows:

- National, Multinational or even Global leaders in their respective industry segment;
- Pre-approved by the insurance partner's internal rating system to meet the qualifications for the insurance company to guarantee the payments by the portfolio company;
- The portfolio companies may by themselves have local or global investment grade ratings in addition to the investment grade rating by the insurance company offering the insurance of the payments.
- Companies that have been in business for more than five years tend to be part of the typical client group.
- Companies that have more than BRL 1bn in sales will be the primary target group.

The Sub-Fund may selectively sell assets to take advantage of favourable market conditions and create further return for investors.

Investors are offered a unique opportunity to capitalise on the growth in local demand and major industry expansion within the South or North American region; investors will enjoy the benefits in the potential capital growth and yields of the projects.

The Sub-Fund's Investment Policy will follow the pre-defined "Investment criteria's" (the "**Investment Criteria's**") before the acquisition of the prime assets. The Investment Criteria's are defined as below:

- managerial excellence;
- sector leader;
- high quality services or products;
- high or growing market share and quality leader;
- strong intrinsic demand and growth potential with expansion to the middle class;
- cost leader and high margins;
- high growth potential of the selected market;
- excellent distribution network;
- quality operational management team.

The Sub-Fund's Investment Policy could change according to the evolution of the micro and macro economical changes, determined to be in the best interest of the investors.

Investment decisions will be made by the AIFM to invest in the above mentioned assets, taking into consideration, at its sole discretion, the recommendations of the appointed Investment Adviser.

The Sub-Fund's investments may be partly financed through short-term loans up to a maximum of 30% of its net assets.

Portfolio Diversification

In order to ensure risk diversification, investments will be spread over at least five assets, processes, projects and companies and sectors involving different investment risks and may be allocated over different Investment Advisers or managers with different investment styles.

The Sub-Fund will not invest more than 30% of the underlying portfolio securities of the same counterparty. This is viewed as the combined consolidated portfolio allocation between the holdings in the respective FIDC, the different SPV's, Investment Advisers or Managers appointed by the Sub-Fund. For the purposes of applying this investment limit, each sub-fund of an umbrella fund is to be regarded as a separate issuer, provided the principle of segregation of the liabilities of the different sub-funds in relation to third parties is ensured.

Forms of Investment

The Sub-Fund can use Luxembourg or foreign companies (referred hereafter as to the "SPV") and receivables of profit participating loans ("PPLs") to be granted to the SPV. The funds invested in the SPVs will in turn be invested in the different private equity related companies and assets falling within the scope of the Investment Objective above-described.

The Sub-Fund will make its investments either through (i) receivables or other financing instruments to existing and operating companies, or via (ii) a direct or indirect ownership of shares, through one or more entities which may be a wholly-owned subsidiary, or other intermediate vehicles or companies jointly-owned by the Sub-Fund, and as a co-investor, or (iii) indirectly through an SPV or directly in a regulated instrument such as a Brazilian FIDC (*Fundo De Investimento Em Direitos Creditorios*), companies and assets. The main purpose of the intermediate vehicles shall be to own investments acquired in accordance with the Investment Objective and Policy.

The Sub-Fund will primarily hold direct and indirect investments and will have the ability to hold cash, equities and other financial instruments including financial derivative instruments for hedging purposes. Most of these investments should either be common or preferred stock, or unlisted corporate bond issues with detachable warrants.

The Sub-Fund will strive to maintain an appropriate cash balance or liquid assets for redemption and new opportunities, determined to be in the best interest of its investors.

Global and local macro-economic evolution, geopolitical factors, government policies, unexpected changes in unit costs and prices could all affect the opportunities to invest in those different assets and projects.

Risk Profile

Investment in the Sub-Fund involves significant risks and it is possible that a Shareholder may lose a substantial portion or all of its investment in the Sub-Fund.

The value of the investments may fall as well as rise. The performance of the Sub-Fund is subject to changes in various factors described in Part I of this Issuing Document.

In particular, the Sub-Fund invests in other regulated investment funds as a primary strategy, so the Sub-Fund's investment performance and risks are directly related to the performance and risks of the underlying investment funds. Investment decisions in respect of the underlying funds will be made independently of the Sub-Fund and it is possible that certain underlying funds may invest in the same security or in issues of the same asset class, industry, currency, country or commodity at the same time. Accordingly, there can be no assurance that effective diversification of the Sub-Fund's portfolio will always be achieved. Underlying funds will be subject to certain fees and other expenses, which will be reflected in the Net Asset Value of the Sub-Fund.

Leverage

In accordance with the AIFM Law, the AIFM will provide to the relevant authorities and to the Shareholders the level of leverage of the Sub-Fund using both the gross method as set out in Article 7, and the commitment method, as set out in Article 8 of the AIFM Regulation.

The maximum level of leverage which the AIFM is entitled to employ is 150% of the total assets, in accordance with the commitment method and 200% of the total assets, in accordance with the gross method.

Reference Currency

U.S. Dollars (USD)

Investment Adviser

Prudent Investment Adviser, N.V.

45 Pareraweg

Curaçao

TERM SHEET/ORDINARY SHARES

<p>Share Classes</p> <p>Class E7 (EUR) Class E8 (EUR)</p> <p>Class U7 (USD) Class U8 (USD)</p> <p>Class S7 (SEK) Class S8 (SEK)</p> <p>Class R7 (BRL) Class R8 (BRL)</p>	<p>Class E7: Ordinary Shares in EUR: offered to private Well-Informed Investors and Institutional Investors; Class E8: Ordinary Shares in EUR: offered to private Well-Informed Investors and to Institutional Investors.</p> <p>Class U7: Ordinary Shares in USD: offered to private Well-Informed Investors and Institutional Investors; Class U8: Ordinary Shares in USD: offered to private Well-Informed Investors and to Institutional Investors.</p> <p>Class S7: Ordinary Shares in SEK: offered to private Well-Informed Investors and Institutional Investors; Class S8: Ordinary Shares in SEK: offered to private Well-Informed Investors and to Institutional Investors.</p> <p>Class R7: Ordinary Shares in BRL: offered to private Well-Informed Investors and Institutional Investors; Class R8: Ordinary Shares in BRL: offered to private Well-Informed Investors and to Institutional Investors.</p>
<p>Type of Shares E7, U7, S7, R7</p> <p>E8, U8, S8, R8</p>	<p>Distribution of income on a semi-annual basis. Profit on each shareholding in the respective dividend paying Share Classes will be paid out as a difference between the NAV from the date of investment during the first six month period of investment until the NAV at the end of the six month period. For every subsequent full six month periods of investments, the Shareholders receive the full six month net return calculated as the percentage of net performance during the six month period.</p> <p>Capitalisation of income</p>
<p>Form of Shares</p>	<p>Registered Share without certificate (book entry)</p>
<p>Fraction of Shares</p>	<p>Up to five decimal (only for Shares issued in book entry form)</p>
<p>Duration</p>	<p>The Company is launched for an unlimited period of time.</p>
<p>Reference Currency</p>	<p>USD</p>
<p>NAVs: Valuation Day and Transaction Day</p>	<p><u>Class E7, E8, U7, U8, S7, S8, R7 and R8</u></p> <p>Valuation Day: Monthly, by the last Friday Bank Business Day of each month. The Board of Directors may, at its discretion, decide to compute additional NAV if determined to be in the best interest of the investors of such share class.</p>

	Transaction Day: Monthly, by the last Friday Bank Business Day of each month.
Subscription/ Redemption	Investors will have their Shares allotted at the Net Asset Value per Share as of the relevant monthly Valuation Day. Shares are redeemed at their Net Asset Value per Share minus any applicable redemption fees on a monthly basis.
Initial subscription period	Until 30 June 2016 or any other earlier date decided by the Board of Directors.
Initial nominal subscription value per share	Class E7: EUR 100 Class E8: EUR 100 Class U7: USD 100 Class U8: USD 100 Class S7: SEK 100 Class S8: SEK 100 Class R7: BRL 100 Class R8: BRL 100
Minimum initial subscription amount	Class E7: EUR 250,000 Class E8: EUR 250,000 Class U7: USD 250,000 Class U8: USD 250,000 Class S7: SEK 2,000,000 Class S8: SEK 2,000,000 Class R7: BRL 1,000,000 Class R8: BRL 1,000,000 The initial minimum subscription amount is the nominal amount indicated for the respective share class.
Subscription Fees/ Redemption Fees	<u>Classes E7, E8, U7, U8, S7, S8, R7 and R8:</u> Subscription fee payable to the Company: N/A Redemption fee payable to the Board of Directors of the Company: up to 5% for redemptions occurring during the first 12 months of shareholding.
Minimum holding amount	<u>Class E7, E8, U7, U8, S7, S8, R7 and R8:</u> Class E7: EUR 250,000

	<p>Class E8: EUR 250,000</p> <p>Class U7: USD 250,000 Class U8: USD 250,000</p> <p>Class S7: SEK 2,000,000 Class S8: SEK 2,000,000</p> <p>Class R7: BRL 1,000,000 Class R8: BRL 1,000,000</p>
<p>Cut-off time for receipt of subscription and redemption requests</p>	<p><u>Subscriptions:</u></p> <p>Subscription order have to be placed before 15.30 Luxembourg time one (1) bank business day prior to the applicable Valuation Day. If a subscription for Share Classes E7, U7, S7 or R7 (semi-annual payments of dividend) is received within one month from the first quarterly payment date, then the first dividend payment will automatically roll over to the first full 6 month period, i.e. at the end of the next 6 month period. There is otherwise a risk that the payment routine will not be set-up on time for such a payment to be carried out. The investor will receive the full payment for the investment period at the completion of the next quarterly payment cycle.</p> <p><u>Redemptions:</u></p> <p>Redemption orders have to be placed before 15.30 Luxembourg time 14 days prior to the relevant Valuation Day.</p>
<p>Payment date of subsequent subscription and redemption requests</p>	<p><u>Subscription:</u></p> <p>Before 15:30, minimum one (1) bank business day in Luxembourg prior to the applicable Valuation Day in the currency of the share class of the Fund.</p> <p>Payment date:</p> <p>In case of non-payment of the subscription orders' monies, the orders will be cancelled within 10 bank business days.</p> <p>In case of late payment of the subscription orders' monies, the order will be executed at the next Valuation Day.</p> <p>In case of payment in a different currency than indicated on the subscription order, the currency indicated on the subscription order prevail.</p> <p><u>Redemptions:</u></p> <p>The redemption price will be equal to the Net Asset Value per Share of the Fund on the relevant Valuation Day.</p> <p>Payment for redemptions will be made within twenty (20) bank business days from the availability of the Net Asset Value.</p>

<p>Management Fee</p>	<p><u>Classes E7, E8, U7, U8, S7, S8, R7 and R8 :</u></p> <p>A Management Fee of 40 basis points of the gross assets of the Sub-Fund per annum will be charged and paid to the AIFM. Director fees due to the board members of the Company will be deducted and paid directly from the Management Fee payable to the AIFM.</p> <p>This Management Fee will be accrued monthly and paid out monthly.</p>
<p>Performance Fee</p>	<p><u>Classes E7, E8, U7, U8, S7,S8 :</u></p> <p>The Performance Fee is calculated as 20% of the gross return after the Management Fee and charged if and when this gross return exceeds the target return rate for each respective share-class per calendar year.</p> <p>If the target return rate for a particular year is not reached, the Performance Fee will only be charged in the subsequent year when an adjusted target rate, including the performance deficit from the preceding year is met. For the sake of clarity it is noted that the performance fee is only charged if the charging of the Performance Fee does not result in the reduction of the investors' net return below the target return rate.</p> <p>The Performance Fee is charged per annum and is payable to the AIFM with a target return rate of 9.00%.</p> <p>This Performance Fee will be paid out in January if the return target has been met for the preceding calendar year.</p> <p><u>Classes R7, R8:</u></p> <p>The Performance Fee is calculated as 20% of the gross return after the Management Fee and charged if and when this gross return exceeds the target return rate for each respective share-class per calendar year.</p> <p>If the target return rate for a particular year is not reached, the Performance Fee will only be charged in the subsequent year when an adjusted target rate, including the performance deficit from the preceding year is met. For the sake of clarity it is noted that the Performance Fee is only charged if the charging of the Performance Fee does not result in the reduction of the investors' net return below the target return rate.</p>

	<p>The Performance Fee is charged per annum and is payable to the AIFM with a target return rate of 20.00%.</p> <p>This Performance Fee will be paid out in January if the return target has been met for the preceding calendar year.</p>
AIFM Fees	<p>The AIFM will receive from the Sub-Fund an AIFM Fee up to 8 bps per annum, with a minimum of EUR 14,000.- per year. This AIFM Fee will be accrued weekly and paid out monthly.</p>
Risk Management Report	EUR 4,500.- per year
Distribution Support/ Registration Fee	<p>EUR 2,500 per country</p> <p>EUR 1,500 p.a. for maintenance purposes</p>
Subscription tax	0.01% per year