

## EVEREST ONE

Investment company with variable capital - reserved alternative investment fund

### PROSPECTUS

Everest One June 2021 (version 3)	
Approved by the Managing General Partner:	
	
Everest Fund Management	Everest Fund Management
Name: Bernd von Manteuffel Job title: Manager Date: 11/06/2021	Name: Christophe Nadal Job title: Manager Date: 11/06/2021
Approved by the AIFM:	
	
timothée fuchs 2021-06-14 Fuchs Asset Management	Michael VERSCHUURE 2021-06-14 Fuchs Asset Management
Name: Job title: Date: 11/06/2021	Name: Job title: CFO Date: 11/06/2021

### JUNE 2021

The Everest One Shares are exclusively reserved for Eligible Investors who, based on this Prospectus, the Articles of Association and the Subscription Agreement, have carried out their own risk assessment of investing in the Fund. Each Investor is responsible for assessing whether it is appropriate to invest in Everest One in light of its specific situation.

Everest One is not subject to the authorisation or supervision of the Luxembourg financial services regulator: The Luxembourg regulator for the financial sector, the *Commission de Surveillance du Secteur Financier* or any other Luxembourg authority.

Version 3

## DIRECTORY

### **Registered office:**

25C, Boulevard Royal  
L-2449 Luxembourg  
Grand Duchy of Luxembourg

### **Managing General Partner**

Everest Fund Management  
25C, Boulevard Royal  
L-2449 Luxembourg  
Grand Duchy of Luxembourg

### **Members of the Management Board of the Managing General Partner**

- Mr Bernd von Manteuffel;
- Mr Christophe Nadal.

### **Alternative Investment Fund Manager (AIFM)**

FUCHS Asset Management S.A.  
47/49 Boulevard Prince Henri  
L-1724 Luxembourg  
Grand Duchy of Luxembourg

### **Depository and Central Administration Agent**

EFG Bank (Luxembourg) S.A.  
56, Grand Rue  
L-1660 Luxembourg  
Grand Duchy of Luxembourg

### **Approved Auditor**

Ernst & Young S.A.  
35E, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **Legal counsel**

Van Campen Liem, Luxembourg  
2, rue Dicks  
L-1417 Luxembourg  
Grand Duchy of Luxembourg

**NB:**

Unless otherwise indicated, the terms used in this prospectus (the **Prospectus**) which begin with a capital letter have the meanings ascribed to them in the Definitions Section.

This Prospectus is provided on a confidential basis to a limited number of Eligible Investors to provide them with information about EVEREST ONE (the **Fund**). This Prospectus may not be reproduced and the information it contains may not be disclosed to third parties. By receiving this Prospectus, each potential investor accepts the conditions mentioned above and undertakes to return the Prospectus to the AIFM or the Managing General Partner if they do not invest in EVEREST ONE.

Any statements of opinion, intention and/or estimates and any projections, forecasts and statements concerning future events or the possible performance of EVEREST ONE contained in this Prospectus reflect the Managing General Partner's own analysis and interpretation of the information available to it as of the date of the Prospectus. There can be no assurance or guarantee that such opinions, projections, forecasts or statements are accurate or that the targets of EVEREST ONE will be achieved. Potential investors will have to decide for themselves to what extent they can rely on such opinions, projections, forecasts or statements and the Managing General Partner disclaims any liability in this respect.

Potential investors should conduct their own independent analysis of investing in the Fund (including reviewing this Prospectus and the documents referred to in this Prospectus), and not rely on the analysis of the Managing General Partner, the AIFM, the Service Providers or their respective board directors, managers, directors, partners, employees, representatives, agents and Affiliate Vehicles. Potential investors should not interpret the contents of this Prospectus or any prior or subsequent communications from the Fund, the Managing General Partner, the AIFM, the Service Providers or their respective board directors, managers, directors, partners, employees, representatives, agents or Affiliated Vehicles as constituting any investment, legal or regulatory advice, accounting or tax advice. Neither the Fund, the Managing General Partner, the AIFM, the Service Providers or their respective board directors, managers, directors, partners, employees, representatives, agents or Affiliated Vehicles accept any liability whatsoever as to whether this Fund is a suitable investment for a potential investor. Potential investors are advised to carry out their own due diligence, including investigating the legal and tax consequences of investing in EVEREST ONE.

The text of the Articles of Association is essential to understanding this Prospectus. Potential investors should therefore read the Articles of Association carefully. If there is any inconsistency between this Prospectus and the Articles of Association, the Articles of Association shall prevail. The Articles of Association, the Service Agreements, the Subscription Agreement and related documentation are briefly described in this Prospectus; these descriptions are not intended to be exhaustive and each of these descriptions is conditioned in its entirety by reference to the original text of the Articles of Association, Service Agreements, Subscription Agreement and related documentation, including any associated amendments.

Investing in EVEREST ONE implies taking on risks related, to, among other things, the nature of the investments made by the Fund (see in particular Section 24 of this Prospectus). Investors must therefore be willing and have the financial resources to assume such risks. As there will be limited opportunities to trade the Shares of EVEREST ONE, investors may have to assume the financial risks of their investment throughout the term of the Fund.

Some of the information contained in the Prospectus has been taken from publications prepared by third parties. The Managing General Partner accepts no liability in this regard.

Sending this Prospectus on any date, does not imply that there has been not been any change in the Fund's activities since the date this Prospectus was published. The Managing General Partner reserves the right to modify the terms of the investment and the Shares described in this Prospectus. This Prospectus may be updated and amended by a supplement, in which case this Prospectus shall be read and interpreted in conjunction with the supplement. This Prospectus will be updated in accordance with Luxembourg law or,

where applicable, the AIFM Directive and its transposition and enforcement measures.

No one is authorised to give any information or make any representation concerning the Fund or the Share offering other than the information contained in this Prospectus, and if such information or representation has been given or made, it should not be considered as reliable or authorised by the Managing General Partner, the Fund, the AIFM or a Service Provider.

The Managing General Partner has taken all reasonable steps to ensure that the information contained in this Prospectus is accurate in all material respects as of the date this Prospectus is issued (or any other date as may be mentioned in this document). Other than as described above, neither the Managing General Partner, the Fund nor the AIFM are under any obligation to update this Prospectus.

### **Jurisdiction, applicable law and recognition and enforcement of judgments**

Investors shall commit to the Fund and the Managing General Partner in accordance with the terms of the Subscription Agreement. The rights and obligations of the investors and Shareholders of the Fund are as provided for in this Prospectus, the Articles of Association and the Subscription Agreement and shall be governed by the law of the Grand Duchy of Luxembourg. Through investing in the Fund and subscribing for Shares, shareholders do not acquire any direct rights to the Fund's assets and investments. Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (as amended from time to time) is directly applicable to the Grand Duchy of Luxembourg. In addition, the Grand Duchy of Luxembourg has also acceded to a number of international treaties and conventions on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and, in the absence of an EU regulation, or a treaty or convention, Luxembourg courts and tribunals may, under certain conditions, order the *exequatur* (enforcement) of a foreign judgment in Luxembourg. Shareholders and investors have no direct contractual right of recourse against the Service Providers.

Finally, the Fund, the Managing General Partner, the Depositary and the AIFM are entitled (but not obliged, unless otherwise provided by statutory provisions,) to submit to and accept the jurisdiction of foreign courts to rule on any disputes relating to the Fund, in particular, in disputes involving one or more investors and before the courts and tribunals of the country in which these investors are based.

### **Restrictions on marketing Shares**

#### *Eligible Investors*

Notwithstanding anything to the contrary in this Prospectus, Shares are strictly reserved for subscription by Eligible Investors and neither the Fund nor the Managing General Partner shall accept to issue or transfer Shares to investors who are not Eligible Investors.

#### *General*

Distributing this Prospectus and investing privately in Shares may be subject to certain legal or regulatory restrictions in certain jurisdictions and this Prospectus does not and may not be used for, or in connection with, an offering or solicitation by any entity in any jurisdiction where such offering or solicitation is not authorised, or to a Person/Entity to whom it is unlawful to make such an offering or solicitation. Subject to the statements below, neither the Managing General Partner nor the AIFM has taken and will take any action that would enable the Shares to be listed publicly or for such information to be obtained or disseminated in a jurisdiction where such measures must be taken to this end. It is therefore the responsibility of the Persons/Entities wishing to apply for Shares by virtue of this Prospectus to ensure that they understand and comply with all applicable laws and regulations in the relevant jurisdictions. Potential investors should also ensure that they are aware of the applicable legal requirements, as well as the exchange control rules and taxes applicable in the country of which they are nationals or residents or where they operate.

### *Prospectus Regulation - Member States of the European Economic Area (EEA)*

Additional sales restrictions may apply in any particular EEA Member State. Neither the Managing General Partner, the AIFM or any Distributor may offer Shares in a specific EEA Member State, provided that in that EEA Member State it is possible to offer the Shares:

- (a) at any time to a legal entity that is a qualified investor as defined by of the Prospectus Regulation;
- (b) at any time to less than 150 natural persons or legal entities (other than qualified investors as defined in the Prospectus Regulation), subject to the prior consent of the relevant Distributor or placement agents appointed by the Fund for such an offering; or
- (c) at any time in circumstances that fall within the scope of paragraphs (2) and seq. of Article 1 of the Prospectus Regulation,

provided that that no Share offering shall be made in the circumstances referred to in paragraphs (a) to (c) above which would require the Fund, the Managing General Partner or any Distributor to publish a prospectus in accordance with the provisions of Article 1 of the Prospectus Regulation or a supplement to the prospectus in accordance with the provisions of Article 23 of the Prospectus Regulation.

For the purposes of this provision, the term ‘public offering of Shares’ concerning any Share in any specific EEA Member State means communicating in any form and by any means whatsoever sufficient information on the terms of the offering and the Shares to be offered, such that an investor can decide whether or not to purchase or subscribe for such Shares, in accordance with the Prospectus Regulation.

### *AIFM Directive - marketing to Professional Investors*

The Fund is a Luxembourg AIF managed by Fuchs Asset Management S.A. as an AIFM within the meaning of Article 4.1(a) of the AIFM Law. The AIFM may therefore market the Fund's Shares to Professional Investors in the EEA Member States in accordance with Article 32 of the AIFM Directive. A list of the EEA countries in which Shares may be marketed to Professional Investors in accordance with Article 32 of the AIFM Directive is available on request from the AIFM.

### **United States of America**

No Shares may be offered to US Citizens. For the purposes of this Prospectus, the term American Citizens includes, but is not limited to, any person or entity, including a company with share capital, a limited liability company, or a similar entity, which is a citizen of or based in the United States of America or which is organised or incorporated under the laws of the United States of America or qualifies as a ‘US national; or ‘US person’ within the meaning of the US Securities Act or as a ‘specified US Person’ within the meaning of FATCA, (a **US Citizen**). The decision to offer Shares to an American Citizen will be at the sole discretion of the Managing General Partner and the Central Administration Agent. These restrictions also apply to any subsequent transfer of Shares to the United States or to a US Citizen. The Shares shall not be offered, sold, transferred or assigned, directly or indirectly, in the United States of America or its territories or possessions or to any ‘U.S. PERSON’ as defined in Rule 902(k) of the U.S. Securities and Exchange Commission regulations.

The Shares offered pursuant to this Prospectus have not been registered under the *U.S. Securities Act of 1933* and the Company is not registered under the *U.S. Investment Company Act of 1940*.

By subscribing for any Share, the Investor and/or any person acting on behalf of the Investor declares that the economic beneficiary is not a US Citizen.

Any Shareholder that becomes a US Citizen may be subject to withholding tax and tax reporting requirements in the United States.

### **FINRA rules 5130 and 5131**

The Fund may either subscribe for target fund units/shares classes that may participate in the allocation of newly listed US securities (**US IPO**) or participate directly in US IPOs. In accordance with FINRA Rules 5130 and 5131 (the **Rules**), the Financial Industry Regulatory Authority ( **FINRA**) has banned certain persons/entities taking part in the allocation of US IPOs where the economic beneficiary(ies) of such accounts are financial services professionals (including, among others, an owner or employee of a FINRA member or the manager of a FINRA member) (a 'restricted person'), or an executive officer or director of a U.S. or non-U.S. company who may potentially do business with FINRA members (a 'covered person'). Consequently, investors considered as restricted or covered persons within the meaning of the Rules are not eligible to invest in the Fund. If in doubt as to your status, please seek advice from your legal counsel.

### **Personal data protection**

By subscribing for Shares, each investor gives permission to process their personal data or the personal data of affiliated investors as described in the note concerning the use and processing of personal data attached to the Subscription Agreement.

## TABLE OF CONTENTS

	PAGE
1. DEFINITIONS .....	1
2. GENERAL INFORMATION .....	9
3. INVESTMENT OBJECTIVE, POLICY AND STRATEGY.....	10
4. INVESTMENT RESTRICTIONS.....	12
5. TERM OF THE FUND .....	15
6. MANAGEMENT AND ADMINISTRATION .....	15
7. UNITS - SUBSCRIPTION DAYS - ISSUE PRICE .....	19
8. DISTRIBUTION OBJECTIVE AND POLICY .....	21
9. REDEMPTIONS .....	22
10. PARTICIPATING IN VALUE CREATION - LIQUIDATIONINCOME .....	25
11. CONVERTING SHARES.....	26
12. TRANSFER RESTRICTIONS .....	26
13. SHAREHOLDING RESTRICTIONS .....	27
14. MONEY LAUNDERING AND TERRORIST FINANCING .....	29
15. CALCULATING NET ASSET VALUE .....	29
16. TEMPORARY SUSPENSION OF NAV CALCULATION.....	32
17. RESERVE .....	32
18. COSTS AND EXPENSES .....	33
19. ANNUAL GENERAL MEETINGS.....	35
20. ACCOUNTING PERIOD AND FINANCIAL REPORTS - FAIR TREATMENT OF INVESTORS .....	35
21. NON-DISCLOSURE .....	38
22. INDEMNIFICATION .....	39
23. DISSOLUTION/LIQUIDATION.....	40
24. TAX REGIME.....	41
25. RISK FACTORS .....	42
26. MODIFICATIONS TO THIS PROSPECTUS .....	48

## DEFINITIONS

The following terms and definitions apply throughout the Prospectus, unless the context requires another meaning.

<b>A Share</b>	has the meaning given in Section 6.2(a)(i).
<b>GP Share</b>	means a share issued to the Managing General Partner in this capacity in accordance with Section 6.2(a)(iii).
<b>C Share</b>	has the meaning given in Section 6.2(a)(iii).
<b>Share Eligible for Redemption</b>	Has the meaning given in Section 8.1(a).
<b>S Share</b>	has the meaning given in Section 6.2(a)(ii).
<b>Shareholder</b>	refers to a person or entity who holds Shares that are recorded in the Shareholder register.
<b>Founding Shareholder(s)</b>	refers to the Shareholder(s) present when the Fund was established.
<b>Shares</b>	refers to the shares of the Fund that may be issued pursuant to the Articles of Association and this Prospectus.
<b>Central Administration Agent</b>	means EFG Bank (Luxembourg) S.A., in that capacity, or any other entity appointed as the central administrator and transfer and registration agent of the Fund.
<b>Annual General Meeting</b>	means the general meeting of the Fund's Shareholders held annually.
<b>Managing General Partner</b>	refers to Everest Fund Management in its role as the Fund's managing general partner.
<b>Depository</b>	means EFG Bank (Luxembourg) S.A., in that capacity, or any other entity appointed as the Fund's depository.
<b>Approved Auditor</b>	refers to Ernst & Young S.A. or any other firm of approved auditors appointed by the Fund.
<b>Share Class or Class</b>	means a class of Shares within the meaning of the 1915 Act.
<b>Carried Interest</b>	has the meaning given to it in Section 9(a)(iii).
<b>Operating expenses</b>	has the meaning given in Section 17.1.
<b>Acquisition fee</b>	has the meaning given in Section 17.3.



<b>Distribution fee</b>	has the meaning given in Section 5.5(b).
<b>Financing fee</b>	has the meaning given in Section 17.1.
<b>Management Fee</b>	refers to the annual amount received by the Managing General Partner (and, where applicable, any other Person/Entity entitled to all or part of this Management Fee), as more fully described in section 17.2.
<b>Investment Committee</b>	has the meaning given in Section 5.3.
<b>Management Board</b>	refers to the Managing General Partner's Management Board.
<b>Management Agreement</b>	refers to the management agreement between the Fund and the AIFM whereby, among other things, the AIFM is appointed as the Fund's external alternative investment fund manager, responsible for portfolio management, risk management and marketing on behalf of the Fund.
<b>Depository Agreement</b>	refers to the depository agreement entered into between the Depository, the AIFM and the Fund as may be amended by agreement between the parties.
<b>Central Administration Agreement</b>	means the central administration agreement concluded between the Central Administration Agent and the Fund, as may be amended by agreement between the parties.
<b>Service Agreements</b>	means the Management Agreement, Depository Agreement, Central Administration Agreement, and any other agreement between the Fund and any other Service Provider.
<b>Subscription Agreement</b>	means the subscription agreement to be signed by any prospective Investor under which, after acceptance by the Fund, the Investor will subscribe for Shares in accordance with the Articles, this Prospectus and the relevant Subscription Agreement.
<b>CRS</b>	means <i>Common Reporting Standard</i> , (NCD or CRS) and due diligence for the automatic exchange of information relating to financial accounts developed by the OECD and incorporated into European Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards the automatic and mandatory exchange of tax information. These provisions are transposed into Luxembourg law by the Act of 18 December 2015. The provisions of this regime, as well as any Luxembourg or foreign act, provision or regulation adopted pursuant to the provisions of the aforementioned Directive, will hereinafter be referred to as the 'CRS Legislation.'
<b>CSSF</b>	refers to the <i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg financial services regulator.

<b>Accounting date</b>	means 31 December of each year, and for the first time, 31 December 2019. For the last Accounting Year of the Fund, the Accounting Date is the date on which the Fund is liquidated and for the last Financial Year, the date on which the Fund is liquidated.
<b>Redemption Eligibility Date</b>	has the meaning given in Section 8.1(a).
<b>Valuation Date</b>	has the meaning given in Section 14.1(b).
<b>Redemption Date</b>	has the meaning given in Section 8.1 (e).
<b>Extraordinary Decision of Shareholders</b>	means a resolution of the General Meeting of Shareholders ruling under the conditions required for amending the Articles of Association, it being understood that any Extraordinary Decision of the Shareholders is subject to the approval of the Managing General Partner.
<b>Redemption request</b>	means a written request by a Shareholder to the Managing General Partner and the Central Administration Agent to redeem one or more of its Shares, in accordance with and subject to the terms of this Prospectus and, in particular, Section 8.1.
<b>Eligible Holders of C Shares</b>	has the meaning given in Section 6.2(a)(ii).
<b>Last Day of Subscription</b>	refers to the date on which the AIFM and the Managing General Partner jointly decide that no further Subscription Agreements will be accepted, a date set at forty-eight (48) months after the First Subscription Date, it being understood that this period may be extended by a maximum of two periods of six months each, each time by decision of the General Partner.
<b>Reference currency</b>	means, with respect to a Class, the reference currency of that Class, as specified in this Prospectus. Please note that that the Reference Currency of the Fund is the euro and that if there is no express reference to another currency, the Reference Currency of every Class will be the euro.
<b>AIFM Directive</b>	means Directive 2011/61/EU of 8 June 2011 on Alternative Investment Fund Managers.
<b>MiFID Directive</b>	means Directive 2014/65/UE of 15 May 2014 on markets in financial instruments.
<b>Prospectus Regulation</b>	means Regulation (EU) 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Distributor</b>	refers to any distribution coordinator, distributor or business contributor to the Fund appointed by the AIFM with the agreement of the Managing General Partner.

<b>Distribution of the Reserved Commission</b>	has the meaning given in Section 17.3.
<b>A Dividend</b>	has the meaning given in Section 7.3(a)(ii).
<b>S Dividend</b>	has the meaning given in Section 7.3(a)(i).
<b>Term</b>	has the meaning given in Section 4.
<b>EEA</b>	means European Economic Area.
<b>Accounting Period</b>	means a period up to and including an Accounting Date and beginning on the day following the previous Accounting Date, or, for the first Accounting Period, on the day the Fund is established.
<b>FATCA</b>	means the United States <i>Foreign Account Tax Compliance Act</i> and its implementing provisions, including the intergovernmental agreement of 28 March 2014, which states 'IGA Model I' between the United States of America and Luxembourg and the FATCA Act of 24 July 2015 (as amended) and any reference to 'FATCA Legislation' is a reference to the provisions of this regime, as well as any Luxembourg or foreign law, provision or regulation made pursuant to this mechanism
<b>AIF</b>	means an alternative investment fund within the meaning of Article 4.1(a) of the AIFM Directive.
<b>RAIF</b>	means reserved alternative investment fund.
<b>Fund</b>	means Everest One.
<b>Set up Costs</b>	has the meaning given in Section 17.9(a).
<b>Operating Fees</b>	has the meaning given in Section 17.7.
<b>Exit Costs</b>	has the meaning given in Section 8.1 (h).
<b>Unrealised Transaction Costs</b>	has the meaning given in Section 17.7.
<b>Manager</b>	means a member of the Management Board.
<b>AIFM</b>	means Fuchs Asset Management S.A. in its capacity as alternative investment fund manager within the meaning of Article 4.1(a) of the AIFM Act in accordance with the Management Agreement.
<b>INREV</b>	refers to the <i>European Association for Investors in Non-Listed Real Estate Vehicles</i> .

<b>Investment</b>	means any investment of the Fund that is in line with the investment objective, strategy and restrictions applicable to the Fund, whether or not such investment is made directly or indirectly through Intermediary Vehicles.
<b>Well-Informed Investor</b>	means any well-informed investor as defined by Article 2 of the 2016 Act. There are three categories of Well-Informed Investors: Professional Investors, Institutional Investors and Experienced Investors. Directors and other persons involved in managing the Fund are considered to be Well-Informed Investors for the purpose of Article 2 of the 2016 Act.
<b>Eligible Investors</b>	means any investor (i) that is a Well-Informed Investor as defined by Article 2 of the 2016 Act and (ii) that is not a Restricted Person.
<b>Experienced Investor(s)</b>	refers to any investor that (a) has confirmed in writing that he/she/it adheres to the status of a Well-Informed Investor and (b) either (i) invests at least €125,000 in the Fund, or (ii) has been subject to an assessment made by a credit institution, by any another professional of the financial sector subject to rules complying with the MiFID Directive, by a management company within the meaning of Directive 2009/65/EC or an alternative investment fund manager within the meaning of the AIFM Directive, certifying its expertise, experience and knowledge to properly assess investing in the Fund.
<b>Institutional Investor</b>	refers to an institutional investor as defined by Luxembourg law.
<b>Professional investor</b>	means an investor considered as a professional client or which may be treated as a professional client on request, as defined by Annex II of the MiFID Directive.
<b>Subscription Day</b>	means any Business Day on which subscriptions may be accepted into the Fund on the basis of valid Subscription Agreements, in accordance with the provisions of this Prospectus and of the relevant Subscription Agreements.
<b>Business day</b>	refers to any day on which banks are generally open for business in Germany and Luxembourg throughout the day (except Saturdays, Sundays and public holidays).
<b>JV Partner</b>	has the meaning given in Section 3.5(b) (i).
<b>JV Vehicle</b>	has the meaning given in Section 3.5(b) (i).
<b>Act of 2013</b>	refers to the amended Luxembourg act of 12 July 2013 on alternative investment fund managers.
<b>Act of 2016</b>	refers to the Luxembourg act of 23 July 2016 on RAIFMs.
<b>Act of 1915</b>	refers to the amended Luxembourg law of 10 August 1915 on commercial companies.

<b>Investment objective</b>	has the meaning given in Section 2.1(a).
<b>Person</b>	refers to any natural person, legal entity or partnership or any other organisation, association, trust or other entity.
<b>Affiliated Vehicle</b>	means, in relation to the Person concerned, (i) any person controlling, controlled by or under joint control with such Person, or (ii) any holding company which is managed and/or advised by the Person concerned, by one of its effective beneficiaries, or (iii) any other Person for which the Person concerned is the beneficial owner or (iv) any beneficial owner of the Person concerned, it being understood that any reference to an Affiliated Vehicle of the AIFM or the Managing General Partner excludes the Fund, any Intermediary Vehicle and any Investment.
<b>Indemnified Person</b>	has the meaning given in Section 21.
<b>Restricted Person</b>	has the meaning given to it in Section 12(a)(iii).
<b>Investment period:</b>	the period beginning on the date of the First Day of Subscription and ending 48 months after the First Day of Subscription. Please note that this Investment Period may be extended by a maximum of two consecutive periods of six months each upon the decision of the Managing General Partner.
<b>Redemption period</b>	has the meaning given in Section 8.1(a).
<b>Distribution Policy</b>	has the meaning given in Section 7.3(a).
<b>First Day of Subscription</b>	refers to the date on which the first investor (other than a Founding Shareholder) is admitted to the Fund by accepting its Subscription Agreement.
<b>Service Provider</b>	means the AIFM, the Dispositary, the Central Administration Agent, the Approved Auditor, any Distributor, and any other Person providing services to the Fund.
<b>Issue price</b>	means the issue price of the Shares, being EUR 1,000.
<b>Redemption price</b>	has the meaning given in Section 8.1 (h).
<b>Distributable Income</b>	has the meaning given in Section 7.2.

<b>Liquidation Proceeds per Shareholder</b>	has the meaning given to it in Section 9(a)(iii).
<b>Net income</b>	means the consideration received in cash and/or in kind by the Fund for the sale or redemption of all or part of an investment less all costs incurred by the Fund in connection with the transfer or distribution in kind of all or part of such investment.
<b>Prospectus</b>	means this Prospectus.
<b>Annual Report</b>	has the meaning given in Section 19.2.
<b>Quarterly report</b>	has the meaning given in Section 19.3.
<b>Level II Regulation</b>	means 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 conditions, depositaries, leverage, transparency and supervision.
<b>RESA</b>	means the <i>Recueil Électronique des Sociétés et Associations luxembourgeois</i> [Electronic Index of Luxembourg Companies and Associations].
<b>Reserve</b>	has the meaning given in Section 16(a).
<b>SCA</b>	means a <i>société en commandite par action</i> [company limited by shares].
<b>SICAV</b>	means a <i>société d'investissement à capital variable</i> [open-ended investment company].
<b>Portfolio Company</b>	means any entity in which the Fund has made an Investment.
<b>Affiliated Vehicle</b>	means another investment vehicle managed or advised by the Managing General Partner or by an Affiliated Person of the Managing General Partner.
<b>Transfer</b>	means transferring Share ownership, in any form whatsoever, and in particular, but not limited to, transfer, contribution, exchange, universal transfer of assets and liabilities, allocation in kind of assets, contractual or judicial security such as a pledge or donation.
<b>IRR</b>	means internal rate of return.
<b>EU</b>	means the European Union.

<b>Fixed Redemption Value</b>	has the meaning given in Section 8.1 (h i).
<b>Intermediary Vehicle</b>	means an entity (directly or indirectly) owned by the Fund to contain an investment by the Fund, on the understanding that any Intermediary Vehicle must: (a) be either (i) majority owned (directly or indirectly) by the Fund so that the Fund is able to remove and appoint members of the management body of such Intermediary Vehicle if necessary) or (ii) controlled by the Managing General Partner (where such Intermediary Vehicle is jointly owned by the Fund with Affiliated Vehicles) such that the Fund or the Managing General Partner is able to remove and appoint the members of the management body of such Intermediary Vehicle if necessary); (b) be subject in principle to an accounting audit or an external audit by an affiliated entity of the Approved Audit Firm (or, where applicable, by a duly authorised chartered accountant or local auditor), on the understanding that, if an Intermediary Vehicle is not itself subject to an accounting audit or and external audit, the Chartered Auditor shall carry out the checks and procedures on the accounting data relating to this Intermediary Vehicle that it deems useful in the context of its mandate to audit the annual accounts of the Fund.
<b>GAV or Gross Asset Value</b>	corresponds to the sum of the Fund's NAV, debts due to credit institutions, overdrafts, bank and financial debts in relation to the interests held directly or indirectly by the Fund in Portfolio Companies, other financial liabilities of a financial nature and the default value of financial debts relating to property rights ( <i>droits réels</i> ) held as a lessee ( <i>crédit-preneur</i> ) and pertaining to financial lease agreements ( <i>crédit-bail</i> ) on real estate properties.
<b>Joint-investment vehicle</b>	has the meaning given in Section 3.5(b) (ii).
<b>Passive Breach</b>	has the meaning given in Section 3.6.
<b>NAV or Net Asset Value</b>	means the net asset value of the Fund or, depending on the context, the relevant Class of Shares, as determined under this Prospectus and the Articles of Association.
<b>SFDR</b>	means Regulation (EU) 2019/2088 of the European Parliament and of the Council dated 27 November 2019 on sustainability-related disclosures in the financial services sector.

## **1. GENERAL INFORMATION**

### **1.1 Managing General Partner and Founding Shareholder**

- (a) The Fund was formed at the initiative of
- (i) the Managing General Partner, Everest Fund Management S.à r.l., a *société à responsabilité limitée* [limited liability company] established and operating under the laws of Luxembourg, whose registered office is located at 25C Boulevard Royal, L-2449 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 233729. The Managing General Partner is responsible for managing the Fund and is jointly and severally liable for all debts that cannot be paid from the Fund's assets; and
  - (ii) MIMCO Capital S.à r.l., a limited liability company established and existing under the laws of Luxembourg, whose registered office is located at 25C Boulevard Royal, L-2449 Luxembourg and registered with the Luxembourg Trade and Companies Register under number B231153 as Founding Shareholder.
- (b) Class A, S and C Shareholders are 'limited shareholders' of the Fund, whose liability is limited to the amount of their respective investments (or commitments to invest) in the Fund.

### **1.2 Legal form - regulatory regime of the Fund**

- (a) The Fund is a Luxembourg reserved alternative investment fund organised as a SICAV (open-ended investment scheme) subject to the 2016 Act, the 1915 Act (insofar as there are no exceptions instituted by the 2016 Act) and the Articles of Association. The Fund is an AIF for the purposes of the AIFM Directive and its AIFM as defined by Article 5.1(a) of the AIFM Directive is the AIFM.
- (b) The Fund was incorporated as a partnership limited by shares on 16 April 2019 and is registered with the Luxembourg Trade and Companies Register under number B 233886. A limited partnership with shares is a partnership entered into by one or more shareholders, for a limited or unlimited period of time, indefinitely and jointly and severally liable for corporate commitments with one or more shareholders who only commit to a specific investment. The Shareholder who is indefinitely and jointly and severally liable for the corporate commitments with the Fund is the Managing General Partner. The Managing General Partner is also the manager of the Fund within the meaning of Article 600-5 of the 1915 Act.
- (c) The share capital of the Fund is at all times equal to the value of its net assets converted into euros based on the most recent known exchange rates. It is represented by Shares with no nominal value.
- (d) The minimum share capital for Fund is €1,250,000. This minimum must be reached within twelve months of setting up the Fund. The initial capital of the Fund was 30,000 euros (thirty thousand euros) represented by 29,998 (twenty-nine thousand nine hundred and ninety-eight) A Shares, one GM share and one C share, all fully paid up and without any nominal value.
- (e) Changes in the share capital shall be made automatically and without requiring the usual measures for publication and registration at the Trade and Companies Register provided for in respect of increases and decreases in the capital of partnerships limited by shares.
- (f) The capital of the Fund may consist of different Classes of Shares, invested jointly, but subject to different cost structures, distributions, eligible investors, currencies or other specific characteristics. A Net Asset Value per Share, which may vary as a result of its variable factors, will be calculated for each Share Class. Subject to the terms of this Prospectus, the Managing General Partner may at any time create additional Share Classes whose characteristics may differ from the existing Share Classes. If necessary, this Prospectus will be updated following the creation of new Share Classes.



- (g) The Shares are exclusively reserved for Eligible Investors. Some Share Classes may not be available to all Eligible Investors.

## **2. INVESTMENT OBJECTIVE, POLICY AND STRATEGY**

### **2.1 Investment objective**

- (a) The investment objective of the Fund (the **Investment Objective**) is to build up real estate assets in order to offer investors a high return, part of which gives rise to annual cash distributions for Shareholders while trying to ensure a certain level of liquidity by allowing Shareholders to redeem Shares, if appropriate.
- (b) The Fund's objective is to distribute an annual coupon of 5% quarterly, with the first distribution taking place at the end of the first Fiscal Year (4Q19). The objective of capital growth when redeeming Shares will depend on the length of time the Shares are held (as defined in Section 8). In the event that the Fund has generated added value in excess of the 5% distributions and expected growth, the surplus will be allocated between the Investors and the holders of the C Shares based on the holding period of the Shares (as defined in Section 9). No assurance can be given that the Investment Objective or that the dividends/distributions or growth described in this Prospectus will be achieved/met.
- (c) The figures used to model the Fund's cash flow and achieve the above return objective for Investors are as follows:
  - (i) an average portfolio yield of 7.50% net at the end of the Investment Period, a minimum bank leverage of 60% on the value of the assets including notarial and registration fees of the acquisitions at the end of the Investment Period;
  - (ii) this return will be revalued each year, taking into account rent indexations and any rent increases made by the Managing General Partner;
  - (iii) an estimated capital gain with a minimum of more than 5% on the value of the acquisitions including notarial and registration fees;
  - (iv) the geographical investment area targeted the Fund will be mainly in Germany; however, please note that the Fund may also invest in other countries in the EU area as opportunities arise;
  - (v) three (3) years after the First Subscription Day, the Fund must have acquired at least five (5) properties representing a value of more than twenty million euros.

### **2.2 Investment policy**

- (a) In order to achieve its Investment Objective, the Fund may:
  - (i) make investments in properties generating immediate turnover and whose expected returns are considered compatible with the Investment Objective; and
  - (ii) opportunistically, depending on the environment of the retail/business and residential real estate market, acquire buildings in the future state of completion or any acquisition that allows the asset to be valued in the medium term without jeopardising the immediate performance objective; and
  - (iii) participate in building extensions and in restructuring the buildings owned in order to increase the value of the Investments and make them attractive on the real estate market;

- (iv) Take positions on repurchasing mortgages that will only be for real estate assets.
- (b) The Fund will be rigorous in selecting Investments. This selection will be based, in particular, on the choice of tenants, and on rental values that are not overvalued in order to position the Fund on discounted real estate where the underlying assets are in good condition.
- (c) The Fund will focus on regions with established retail density, and potentially high footfall and purchasing power. The Fund will be particularly vigilant with regard to the solvency of tenants, changes in rental prices and the quality of leases signed.
- (d) The Managing General Partner will be in charge of monitoring due diligence with the various local councils and experts, in order to ensure that the leases, the compliance of building permits and land register references are lawful. Expert assessments will be carried out by recognised experts to determine the quality of the buildings' construction, the market and rental value.
- (e) The size of the Investments will be no more than EUR 60,000,000 per asset. As a result, the market value of each asset will in principle not exceed 30% of the GAV, thus generating better risk diversification.
- (f) The Fund will invest in the following areas:
  - (i) Primarily in retail and business real estate;
  - (ii) More opportunistically in hotel assets and health-related real estate as well as residential real estate

This versatility of asset classes will provide better risk diversification.

### **2.3 Investment Strategy**

- (a) The Fund will invest exclusively in real estate assets that have been previously leased or are built to be leased, generating a minimum income and will mainly select real estate assets from bank liquidations, auctions, inheritance distributions, arbitrations, investment fund portfolios, assets considered as 'value-added' with potential to create value, but also 'core / core +' assets with good fundamentals.
- (b) In the context of value-added transactions, the Fund's strategy will be to have a clear understanding and to lock in the potential capital gains, during periods of study exclusivity, through renewing leases, very often linked to site renovation, which will be budgeted into the financing for the acquisitions. The value-added assets search criteria are as follows:
  - (i) price per square metre of undervalued rental space;
  - (ii) vacant unused floor space;
  - (iii) Price discounted for rapid acquisitions with sellers in very short sale cycles;
  - (iv) Discounted acquisition price due to very short WALTs (poor management or bad sales cycle for the seller);
  - (v) index not calculated for several years;
  - (vi) improvements in building quality left abandoned by lax managers/owners;
  - (vii) renovation or improvement work to cater to tenants' expansion plans.

- (c) Except for short-term cash flow management reasons, the Fund will not invest:
  - (i) in anything other than real estate assets, except to repurchase mortgage loans, which will only be for real estate assets;
  - (ii) in real estate development projects;
  - (iii) in transactions relating to purchasing plots of land;
  - (iv) in fully vacant real estate assets, i.e. any Fund Investment must generate a minimum amount of rental income to support the assets during a possible revaluation period.
- (d) The Fund will not engage in reverse repurchase or repurchase loans.

#### **2.4 Exit/Sales strategy**

- (a) In principle, the Fund will take part in transactions with an expected maturity of no more than two (2) years following the Investment. The Fund believes that the period required to disinvest /resell the portfolio, will be approximately (48) months after the end of the Investment Period.
- (b) The exit strategy of the Fund will be determined at least eighteen (18) months before the end of the Investment Period, in order to allow the Fund to consider a potential sale under the best conditions and thus avoid any time constraints that could lead to the value of the Investment being discounted. As such, the sale of the Investments will be analysed on a case-by-case basis.
- (c) If an opportunity arises and real estate investment market conditions are reasonably favourable, the Fund also reserves the right to sell one or more Investments before the expiry of the two (2) year period following the acquisition of said asset, in order to generate capital gains, reduce or balance borrowings and make new Investments, with a view to selling them.
- (d) As part of its exit policy, the Fund may carry out transfers, sales or other transactions with one or more Affiliated Vehicles provided, however, that a sale or transfer of an Investment to an Affiliated Vehicle may only be made (i) after an independent valuation of the Investment in question by an independent assessor and (ii) (unless otherwise agreed by Shareholders who have subscribed for more than 50% of the outstanding Shares) at a price at least equal to such valuation.

#### **2.5 SFDR – Assessment of risks on sustainability**

- (a) In accordance with SFDR, the AIFM draws the investors' attention to the fact that it analyses and assesses potential risks on sustainability within the meaning of SFDR as part of its procedures on investment decisions relating to investments made by the Fund, and has integrated such analysis in its internal procedures and policies. This analysis is carried out by the team in charge of portfolio management on an ongoing basis when investments are made. If such risks are relevant, the team in charge of risk management carries out a regular analysis of such risks in the context of performing its duties.
- (b) The AIFM considers that the investments made by the Fund are likely to be affected by risks on sustainability and that, should such risks arise, the returns on investments of the Fund might be negatively affected. The attention of investors is drawn to the fact that it is difficult to assess for certain the potential consequences of such risks and/or to determine the likely of such risks occurring. The investors should refer to section 24 of this Prospectus.

#### **2.6 European criteria on sustainable economic activities**

For the purposes of articles 8 and 9 of the SFDR Regulation and article 7 of the Regulation (EU) 2020/852 of the European Parliament and of the Council dated 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending the SFDR Regulation, the Managing General Partner and the AIFM consider that, based on the investment objectives and policy of the Fund, the investments underlying this financial product do not take into account the European Union criteria for environmentally sustainable economic activities.

## **2.7 Principal adverse sustainability impacts**

The AIFM considers that an extensive consideration of adverse impacts of investment decisions on sustainability factors within its investment process and strategy in relation to the Fund could undermine the objective of obtaining the best risk-adjusted returns by excluding certain opportunities, which would force the AIFM to ignore certain investment opportunities offering attractive risk-adjusted return possibilities. Therefore, the investment process is not primarily guided by the consideration of adverse impacts of investment decisions on sustainability factors and the AIFM may make investments despite potential such adverse impacts.

## **3. INVESTMENT RESTRICTIONS**

### **3.1 Risk diversification**

- (a) The Fund complies with the principle of risk diversification and will comply with the following diversification rules:
- (i) at the end of the Investment Period, no real estate asset may represent more than 30% of the Fund's GAV;
  - (ii) the Fund will acquire properties with multiple tenants in order to increase diversification and reduce the risk associated with a decrease in the rental base. However, the Managing General Partner will be free to decide to also acquire single-tenant properties provided its valuation is suitable;
  - (iii) the Fund will mainly invest in different real estate asset classes such as retail, office, hotel, health and residential real estate, so as not to be concentrated in any one sector and so reduce risk.

### **3.2 Borrowing and leveraging**

- (a) The Fund may borrow, either on a short or long-term basis, directly or through an Intermediary Vehicle, noting that:
- (i) the maximum debt ratio at the level of any Intermediary Vehicle holding directly one or more real estate assets is 85% of the Acquisition Price of this or these asset(s);
  - (ii) the maximum debt ratio at the level of an Intermediary Vehicle holding directly one or more real estate assets is 85% of the Acquisition Price of this or these asset(s);  
  
provided that, in relation to the debt ratios listed under items (i) and (ii) above, in case of exceptional circumstances and on an opportunistic basis, each such ratio may be increased by decision of the Managing General Partner (with the agreement of the AIFM) to 100%;
  - (iii) the Fund may borrow in order to satisfy one or more Redemption Requests or for working capital purposes, provided that such borrowing is (a) temporary and (b) limited to a maximum of 50% of the Fund's NAV, at the time of taking out such a loan, in accordance with the Fund's

maximum debt ratios;

and the Fund may, as part of the loans provided for under Items (i), (ii) and (iii) above, arrange one or more loans through issuing bonds either directly by the Fund or through one or more Intermediary Vehicles.

- (b) In the course of its operations, the Fund may grant guarantees, real or personal security interests, sign letters of pledge in favour of one or more Intermediary Vehicles or Investments.

### 3.3 Derivatives

The Fund may not invest, primarily in, or enter into transactions relating to, derivatives. However, the use of these instruments is permitted on an ancillary or related basis or for hedging purposes.

### 3.4 Liquidity management

The Fund does not intend to invest in liquid assets; However, please note that the Fund may invest in this type of asset:

- (i) when managing its liquid assets awaiting reinvestment or use for other reasons;
- (ii) in connection with managing Redemption Requests, and the Fund is authorised to invest up to 10% of its assets in liquid assets (and to maintain such investments) in order to support potential Redemption Requests;
- (iii) provided that such assets have a credit rating of at least A3/A- or a similar credit rating from a third-party credit rating agency (such as Moody's, S&P and Fitch).

### 3.5 Investment Vehicles - 'Joint-Investments' and 'Joint Ventures'

- (a) The Fund may invest through one or more Intermediary Vehicles, including, where applicable, jointly with one or more Affiliated Vehicles controlled, managed or advised by the Managing General Partner or any Affiliated Person. For the purposes of applying the investment restrictions provided for in this section, Intermediary Vehicles shall be considered as transparent.

- (b) The Fund may also invest jointly with:

- (i) one or more joint venture partners (**JV Partners**) who may provide technical, financial or other expertise in a particular segment of real estate through one or more joint-investment vehicles (each, a **JV Vehicle**) and, when the Fund enters into such an agreement, the Fund will endeavour to negotiate governance rights for the JV Vehicle or exit rights commensurate with its investment in the circumstances to protect the interests of the Fund and investors;
- (ii) one or more joint-investors (including Shareholders, the Managing General Partner or Affiliated Persons of the Managing General Partner or persons controlled, managed or advised by such persons) via one or more joint-investment vehicles (each a **Joint-Investment Vehicle**) which will be managed or controlled by the Managing General Partner, the AIFM or their Affiliated Persons, subject to the provisions of section 19.8.

### 3.6 Passive Breach

- (a) If an investment restriction is breached for any reason other than the acquisition or purchase of an investment, including the possibility that an investment restriction is breached due to an increase or

decrease in the value of the investment (a **Passive Breach**), the AIFM, in consultation with the Managing General Partner, will attempt to resolve the Passive Breach, but only if it reasonably considers that it is in the best interests of the Fund. In addition, it will not engage in any new investment that may increase the Passive Breach. Similarly, investment restrictions will not be considered to have been actively breached as a result transferring an investment during the liquidation phase of the Fund.

## 4. TERM OF THE FUND

### 4.1 Term

The Fund has a term of eight (8) years from the First Day of Subscription (the **Term**), provided that the Fund will however go into liquidation before Term:

- (i) Based on an Extraordinary Decision of the Shareholders, on the understanding that any Extraordinary Decision of the Shareholders is subject to the approval of the Managing General Partner;
- (ii) in the cases provided in Section 22(b).

### 4.2 Extending the Term

The Fund Term may be extended by decision of the Managing General Partner for an additional period of one year at its discretion and for a second additional period of one year subject to the agreement of Fund's investors who represent at least one-half (1/2) of the outstanding Shares, in which case, the capitalised term 'Term' shall refer to such an extended Term, subject always to the cases of early liquidation of the Fund provided in clause 4.1.

## 5. MANAGEMENT AND ADMINISTRATION

### 5.1 Managing General Partner and its Managers

- (a) Everest Fund Management is the managing general partner of the Fund (the **Managing General Partner**). Everest Fund Management, is a company incorporated under Luxembourg law, constituted as a limited company with a share capital of 12,000 euros (twelve thousand euros). The Managing General Partner's Articles of Association have been published in the RESA. The Managing General Partner is registered with the Luxembourg Trade and Companies Register under number B 233729. The Managing General Partner is responsible for implementing the Fund's investment policy and objectives, and for managing and administrating the Fund. The Managing General Partner will manage the assets of the Fund in accordance with the Articles of Association and the provisions of this Prospectus for the exclusive benefit and in the best interests of the Shareholders. To do this, the Managing General Partner may use service providers to whom it may delegate its functions.
- (b) The Managing General Partner is the Fund's sole managing general partner and is personally and jointly and severally liable with the Fund for all liabilities that cannot be met from the Fund's assets. The Fund will issue at least one **GP Share** reserved for the Managing General Partner, which will have the characteristics provided for in section 6.2(a)(iii).
- (c) The Management Board of the Managing General Partner will comprise the following members:
  - Mr Bernd von Manteuffel

Bernd Von Manteuffel (BVM) has worked in the European real estate sector for more than

35 years. He is an acknowledged player in real estate investment and revaluation. He has co-founded several vehicles, including OK Haus und Immobilien Gmbh Property Management (+€1 billion under management in Germany), Jurag AG (+€300 million assets under management) and Mercureim. BVM is particularly active in the German real estate market where he has developed a wide network of partners and major investors. He is also co-founder, member of the Mercureim EF1 and Everest One and Buildim fund investment committees.

- Mr Christophe Nadal

With more than 15 years of experience in the real estate industry, Christophe Nadal has acquired a detailed knowledge of all the issues related to real estate investment and value creation. This seasoned entrepreneur has a degree in real estate management with a specialisation in asset management, as well as many years of experience working with major European investment funds. In particular, he co-founded the real estate funds, Mercureim EF1, Everest One and Buildim, for which he is a board director and a member of the investment committee.

- (d) The members of the Management Board are appointed by the shareholders of the Managing General Partner and the composition of the Management Board may be modified by its shareholders without the prior consent of the investors. The members of the Management Board may be remunerated from the Managing General Partner's assets and are Indemnified Persons.

## 5.2 Alternative Investment Fund Manager (AIFM)

- (a) Fuchs Asset Management S.A. is the Fund's alternative investment fund manager in accordance with Article 4.1 of the AIFM Act and pursuant to a management agreement with the Fund (the **Management Agreement**).
- (b) In its capacity as AIFM, Fuchs Asset Management S.A. will be responsible for (a) managing the portfolio of the Fund; (b) managing risk, (c) assisting the Central Administration Agent in valuing the Fund's assets and (d) organising and supervising the marketing of the Shares. The AIFM shall comply with all the obligations imposed on it, in particular, by the 2013 Act and by (the applicable transposition provisions of) the AIFM Directive and its transposition and enforcement measures and, in particular, the Level II Regulation. The AIFM may use the services of one or more Placement Agents to market the Shares and may issue any useful or required notices such that the Shares may be marketed by a Distributor in accordance with the provisions of Article 32 of the AIFM Directive to Professional Investors or, where applicable, in accordance with Article 43 of the AIFM Directive to Eligible Investors.
- (c) In accordance with the Management Agreement, and without prejudice to its legal and regulatory obligations, the AIFM will, in particular, be responsible for:
- (i) identifying, evaluating, selecting and executing investments and divestments within the limits provided for in this Prospectus. The AIFM will also exercise any voting rights related to investments made on behalf of the Fund and in accordance with its strategy for exercising the rights of; and
  - (ii) establishing and maintaining a risk management system relevant to the Fund's strategy in accordance with Article 15 of the AIFM Directive and Articles 38 to 42 of the Level II Regulations.
- (d) As at the date of this Prospectus, the share capital of the AIFM is 700,000 euros and its equity meets the requirements of applicable Luxembourg regulations. The AIFM's equity shall in no case be less than the amount required under Article 21 of Directive 2006/49/EC. The AIFM ensures compliance

with the requirements of Article 9.7 of the AIFM Directive by providing civil liability insurance coverage, tailored to the risks covered, as part of its liability, for professional negligence.

### 5.3 Investment Committee

- (a) The Management Board and the AIFM will be assisted in its functions by an investment committee (the **Investment Committee**).
- (b) The Investment Committee is composed of at least three (3) members and no more than ten (10) members appointed by the Managing General Partner. Members of the Investment Committee should not receive any remuneration but the Fund will reimburse their reasonable expenses incurred when attending the Investment Committee meetings.
- (c) The current members of the Investment Committee are;
  - (i) Mr. Bernd Von Manteuffel (CEO - Everest Fund Management / MIMCO Capital)
  - (ii) Mr. Christophe Nadal (CEO - Everest Fund Management / MIMCO Capital)
  - (iii) Timothé Fuchs (CEO - FUCHS Asset Management SA)
  - (iv) Philippe Palmans (CRM / Real Estate Portfolio Management - FUCHS Asset Management SA)
  - (v) Michael Verschuure (CFO / Head of Portfolio Management - FUCHS Asset Management SA)
- (d) The Managing General Partner is responsible for setting up organisational procedures governing, among other things, the appointment and replacement of members of the Investment Committee. The Managing General Partner may, at any time, remove and replace any member of the Investment Committee with or without reason.
- (e) The main role of the Investment Committee is to identify investment opportunities and make recommendations to the Management Board and the AIFM with respect to the various exit strategies for each Asset, it being understood that no recommendation to buy or sell an asset will be made to the AIFM without the prior approval (i) of the Managing General Partner and (ii) the Investment Committee
- (f) The Managing General Partner should consult the Investment Committee regarding potential or materialised conflicts of interest. If the Managing General Partner is informed of the existence of a conflict of interest, then the Managing General Partner must convene a meeting of the Investment Committee to decide on how to resolve the conflict of interest and/or any appropriate governance measures. Any decision of Investment Committee relating to a conflict of interest shall be binding on the Managing General Partner.
- (g) The Investment Committee meets when convened by the Managing General Partner. Notice of any meeting of the Investment Committee must be sent to all members at least ten (10) Business Days before the date scheduled for such a meeting except in an emergency. Such notice must include the date and place of the meeting and the subject of the discussion. The requirement to send notice may be waived by written consent of each member of the Investment Committee, given by sending the original, by fax, e-mail, telegram or telex, or by any other suitable means of communication. The meeting shall be validly held without prior notice if all members are present or validly represented. No specific notice is required for meetings held on the dates and in the places specified in an appendix, previously adopted by a resolution of the Investment Committee.
- (h) All members of the Investment Committee present in person, by proxy or via representatives constitute a quorum. Any member of the Investment Committee may act at any time at any meeting of the Investment Committee by appointing another member of the Investment Committee as its



proxy in writing or by fax, e-mail, telegram or telex.

- (i) The decisions of the Investment Committee are adopted on the unanimous vote of the members, present or represented. Each member of the Investment Committee is entitled to one vote.
- (j) Written resolutions, approved and signed by all members of the Investment Committee, shall be as valid as resolutions adopted at a meeting of the Investment Committee. In such cases, resolutions or decisions are expressly made, formulated by circular letter and transmitted by ordinary post, e-mail or fax, telephone, video conference or any other suitable means of communication.

#### **5.4 Investment Advisers**

- (a) In order to carry out the Investment Strategy under the best possible conditions, the Managing General Partner will appoint one or more Investment Advisers in any jurisdiction in which the Fund invests or intends to invest.
- (b) The role of the Investment Advisor(s) will be to advise the Managing General Partner and the AIFM with respect to the Fund's Investments, and to carry out research, valuations and analyses, identify and make recommendations regarding potential Investments (or Joint-Investments), to supervise the Investments, to negotiate the Investments for the Fund in the name of and on behalf of the Managing General Partner and the AIFM, to monitor the Investments and to advise and assist the Fund and the AIFM with regard to restructuring, refinancing and selling the Investments.
- (c) An Investment Advisor may not in any way commit the Fund or delegate its duties or responsibilities without the prior written consent of the Managing General Partner and the AIFM.
- (d) The fees and expenses of the Investment Advisers will be paid by the Managing General Partner, and not by the Fund.

#### **5.5 Distributors**

- (a) With the consent of the Managing General Partner, the AIFM may appoint one or more Distributors to place the Fund's Shares with Eligible Investors and to put potential investors in contact with the Managing General Partner and/or the AIFM.
- (b) The distribution and subscription management costs will be no more than 7% of the amount invested by the Investors from the Distributor's network concerned (the **Distribution Fee**), it being specified that this Distribution Fee will be paid by the Fund upon receipt of the Issue Price of the Shares concerned and will be recorded in the Fund's balance sheet as a charge constituting a fixed acquisition cost which will be depreciated from the date of the Last Day of Subscription until the Term.
- (c) The Managing General Partner may, on behalf of the Fund, and in agreement with any Distributor, decide to pay all or part of the Distribution Fee due to a Distributor via a Shares issue, in accordance with Luxembourg law.

#### **5.6 Depositary**

- (a) EFG Bank (Luxembourg), S.A., a *société anonyme* [limited liability company], whose registered office is located at 56, Grand Rue, L-1660, Luxembourg, Grand Duchy of Luxembourg and registered at the Luxembourg Company Register under number B-113375, as a Luxembourg bank under the Luxembourg law of 5 April 1993 relating to the financial sector, and its successive amendments, is the Fund's depositary (the **Depositary**).
- (b) The Depositary is registered on the official list of Luxembourg credit institutions and as such, is

subject to the supervision of the CSSF. It has been designated as Depositary for the assets of the Fund to be held directly by it or, under its own liability, by its correspondents, representatives, agents or delegates duly authorised and appointed, where applicable, in good faith. The Depositary and the Fund may terminate the Depositary agreement at any time on giving 90 days' written notice. If the Depositary agreement is terminated, the Fund will do its best to appoint a new Depositary to assume the responsibilities and duties of the Depositary within 2 months of such termination. Until a new depositary is appointed, the Depositary must take all necessary measures to ensure that the interests of Investors are properly protected. After termination as described above, the depositary agreement will continue for the period necessary to transfer all of the Fund's assets to the new depositary. The Depositary will assume its duties and responsibilities in accordance with the provisions of the depositary agreement, the 2013 Act and the 2016 Act.

- (c) The Depositary shall take the necessary measures to ensure that all the Fund's assets that may be entrusted to the Depositary are protected. It will perform the ongoing obligations of a depositary of a fund with respect to custody, cash and securities deposits and exercise due diligence in the performance of these functions and obligations pursuant to the terms of the depositary agreement, the 2013 Act and the 2016 Act.

## **5.7 Central Administration Agent**

- (a) The Fund has delegated the performance of the tasks related to the central administration of the Fund to EFG Bank (Luxembourg) S.A. (The **Central Administration Agent**)
- (b) To this end, a service agreement has been concluded between EFG Bank (Luxembourg) S.A. and the Fund for an indefinite period. Under the terms of this agreement, EFG Bank (Luxembourg) S.A. acts as domiciliary agent, Central Administration Agent and transfer agent for the Fund. In this context, it performs the administrative functions required by Luxembourg law, such as keeping the company's accounts and books, including registering shareholders. It also periodically calculates the Net Asset Value per Share and in each Share Class, if applicable, and assists the Managing General Partner in checking that the Investors are in fact Well-Informed Investors under the 2016 Law.

## **5.8 Approved Auditor**

- (a) Ernst & Young S.A. is the approved auditor for the Fund and shall perform its duties under the 2016 Act and, where applicable, the AIFM Directive (and its transposition or enforcement measures).

## **6. UNITS - SUBSCRIPTION DAYS - ISSUE PRICE**

### **6.1 General - Eligible Investors**

- (a) All Shares are issued in nominative form and no certificate representing the Shares shall be issued. The Shares shall be issued full paid-up. The Shares have no nominal value and do not carry any preferential or pre-emptive rights.
- (b) The Shares are exclusively reserved for Eligible Investors. The Fund shall not issue, accept or recognise any Transfer of Shares to a Person who is not an Eligible Investor. The Fund, the Managing General Partner, the AIFM and the Central Administration Agent reserve the right to request any information reasonably necessary to check and establish that an investor is, and remains, an Eligible Investor. No Subscription Agreement shall be accepted without having received this information. The Fund and the Managing General Partner are free to refuse any Subscription Agreement even from an Eligible Investor at their discretion.

### **6.2 Share Class**

- (a) Unless otherwise provided in a Supplement, the following Classes of Shares will be issued:

- (i) **A Shares**, available for subscription by any Eligible Investor, giving entitlement, in particular, to the payment of the A Dividend subject to and in accordance with the terms of this Prospectus and for which the minimum subscription is 250,000 euros (unless otherwise decided by the Managing General Partner). The A Shares are subdivided into different Categories as follows:
  - (A) A1 Class Shares, whose A Dividend will be distributed on each Distribution Date; and
  - (B) A2 Class Shares, whose A Dividend will be reinvested (capitalised) on each Distribution Date;
- (ii) **S Shares**, were available for subscription by any Eligible Investor which subscribes for such Shares prior to 30 June 2019 (or, subject to the consent of the Managing General Partner, any subsequent date) and accepted as such by decision of the Managing General Partner, which entitle the holder to a reduced Management Fee subject to and in accordance with the terms of this Prospectus and whose minimum subscription is 1,000,000 euros (unless otherwise decided by the Managing General Partner).
- (iii) **C Shares**, (directly or indirectly) reserved at the time of their subscription for the Managing General Partner, its Affiliated Persons and their directors, shareholders, partners, corporate officers and employees (the **Eligible Holders of C Shares**) and entitling them to payment of the Carried Interest in accordance with the terms of this Prospectus, which will be issued and to the payment of the A Dividend;
- (iv) (one) **GP Share**, reserved for the Managing General Partner in its capacity as Managing General Partner of the Fund. GP Shares shall not be associated with an entitlement to any distribution other than the repayment of its Issue Price in connection with the liquidation of the Fund increased by a fixed amount of €100 per full year during which such GP Share existed;

### 6.3 Subscribing for Shares

- (a) The Managing General Partner shall set the First Subscription Day, provided that the amount of potential subscriptions received from investors, if accepted, is at least equal to an amount considered by the Managing General Partner to launch the Fund.
- (b) After the First Day of Subscription and until the Last Day of Subscription, the Managing General Partner may decide to organise one or more Subscription Days during which it may accept subscriptions from new investors or accept that existing investors may make new subscriptions.
- (c) An investor wishing to subscribe on a Subscription Day must provide the Managing General Partner with a duly completed Subscription Agreement no later than one Business Day prior to the relevant Subscription Day.
- (d) The Managing General Partner reserves the right to accept or reject any Subscription Agreement submitted to it and reserves the right to accept the Subscription Agreements in a different order from the date of receipt and to accept them on any Subscription Day determined by the Managing General Partner. The Managing General Partner shall have full discretion to refuse or postpone to subsequent Subscription Days any subscription request which is incomplete, in particular because of non-compliance with the requirements of the Central Administration Agent. Any investor whose Subscription Agreement has been accepted (in whole or in part) on a Subscription Day shall be notified promptly of such acceptance and (i) the amount of the accepted subscription, (ii) the time limit for payment of such amount (in accordance with section 6.4 below) and (iii) the Subscription Day in question. All subscriptions are for an amount, not a number of Shares.

## 6.4 Share Issue Price

- (a) All Shares other than GP Shares, if applicable, issued at any time by the Fund shall be issued at a price equal to the Issue Price. No contribution in kind will be accepted in exchange for issuing Shares, except in accordance with Section 5.5 (c).
- (b) Payment of the Issue Price of the Shares issued must be made within 15 Business Days following the relevant Subscription Day. To avoid any doubt, even if the Shares are not issued immediately, the subscription amount of the Shares received by the Fund becomes freely available to the Fund upon payment.
- (c) If payment is not made within the time limit provided for in Section 6.4(b), the subscription shall be carried out with reference to the next Subscription Day, subject to prior fulfilment of the formalities provided for in section 6.4(b) above, without affecting any damages that the Fund, the Managing General Partner and their Affiliated Persons may be entitled to claim from the subscriber for non-payment.

## 7. DISTRIBUTION OBJECTIVE AND POLICY

### 7.1 General

Within the limits provided by law and this Prospectus, the Fund may distribute dividends independently of any realised or unrealised capital gains or losses. In addition, dividends may include a capital distribution up to the minimum legal capital provided for by the 2016 Act.

### 7.2 Distributable Products

Any distribution, income (including rents, interest, dividends or other income) and any Net Income received by the Fund net of any Operating Expenses and Formation Costs; and less amounts that are either:

- (i) allocated to the Fund's Reserve;
- (ii) reinvested during the Investment Period at the discretion of the Managing General Partner and the AIFM;
- (iii) used or reserved by the Managing General Partner to satisfy Redemption Requests; and increased, where applicable, by any amount which is no longer required to be held in Reserve (the **Distributable Income**) may be distributed to investors by decision of the Managing General Partner in accordance with the Distribution Policy.

### 7.3 Distribution policy

- (a) The Fund's **Distribution Policy** is, after each Valuation Date, no later than 90<sup>th</sup> calendar day following computing the NAV relating to the Valuation Date in question, to distribute the Distributable Income available on that date in order to achieve an annual distribution target of:
  - (i) (a) 5% (five percent) per annum net of any operating expenses (except for the Management Fee which, if applicable, will proportionally increase the distribution for the S Shares) and Formation Expenses, on each S Share, based on the Issue Price and taking into account the issue date of each S Share and (b) the Distribution of the Reserved Commission (the **S Dividend**);
  - (ii) 5% (five percent) per annum, net of any operating expenses and Formation Costs, on each A1

and A2 Share, based on the Issue Price and taking into account the date of issue of each such Share (the **A Dividend**), it being understood that, in respect of the A2 Shares, each capitalization of Distributable Income distribution in respect of an A2 Share will increase the basis for calculating the distributions to be made on such Share (and thus, the A Dividend to be paid on such Shares in the future);

it being further understood that (I) the first distribution by the Fund will only take place at the end of the first Financial Year (4Q19); (II) A Shares issued before 30 September 2019 are considered as issued on 30 September 2019 for the purposes of calculating the A Dividend during the Fund's first year of operation; (III) S Shares issued before June 30, 2019 are considered as issued on June 30, 2019 for the purpose of calculating the S Dividend during the Fund's first year of operation; (IV) the above indications reflect only an objective that the Fund will strive to achieve but no guarantee may be given as to the amounts that will actually be distributed to Investors; (V) to avoid any doubt, S Dividends and A Dividends are calculated 'Share per Share' (and not together by Share Class) based on the capital invested (Issue Price) and the issue date of each Share and (VI) the Managing General Partner reserves the right to pay holders of S Shares a dividend equivalent to the A Dividend during any Accounting Period, on the understanding that the difference between the A Dividend paid during the year in question to these Shareholders and the S Dividend which should have been paid to them shall be paid by the Fund after the end of the Accounting Period in question, provided that the accounts relating to this accounting period are not yet audited and approved and that the corresponding amount has been reserved on the accounts of the Fund as at the Accounting Date (and, where applicable, if any Shareholder holding S Shares exits the Fund).

- (b) Any unpaid S Dividend and A Dividend (or, in respect of A2 Shares, reinvested via capitalisation) during an Accounting Period on a S or A Share, as appropriate, shall be carried forward to the next Accounting Period and payable during that year (or subsequent years, as appropriate) in addition to the S or A Dividend of the next Accounting Period.

#### **7.4 Limits on Distributable Product Distributions**

Notwithstanding any provision to the contrary in this Prospectus, the Managing General Partner shall not be obliged to make distributions of Distributable Income if this would render the Fund insolvent; or if, in the opinion of the Managing General Partner, the share capital of the Fund would fall below 1,250,000 euros as a result of such distribution.

#### **7.5 Ineligible Person**

- (a) A Non-Eligible Person may be deprived of receiving all or part of the distributions on its Shares permanently or temporarily in accordance with Section 12.
- (b) The Managing General Partner is entitled to adjust the amounts available for distribution to Shareholders in accordance with this section **Error! Source of the return not found.** to take into account of applying Section 12 to Ineligible Persons.

### **8. REDEMPTIONS**

#### **8.1 Redemption request**

- (a) Subject to the provisions of this section 8, a Shareholder may request that its Eligible Shares be redeemed in whole or in part by the Fund after the Redemption Period by sending a Redemption Request to the Central Administration Agent.
- (b) For the purposes this provision:

- (i) **Shares Eligible for Redemption** means Shares that have been issued by the Fund at least twelve (12) months before the date of receipt of the Redemption Request and which are owned by the Shareholder in question; and
- (ii) the **Redemption Period** is the period from the date of receipt of the Redemption Request to (and including) the second Valuation Date following that date.

For example, in relation to a Shareholder who subscribed for Shares on 1 January 2018, such Shares have been Eligible Shares for Redemption as of 1 January 2019. However, they may only be redeemed in accordance with the terms of this Section at the end of the Redemption Period. If a Redemption Request is issued and received on 2 January 2019, then the Redemption Period ends on the day after the second Valuation Date following that date, 1 July 2019 and will be satisfied, in principle and subject to the following provisions of this section 8.1, on 31 July 2019.

- (c) A Redemption Request is irrevocable, unless otherwise agreed by the Managing General Partner.
- (d) If the sum of all Shares to be redeemed in a calendar year pursuant to one or more Redemption Request(s) exceeds fifteen percent (15%) of the Shares then issued by the Fund at any time, the Managing General Partner shall have full and complete discretion to decide whether to only satisfy the Redemption Requests within this threshold and in proportion to the Investors' interests (a **Partial Redemption**). In addition, the Fund, the Managing General Partner and the AIFM will make every effort to satisfy the Redemption Requests issued in accordance with point (a) above either on or as soon as possible after the Redemption Eligibility Date, on the understanding that neither the Fund, the Managing General Partner nor the AIFM are under any obligation to satisfy a Redemption Request and that in exercising their best efforts to satisfy any Redemption Request, they will take due consideration, including:
  - (i) the interests of the Fund and investors who have not issued a Redemption Request;
  - (ii) the need to ensure that the Fund continues to be able to meet its commitments and comply with and implement its investment strategy and policy (including reinvesting investment income);
  - (iii) the possibility of borrowing funds to meet ongoing Redemption Requests;
  - (iv) of implementing the Distribution Policy,
  - (v) Whether or not any liquid assets are available to satisfy this demand and/or new investors requesting new subscriptions;

and, to avoid any doubt, neither the Fund, the Managing General Partner nor the AIFM shall be required to sell one or more assets in order to satisfy a Redemption Request.

- (e) Without prejudice to point (d) above, the Fund, the Managing General Partner and the AIFM will attempt to ensure that a Redemption Request concerning the Shares Eligible for Redemption is generally satisfied in full within no later than 3 and 7 months after the end of the Redemption Period. The date on which one or more Shares Eligible for Redemption are actually redeemed is the **Redemption Date**, and any Redemption Date shall be a Valuation Date.
- (f) The Managing General Partner will inform any Investor who has submitted a Redemption Request on a regular basis of the processing (in whole or in part) of the Redemption Request in question and of the planned Redemption Date for all or part of the Eligible Shares for the Redemption in question (without any guarantee that the redemption will take place on that date).
- (g) Every Investor must understand and accept:

- (i) that there is no guarantee that a Redemption Request will be satisfied (in whole or in part);
  - (ii) that the Redemption Price of the Shares Eligible for Redemption on a Redemption Date will be the Redemption Price calculated for the Redemption Date in question (and not, for example, the Redemption Price on the date of the Redemption Request or on the Redemption Eligibility Date),
  - (iii) that, in principle, a Redemption Request submitted prior to a subsequent Redemption Request will have priority over such subsequent Redemption Request, but that the Managing General Partner may, in the best interests of the Fund and the Investors, decide to treat the Redemption Requests that have yet to be satisfied at any time differently, by considering the circumstances (and, in particular, the Managing General Partner may decide to treat all Redemption Requests in an equivalent manner, regardless of their respective issue dates); and
  - (iv) that a Redemption Request can therefore be satisfied over a period of time extending over several Valuation/Redemption Dates and the Shares Eligible for Redemption corresponding to this Redemption Request may be redeemed at different Redemption Prices.
- (h) The redemption price of Eligible Shares redeemed on a Redemption Date will be the lesser of (i) the NAV of the relevant Shares determined in relation to the date of the relevant Redemption Request and (ii) the Fixed Redemption Value of the relevant Shares plus, for A2 Shares only, the total value of the A Dividends capitalised on the Shares in question (the **Redemption Price**), less the Cancellation Fees. For the purposes of this Section, the **Cancellation Fee** is:

(i) 7% of the aggregate Issue Price of the Shares Eligible for Redemption which are actually redeemed on a Redemption Date between 12 and 24 months from being issued by the Fund;
--

(ii) 6% of the aggregate Issue Price of the Shares Eligible for Redemption which are actually redeemed on a Redemption Date between 24 and 36 months from being issued by the Fund;

(iii) 5% of the aggregate Issue Price of the Shares Eligible for Redemption which are actually redeemed on a Redemption Date between 36 and 48 months from being issued by the Fund;
--

(iv) 3% of the aggregate Issue Price of the Shares Eligible for Redemption which are actually redeemed on a Redemption Date between 48 and 60 months from being issued by the Fund;
---

and zero (0%) beyond 60 months.
---------------------------------

- (i) The **Fixed Redemption Value** is a value determined per share based on the number of complete years since the Shares were issued by the Fund until the date of the Redemption Request for the Shares in question, aggregating the appreciation year by year, as follows:

Year(s) of full ownership	Annual increase of the share issue price
1	1% of the Issue Price of the Shares in question (i.e., for Shares issued at €1,000,000, €10,000 for the first year)
2	1% of the Issue Price of the Shares in question (i.e., for Shares issued at €1,000,000, €10,000 for the second year, which, combined with the appreciation in year 1, gives a total appreciation of 2% or €20,000)

3	1.5% of the Issue Price of the Shares in question (i.e., for Shares issued at €1,000,000, €15,000 for the third year), which aggregated with the appreciation for years 1 and 2, results in a total appreciation of 3.5% or €35,000)
4	2% of the Issue Price of the Shares in question (i.e., for Shares issued at €1,000,000, €20,000 for the fourth year), which aggregated with the appreciation for years 1, 2 and 3, results in a total appreciation of 5.5% or €55,000)
5	2.5% of the Issue Price of the Shares in question (i.e., for Shares issued at €1,000,000, €25,000 for the fifth year, which, aggregated with the appreciation in year 1 to 4, gives a total appreciation of 8% or €80,000)
6	2.5% of the Issue Price of the Shares in question (i.e., for Shares issued at €1,000,000, €25,000 for the sixth year, which, combined with the appreciation in year 1 to 5, gives a total appreciation of 10.5% or EUR100,500)
7	3.5% of the Issue Price of the Shares in question (i.e., for Shares issued at €1,000,000, €35,000 for the seventh year, which, aggregated with the appreciation in year 1 to 6, gives a total appreciation of 14% or €140,000)
8	4% of the Issue Price of the Shares in question (i.e., for Shares issued at €1,000,000, €40,000 for the eighth year, which, combined with the appreciation in year 1 to 7, gives a total appreciation of 18% or EUR180,000)

- (j) To determine the Fixed Redemption Value of a Share and whether Shares are eligible for redemption in the context of a Redemption Request, the "first in, first out" (FIFO) rule shall be applied, such that the first Share issued to an Investor will be the first Share to be redeemed and so on.

## 8.2 Mandatory redemption

- (a) Shares of any Class may be redeemed, on a pro rata basis among the Shareholders of such Class, for the purpose of distributing Distributable Income, upon the decision of the Managing General Partner, in accordance with the terms of this Prospectus and the Articles of Association.
- (b) The Fund may forcibly redeem the Shares:
- (i) held by an Ineligible Person in accordance with Section 12(b);
  - (ii) in any other circumstances, in accordance with the terms and conditions described in the relevant Subscription Agreement, this Prospectus and the Articles of Association.

## 8.3 Cancelling redeemed Shares

All redeemed Shares shall be cancelled.

## 9. PARTICIPATING IN VALUE CREATION - LIQUIDATION INCOME

- (a) On Liquidation, the Fund liquidator will distribute the Distributable Income to Shareholders as follows:
- (i) in payment of any A Dividend or S Dividend unpaid during previous Accounting Periods to Shareholders who remain shareholders at the time of the payment in question; then, if any



Distributable Income remains;

- (ii) in payment of an amount equal to the Fixed Redemption Value of the Shares to Shareholders who remain shareholders at the time of the payment in question as if such Shares were redeemed on the payment day;

and, if there is still any Distributable Income remaining;

- (iii) between each Shareholder and holders of Class C Shares as follows: each Shareholder is entitled to the Distributable Income which is proportional to the Total Issue Price of the Shares held by such Shareholder on that date in relation to the Total Issue Prices of all existing A and S Shares on that date (the amount of Distributable Income allocated to a Shareholder on such basis is the **Liquidation Proceeds per Shareholder**) and, the Distributable Income per Shareholder is then distributed between such Shareholder and Class C Shareholders as follows:

- (A) 90% of the Liquidation Proceeds per Shareholder to the relevant Shareholder and 10% to the Class C Shareholders on a pro-rata basis, for Shares that were issued to the Shareholder before the end of the 2019 Accounting Period (and for the Shares in question for all of the Shares held by such Shareholder on such date);
- (B) 80% of the Liquidation Proceeds per Shareholder to the Shareholder in question and 20% to the Class C Shareholders on a pro-rata basis, for Shares that were issued to the Shareholder before the end of the 2020 Financial Year (and for the Shares in question for all the Shares held by such Shareholder on that date);
- (C) 70% of the Liquidation Income per Shareholder to the Shareholder in question and 30% to the Class C Shareholders on a pro-rata basis, for Shares that were issued to the Shareholder before the end of the 2021 Financial Year (and for the Shares in question for all the Shares held by such Shareholder on that date);
- (D) 60% of the Liquidation Income per Shareholder to the relevant Shareholder and 40% to the Class C Shareholders on a pro-rata basis, for Shares that were issued to the Shareholder before the end of the 2022 Accounting Period (and for the Shares in question for all of the Shares held by such Shareholder on that date);
- (E) 50% of the Liquidation Income per Shareholder to the Shareholder in question and 50% to the Class C Shareholders on a pro-rata basis, for Shares that were issued to the Shareholder before the end of the 2023 Financial Year (and for the Shares in question for all the Shares held by such Shareholder on that date);

on the understanding that:

- (F) if the relevant Shareholder holds Class S Shares, such Shareholder will receive 100% of the Liquidation Income per Shareholder,

payments to Class C Shareholders above are referred to as '**Carried Interest.**'

## 10. CONVERTING SHARES

Investors are not entitled to ask that their Shares of one Class be converted into Shares of another Class.

## 11. TRANSFER RESTRICTIONS

### 11.1 GP Shares

The Managing General Partner may not transfer the GP Shares or its rights or obligations as Managing General Partner, or voluntarily withdraw from its position as Managing General Partner, except with the consent of the Shareholders via an Extraordinary Decision of the Shareholders.

### 11.2 C Shares:

C Shares may be transferred, subject to the agreement of the Managing General Partner, between or to Eligible C Share Holders or to their Affiliated Persons only.

### 11.3 A/S Shares:

(a) No Transfer of all or part of a Shareholder's A or S Shares, whether voluntarily or involuntarily, shall be valid or effective if:

- (i) the Transfer were to result in a breach of any law or regulation applicable in Luxembourg, France, the United States, the United Kingdom or any other jurisdiction (including, without limitation, the US Securities Act, any securities laws of each of the states of the United States, or the US Employee Retirement Income Security Act and any act on mandatory disclosure for public listing of securities, in particular, the Prospectus Regulation) which could subject the Fund or an Intermediary Vehicle to any additional tax burden, or unfavourable legal or regulatory consequence, as determined by the Managing General Partner; or
- (ii) such Transfer would result in a breach of the terms and conditions of the Articles of Association or this Prospectus; or
- (iii) such Transfer would require the Fund or an Intermediary Vehicle to register as an investment company under the *US Investment Company Act of 1940*, as amended;

and any Transfer (permitted or required) shall be subject to the condition that:

- (iv) the Managing General Partner approve the Transfer in writing;
  - (v) the transferee certifies in an acceptable manner to the Fund that it is not a Restricted Person, and that the proposed Transfer does not breach any applicable laws and regulations (including, without limitation, securities laws) applicable to it; and
  - (vi) through a Subscription Agreement, the transferee undertakes to comply with the terms of the Prospectus and the Articles of Association and provides the usual guarantees as to its nature and the information and documents required by the Fund, the Managing General Partner, the AIFM and the Service Providers (including money laundering and terrorist financing); and
  - (vii) the transferee is not a Restricted Person.
- (b) Both the Managing General Partner or the AIFM may at their sole and complete discretion, give their consent to the Transfer provided that they obtain legal advice in a form and substance that is reasonably satisfactory to them.

## 12. SHAREHOLDING RESTRICTIONS

(a) The Fund may restrict or prevent the ownership of Shares by any Person if, in the opinion of the Managing General Partner:

- (i) such possession or holding may be detrimental to the Fund, an Intermediary Vehicle, the

Managing General Partner or a Person Affiliated with it;

- (ii) it may result (either individually or jointly with other investors in the same circumstances) in one of the following consequences:
  - (A) the Fund, the Managing General Partner or an Affiliated Person or any potential investment or actual investment of the Fund breaches any law or regulation or if as a result, the Fund, the Managing General Partner, the AIFM or an Affiliated Person or a potential investment or actual investment of the Fund bears an additional tax burden to which it would not have been exposed had such Person ceased to be an investor;
  - (B) the Fund becomes subject to the US Employee Retirement Income Security Act of 1974; or
  - (C) the Fund is obliged to register its Shares under the laws of any jurisdiction other than Luxembourg and other than in accordance with Article 32 of the AIFM Directive (including, without limitation, the *US Securities Act of 1937* or the *US Investment Company Act of 1940*) or to publish a public offering prospectus, in particular, if necessary in accordance with the terms of the Prospectus Regulation;
  - (D) if this may result in the Fund, the Managing General Partner, the AIFM or an Affiliated Person being in breach of the Luxembourg or foreign statutory regulations applicable to this Person itself (including the statutory regulations concerning money laundering and terrorist financing); or
  - (E) generally, if as a result of such holding or possession, the Fund, the Managing General Partner, the AIFM or an Affiliated Person or any current or potential investment of the Fund could be exposed to adverse tax or financial consequences that it would not otherwise have suffered;
- (iii) this Person is not a Well-Informed Investor;

(these persons are to be determined by the Managing General Partner and are **Restricted Persons**). A Person who does not qualify as a Well-Informed Investor shall be considered a Restricted Person.

- (b) For such purposes, the Managing General Partner may:
  - (i) refuse to issue any Shares and refuse to register or record any Share Transfers, where it seems that such registration or Transfer would result in a Restricted Person becomes the owner or economic beneficiary of such Shares; and
  - (ii) at any time, request any Person whose name is entered in the Shareholder register or who attempts to register a Transfer in the Shareholder register to provide it with any information, together with a sworn declaration, considered necessary by the Managing General Partner to determine whether the economic beneficiary of the Shares is a Restricted Person, or whether a Restricted Person would become an economic beneficiary of the Shares following such registration.
- (c) If it appears that a Shareholder of the Fund is a Restricted Person, the Managing General Partner is, at its sole discretion, entitled:
  - (i) to refuse to accept the vote, and to suspend the voting rights of such Restricted Person at the General Meeting and to disregard their vote on any matter requiring the consent of Investors pursuant to this Prospectus or the Articles; and/or

- (ii) withhold all or part of the dividends paid or payable or other amounts distributed or to be distributed for the Shares held by the Restricted Person; and/or
- (iii) order the Restricted Person to sell its Shares and to provide evidence that such sale has been made within thirty (30) calendar days of sending the associated notice, subject to the applicable Transfer restrictions described in Section 11;
- (iv) to compulsorily redeem all Shares held by the Restricted Person at a redemption price based on the lesser of (i) the Issue Price and (ii) the latest Net Asset Value per Share.

### **13. MONEY LAUNDERING AND TERRORIST FINANCING**

- (a) The Fund, the Managing General Partner, the AIFM and the Central Administration Agent may request such identification documents as they deem necessary from each potential or actual investor to enable them to comply with Luxembourg legislation on money laundering and terrorist financing. If a potential investor refuses to provide, or does not provide the requested information or documents, the Managing General Partner may refuse to register, or defer registering information relating to the potential investor on the Shareholder register and refuse to accept a Subscription Agreement.
- (b) In addition, the Fund and the Central Administration Agent are required to identify the origin of funds paid by a financial institution or investor. Subscriptions may be temporarily suspended until the source of the funds has been properly identified.
- (c) In light of the above obligations, investors will be informed of the documents to be provided, in accordance with the Fund's procedures for identifying investors, depending on the investor's type of entity and jurisdiction. Any information transmitted in this context to the Fund, the Managing General Partner or the Central Administration Agent is collected exclusively for the purpose of tackling money laundering and terrorist financing. The Fund, the Managing General Partner or the Central Administration Agent may, in accordance with applicable law, delegate these identification procedures to Placement Agents.
- (d) The Fund, the Managing General Partner and the Central Administration Agent are entitled to freeze an investor's accounts and assets and to take any other action if ordered to do so by a governmental authority. Any investor whose accounts or assets are frozen by the Managing General Partner or the Central Administration Agent in accordance with the above-mentioned provision shall indemnify the Managing General Partner, the Fund, the AIFM, and their Affiliated Persons and other Service Providers for any costs or expenses resulting from this measure.

### **14. CALCULATING NET ASSET VALUE**

#### **14.1 General**

- (a) The Net Asset Value of the Fund and each Class and Share shall be determined in accordance with Luxembourg law, subject to any adjustments necessary to ensure that investors are treated fairly in accordance with this Prospectus and the Articles of Association.
- (b) The Net Asset Value of the Fund, and each Class and Share shall be calculated in good faith in euros in Luxembourg four times a year on 31 March, 30 June, 30 September and 31 December (each, a **Valuation Date**). The Managing General Partner may decide to set one or more additional Valuation Dates if necessary.
- (c) The NAV of each Class is calculated by the Central Administration Agent under the supervision of the Managing General Partner by reference to the Valuation Date as follows: each Class and Share participates in the Fund based on the portfolio and distribution rights allocated to each Class and

Share. The value of the entire portfolio and distribution rights allocated to a specific Class by reference to a specific Valuation Date adjusted for the liabilities relating to this Class on this Valuation Date represents the total of the Net Asset Value allocated to this Class on this Valuation Date. A separate Net Asset Value per Share, which may vary according to these variable factors, will be calculated as follows: The Net Asset Value per Share of this Class on the Valuation Date divided by the total number of Shares of this Class issued on the Valuation Date and adjusted in accordance with the Distribution Policy and the financial entitlements of each Share as provided for in this Prospectus.

- (d) The total net assets of the Fund will be the result of the difference between the Fund's Assets and the Fund's obligations and liabilities. Set-up costs will be capitalised to the extent possible and depreciated over a period of five years on a straight-line basis, it being understood that the acquisition costs will be booked in the Fund's balance sheet (or in the balance sheet of Intermediary Vehicles) and will be considered as costs to be amortised from the Last Day of Subscription until the Term and in any case over a maximum period of 5 years.

#### **14.2 Valuation and allocations**

- (a) The Value of the Fund's assets shall be determined as follows:
- (i) the value of cash in hand or deposited, bills and notes payable on demand and accounts receivable, prepaid expenses, cash dividends and interest declared or due but not yet received shall be the total value of the Fund, except where it is unlikely that payment will be made, in which case the value shall be determined by deducting an amount deemed adequate to reflect the real value of such assets;
  - (ii) any marketable securities and money market instruments listed or traded on a stock exchange or any other regulated market will be valued based on the last available price, unless this price is not representative, in which case the value of this asset will be determined based on the fair value which will be estimated in good faith by the AIFM with the agreement of the Managing General Partner;
  - (iii) the financial instruments and securities held by the Fund are valued by the AIFM in accordance with the methods and criteria recommended by INREV and in accordance with the Luxembourg accounting regulations applicable to the Fund. In the event that INREV modifies the recommendations contained in this guide or these recommendations are approved by INREV, the AIFM shall modify these evaluation methods and criteria accordingly. In this case, it shall mention the changes made in its annual management review to Shareholders;
  - (iv) each real estate asset (other than financial interests in real estate companies) will be valued at least once a year by an independent expert appointed jointly by the AIFM and the Managing General Partner and, in principle (but without obligation) an independent valuation of any asset will be carried out by an independent expert appointed jointly by the AIFM and the Managing General Partner upon acquisition of such asset, such independent valuations will then be reviewed and validated - subject to adjustments, if any - by the AIFM and the Managing General Partner, taking into account the principles of prudence and good faith;
  - (v) if the price determined in accordance with the above provisions is not representative, and for assets not mentioned above (including real estate assets), the value will be based on the predictable realisable value which will be estimated prudently and in good faith by the AIFM with the agreement of the Managing General Partner in good faith, in accordance with generally accepted valuation principles and procedures.
- (b) Assets and liabilities will be allocated as follows:

- (i) the income from Shares issues in each Class will be recorded in the Fund's books for that Class, it being understood that if there is more than one Class, such amount will increase the proportion of the net assets attributable to that Class;
- (ii) when an asset is derived from another asset, in the Fund's books, that asset will be allocated to the same Class or Classes from which it is derived and each time that the asset is revalued, the increase or decrease in value will be applied to the relevant Class or Classes;
- (iii) where the Fund incurs a liability for an asset of a particular Class or Classes or related to a transaction made for an asset of a particular Class or Classes, such liability will be allocated to the relevant Class or Classes;
- (iv) in the event that an asset or liability cannot be allocated to a particular Class, such asset or liability will be allocated to all Classes in proportion to their respective Net Asset Values or in such other manner as may be determined by the AIFM with the agreement of the Managing General Partner in good faith, provided that (i) where assets of more than one Class are held in an account and/or jointly managed as a segregated pool of assets by a Fund's agent, the respective rights of each Class shall correspond to the proportionate share resulting from the contribution of the relevant Class to the account or pool and (ii) this right will vary in accordance with the allocations and withdrawals made on behalf of the Class, as described in this Prospectus;
- (v) at the time when distributions to Shareholders of any Class are made, the Net Asset Value of such Class will be reduced by the amount of such distributions.

### 14.3 Price sources/valuation

- (a) In order to calculate the Fund's Net Asset Value, and taking account of the standards of care and diligence required for this purpose, the Central Administration Agent shall exclusively use price valuations that may either:
  - (i) be provided by external, independent, specialised and reputable price sources, which are either used in current market practice (including, but not limited to:
    - (A) generally used information sources such as Reuters, Bloomberg, Telekurs, and similar,
    - (B) brokers, principal brokers or external depositaries,
    - (C) administrative agents of investment vehicles and other assets, where such assets are valued by these administrative agents), or who have been specifically appointed for this purpose by the Fund, the Managing General Partner or the AIFM
 (the **Independent Price Sources**); or
  - (ii) established by the AIFM itself, in cooperation with the Managing General Partner, or by an independent external expert.
- (b) In such circumstances, the Central Administration Agent shall not, in the absence of gross negligence, be liable for any loss suffered by the Fund or any Shareholder as a result of any error in the calculation of the Net Asset Value and the Net Asset Value per Share resulting from an inaccuracy in the information provided by the Independent Price Sources, by the AIFM itself or by any independent external expert.
- (c) In the event that one or more Independent Price Sources, the AIFM or the independent external expert in question do not provide a price/valuation for the Assets or, for any reason, the price/valuation of the Assets cannot be determined as promptly or correctly as required, the Central

Administration Agent shall promptly inform the Managing General Partner and the AIFM, and the Central Administration Agent will be provided with instructions enabling it to complete the calculation of the Fund's Net Asset Value. The Managing General Partner together with the AIFM may decide to suspend the calculation of the Fund's Net Asset Value, in accordance with the relevant provisions of this Prospectus and the Articles of Association and request the Central Administration Agent to suspend the calculation of the Net Asset Value. The Managing General Partner and the AIFM shall be required to inform Shareholders that the calculation of the Net Asset Value has been suspended, if necessary, or to request the Central Administration Agent to do so.

#### **14.4 Miscellaneous**

- (a) As soon as finalised, the NAV on a Valuation Date will be made available to investors at the Fund's registered office, and in any event within 90 calendar days from the relevant Valuation Date.
- (b) To avoid any doubt, these provisions are rules for computing the NAV per Share and are not intended to affect the Fund's assets or liabilities or any Share issued by the Fund in accordance with applicable accounting or legal provisions.

#### **15. TEMPORARY SUSPENSION OF NAV CALCULATION**

- (a) The Managing General Partner jointly with the AIFM may suspend calculating the Net Asset Value per Share in the following circumstances:
  - (i) during a state of affairs which, in the opinion of the Managing General Partner, constitutes an emergency situation as a result of which it would be impossible to dispose of, or to value, assets held by the Fund;
  - (ii) if, as a result of trading or other restrictions on transferring funds, transactions on behalf of the Fund are impracticable;
  - (iii) when, for any reason, the prices of one or more of the Fund's investments cannot be determined quickly and accurately (including in the circumstances referred to in Section 14.3(c));
  - (iv) when, in the opinion of the Managing General Partner, such suspension is in the best interest of the Fund's investors or when such suspension is ordered by a competent administrative or judicial authority;
  - (v) as soon as a notice convening a General Meeting of Shareholders is published in order to decide to put the Fund into liquidation.
- (b) Any suspension shall be notified to the persons likely to be affected by the suspension by the Central Administration Agent in such manner as it deems appropriate.

#### **16. RESERVE**

- (a) The Fund is entitled to retain sufficient amounts (constituting the **Reserve**) to enable it to:
  - (i) to pay various expenses of the Fund, including the Management Fee and Operating Expenses;
  - (ii) to pay any other sums or expenses that may be due from the Fund, including any sums that may be due to Indemnified Persons pursuant to Section 21;
  - (iii) in the event of litigation brought on behalf of the Fund against third parties or against the Fund by third parties, to guarantee the payment of the costs and financial consequences of such litigation;

- (iv) to deal with Redemption Requests or to implement its Distribution Policy;
  - (v) (during the Investment Period) to reinvest these sums in accordance with the Investment Strategy and Policy.
- (b) The sums invested in the Reserve Account will be invested in risk-free monetary investments.

## **17. COSTS AND EXPENSES**

### **17.1 Operating Expenses**

Subject to the other provisions of this section 17, the Fund shall pay the costs and expenses arising from its activities, administration and investments (and its Intermediary Vehicles), including, without limitation, all related costs and expenses related to: operating and administrating the Fund, its Intermediary Vehicles and its investments; fulfilling the Fund's obligations for each Service Provider and any other third party employed by the Fund or any Intermediary Vehicle; consulting professional advisers, including legal fees and expenses associated with negotiating, structuring, financing and documentation relating to acquiring, holding and disposing of any investment (including broker/brokerage fees, due diligence, legal and accounting fees, etc.); any borrowing facility from third parties; any interest on borrowing facilities (including any interest rate or currency hedging transactions); any insurance premiums (including terrorist risks and weather insurance premiums), transfer taxes, securities premiums, brokerage commissions and other closing costs and expenses payable or incurred in connection with the acquiring, holding and making any investment; any filing or registration and maintaining such registration with any governmental or regulatory authority or any tax authority; liquidating the Fund or any Intermediary Vehicle; taxes, fees and charges imposed by the State and other similar costs and expenses such as taxes and costs related to the transfer of securities or cash, the Luxembourg subscription tax and any other duties related to its business, fees paid to supervisory authorities of the countries where its Shares are offered; printing and distributing reports, accounts and marketing documents, publishing market prices and other costs incurred in connection with the periodic updating of any marketing document and any other administrative expense of this kind; distributing and marketing activities, including translating the documents concerned; organising and holding Shareholder meetings; legal fees incurred in the investors' interests or in connection with any other legal advice taken in relation to the Fund; the costs of organising and holding meetings or the costs generally related to the Investment Committee as well as the Management Fee, the Distribution Fee, Operating Expenses, Unrealised Transaction Costs, Acquisition fee and the Financing fee (the **Operating Expenses**).

### **17.2 Management Fee**

From the First Day of Subscription until Liquidation is completed, the Managing General Partner will receive an annual management fee of:

- (i) with respect to the Class A Shares 1.3% (excluding tax), subject to the terms of Section 17.3 below; and
- (ii) in respect of Class S Shares 1% (excluding tax);

Based on the last available NAV, payable quarterly in advance (the **Management Fee**).

### **17.3 Distribution of Reserved Commission**

The Fund will reserve, out of the 1.30% (excluding tax) payable to the Managing General Partner in respect of A Shares, 0.30% in relation to A Shares, and will allocate the corresponding amount to the Distributable Incomes payable by way of distribution to holders of S Shares as S Dividends in



accordance with Section 7.3(a)(i) above (the **Distribution of the Reserved Commission**).

#### **17.4 Acquisition fee**

In the case of a real estate investment, an acquisition fee equal to 3% of the asset purchase price excluding agency fees and will be paid by the Fund to the Managing General Partner (the **Acquisition Fee**).

#### **17.5 Financing fee**

The Managing General Partner shall also receive a fee of 1% of the value of any debt financing granted by one or more third parties to the Fund (or to any Intermediary Vehicle or JV Vehicle), regardless of the form of such financing, on the understanding that the fee is calculated on the face value of the financing (whether or not such financing is immediately drawn in full and regardless of the draw down that will be made on such financing) (the **Financing Fee**).

#### **17.6 AIFM Fee**

The AIFM will receive an annual alternative investment fund manager's fee of up to 10 basis points calculated on the NAV, paid quarterly in advance. The AIFM will also be reimbursed for all costs and expenses incurred in the Fund's interests under the Management Agreement and for ad-hoc fees per transaction or for reporting services.

#### **17.7 Fees of the Depositary, the Central Administration Agent and the External Auditor**

The Depositary, the Central Administration Agent and the External Auditor are entitled to receive remuneration from the assets of the Fund in accordance with the practices and customs of the Luxembourg financial centre and to be reimbursed for costs and expenses incurred on behalf of the Fund, in accordance with and within the limits of their respective service agreements.

#### **17.8 Operating and subscription management expenses**

When an Investor's subscription is registered, an operating fee for processing the subscription equal to 2% of the Issue Price will be paid by the Fund to the Managing General Partner or any Affiliated Person (**Operating Fees**).

#### **17.9 Unrealised Transaction Costs**

Fees and expenses relating to unrealised transactions of the Fund (the **Unrealised Transaction Fees**) will be borne by the Fund, subject to the following. Unrealised Transaction Costs include all costs and expenses (including any VAT due) relating to identifying, locating, valuing, negotiating, acquiring, monitoring, holding, supervising, protecting and selling the Fund's investments, including intermediation and similar fees and all costs and expenses incurred in connection with unsuccessful investment proposals, on the understanding that Unrealised Transaction Costs shall be borne by the Fund up to a maximum of 75,000 euros per year and that the Unrealised Transaction Costs in excess of this amount shall be borne by the Managing General Partner or its Affiliated Person.

#### **17.10 Set-up Costs**

- (a) The Fund shall bear all costs incurred in connection with its establishment and marketing (the **Set-up Costs**) up to a maximum of €100,000 (plus any VAT due on Set-up costs) including, but not limited to, legal, tax and accounting costs, printing and postage costs, consultancy and audit fees and travel expenses. Any Set-up Costs in excess of the limit of 100,000 euros (plus any VAT due as Set up Expenses) shall be borne by the Managing General Partner or its Affiliated Persons.

- (b) If applicable, the Set-up Costs shall be depreciated over a maximum period of five (5) years.

#### **17.11 Subscription Fee**

- (a) The Managing General Partner reserves the right to request payment of a subscription fee of up to 4% of the amount invested by any Investor on any Subscription Day (the **Subscription Fee**). The Subscription Fee is payable in addition to the Issue Price for the Subscribed Shares. Any Investor wishing to subscribe for Shares is invited to discuss with the Managing General Partner whether any Subscription Fee is applicable and payable.
- (b) Any Subscription Fee paid will be paid to the Fund.

### **18. ANNUAL GENERAL MEETINGS**

- (a) The Annual General Meeting is held in Luxembourg, at the registered office of the Fund, or at any other place in Luxembourg specified in the AGM invitation, within six months from the end of the Financial Year.
- (b) Other general meetings of shareholders may be held at the place and on the date specified in the meeting invitation.
- (c) Invitations to all General Meetings shall be sent by registered letter (or by any other means accepted by the Meeting, individually, including by email) to all Shareholders mentioned in the Shareholder register, at their address indicated in the Shareholder register at least eight days before the General Meeting. These invitations will indicate the time and place of the General Meeting and the conditions, agenda and requirements of Luxembourg law regarding the necessary quorum and majority voting.
- (d) Unless otherwise provided for in this Prospectus and the Articles of Association, each whole Share shall entitle its holder to one vote at any General Meeting. The requirements concerning participation, quorum and majority at any general meeting are those set out in the 1915 Act and in this Prospectus and the Articles of Association, on the understanding that any decision of the General Meeting must be approved by the Managing General Partner.

### **19. ACCOUNTING PERIOD AND FINANCIAL REPORTS - FAIR TREATMENT OF INVESTORS**

#### **19.1 Accounting Period**

The Accounting Period runs from 1 January to 31 December (i. e. the Accounting Date) in each year, on the understanding that the first Accounting Year runs from the date on which the Fund is established to 31 December of the year in which the Fund is established.

#### **19.2 Annual Report**

Each year, the Fund will publish a detailed audited report on its business and the management of its assets in accordance with the accounting principles generally applied in Luxembourg (the **Annual Report**). The Annual Report will be prepared within six months after the end of the Accounting Period and made available to Shareholders. The Fund's accounts will be kept in euros. The audited accounts will be prepared in accordance with Luxembourg law and regulatory requirements as well as the requirements of the AIFM Directive and Level II Regulations.

#### **19.3 Quarterly reports**

Unless otherwise provided for in a Supplement, Shareholders will receive a quarterly report (the **Quarterly Report**) prepared in accordance with the guidelines on such matters published by INREV,

which will include, without limitation, key financial and other information relating to the Fund and its investments, and any material events that have affected the Fund over the past period and full details required by this Quarterly Report.

#### **19.4 Documents available to Shareholders**

The following documents will be made available to Shareholders at the registered office of the Fund:

- (i) Articles of Association;
- (ii) Annual Reports;
- (iii) Quarterly Reports;
- (iv) Depositary Agreement
- (v) Central Administration Agreement
- (vi) Management Agreement
- (vii) This Prospectus

#### **19.5 Compliance with Chapters IV and V of the AIFM Directive**

The AIFM shall comply with the transparency requirements of the AIFM Directive and Level II Regulations and, in particular:

- (i) ensure that the content of the Annual Report complies with the requirements of Article 22 of the AIFM Directive and Articles 103 to 107 of the Level II Regulations;
- (ii) where applicable, with respect to unlisted companies in which the Fund has an interest, ensure compliance with the notice and information requirements set out in Chapter V of the AIFM Directive;
- (iii) will ensure that it provides investors with the following information periodically through the Quarterly Reports and the Annual Report in accordance with the requirements of Article 23 paragraph 4 of the AIFM Directive and Article 108 of the Level II Regulations:
  - (A) the percentage of the Fund's assets that is subject to special treatment because of their illiquid nature (including, where applicable, an overview of existing special treatments, including whether they are asset segregation, repayment instalments or similar arrangements, as well as the valuation method applied to the Fund's assets subject to such treatments and the management fees and commissions related to the results applied to them);
  - (B) any material changes to the Fund's liquidity management systems and procedures;
  - (C) the current risk profile of the Fund and the risk management systems used by the AIFM to manage them;
- (iv) will ensure that it provides investors with the following information regularly through the Quarterly Reports and the Annual Report in accordance with the requirements of Article 23 paragraph 5 of the AIFM Directive and Article 109 of the Level II Regulations:

- (A) any change in the maximum level of leverage that the AIFM may use on behalf of the Fund, as well as any right to reuse the Fund's assets pledged as collateral and any guarantee provided for under the leverage arrangements;
- (B) the total amount of leverage used by this Fund;
- (v) will provide potential investors, upon request, with the information provided for in Article 23.1 of the AIFM Directive which is not contained in this Prospectus, in particular:
  - (A) The AIFM's liquidity management policy and asset valuation policy;
  - (B) a description of any preferential treatment that may be granted (or from which an investor may benefit) and the type of investors who benefit from such preferential treatment, and, where applicable, an indication of their legal or economic ties with the Fund or the AIFM (see also Section 19.7);
  - (C) a description of any possible arrangements by the Depositary to contractually discharge its liability in accordance with Article 21.13 of the AIFM Directive (or confirm that no such arrangement exists);
  - (D) the latest NAVs for the Fund and for the Shares of the various Classes;
  - (E) a description of any management function referred to in Annex I of the AIFM Directive delegated by the AIFM and any conflicts of interest that may arise from such delegations, if applicable;
  - (F) the Fund's historical performance;
- (vi) before acting, it will provide investors with a description of the general nature or source of any conflict of interest where its organisational arrangements for identifying, preventing, managing and monitoring conflicts of interest are not sufficient to ensure, with reasonable certainty, that the risk of harming investors' interests will be avoided;
- (vii) where applicable, it will comply with requirements to issue notice of material acquisitions and control of unlisted companies and disclosures, as well as asset stripping, relating to an interest in or control of an unlisted company provided for in Chapter V of the AIFM Directive; and
- (viii) It will comply with its reporting obligations to the AMF pursuant to Article 24 of the AIFM Directive and under the conditions set out in Articles 110 and 111 of the Level II Regulations.

## **19.6 Fund's Risk profile**

- (a) The Fund's investment policy corresponds to a medium to long-term investment horizon. Investing in the Fund involves a risk of capital loss and investors have no guarantee that they will be able to redeem their Shares prior to the liquidation of the Fund.
- (b) Investors are advised to review the risk factors detailed in Section 24, and to consult their advisers before making any decision to invest in the Fund.

## **19.7 Fair treatment of Shareholders and absence of special agreements**

- (a) The AIFM will ensure that it treats all investors in the Fund fairly and that no investor (or group of investors) in the Fund can enjoy preferential treatment that would result in significant overall harm to other investors. In view of the fact that Shareholders within the same Class of Shares have the same rights, the AIFM considers that, subject to the provisions in section 19.7(b), the requirement of equal investor treatment has been met.

- (b) The Managing General Partner, the Fund, the AIFM and their Affiliated Persons may enter into *side letters* or similar contractual arrangements with one or more Shareholders which will have the effect of supplementing the terms of this Prospectus in respect of such Shareholder(s). Such arrangements shall be disclosed to all Shareholders who have a Liability equal to or greater than the relevant Shareholder's Liability. No such arrangement will be entered into if the Managing General Partner or the AIFM considers that such arrangement may result in material overall prejudice to other Shareholders.

#### **19.8 Non-exclusivity and allocation of investment opportunities with Affiliated Vehicles**

- (a) The Managing General Partner, the AIFM and their Affiliated Persons each provides and may continue to provide management or advisory services or any other service for which it is authorised to one or more Affiliated Vehicles and the services of such entities for the Fund are not provided on an exclusive basis. Investors should note that some Affiliated Vehicles may invest in similar assets or in the same assets as the Fund.
- (b) The Managing General Partner may, in agreement with the AIFM give one or more persons of its choosing (including Affiliated Vehicles) the opportunity to jointly invest alongside the Fund (a **Joint Investment Opportunity**) insofar as, in principle:
  - (i) this does not affect the deployment of the Fund's capital, subject to the Managing General Partner deciding to allocate a Joint-Investment Opportunity even when the Fund is able to finance the entire investment if such allocation is in the best interests of the Fund (for example, when the joint-investor in question brings technical expertise, or any other added value to the transaction in question (a **Strategic Joint-investor**);
  - (ii) the Managing General Partner will make every effort to offer interested Shareholders the opportunity to participate in one or more Investment Opportunities, subject to allocating to a Strategic Joint Investor, and on the understanding that the Managing General Partner shall decide at its discretion on any allocation (and may, for example, allocate a Joint Investment Opportunity to its Affiliated Persons, Affiliated Vehicles or any other interested third party).

#### **20. NON-DISCLOSURE**

- (a) Subject to sections (b) and (c), Shareholders or their representatives, who receive the information contained in reports and other documents (including those referred to in section 19) or any other information relating to the Fund, the Managing General Partner, the AIFM, Service Providers or the potential investments or Fund investments, sent to them by the Managing General Partner, the AIFM or any other Person must keep them strictly confidential. Shareholders and their representatives undertake not to (i) disclose such information to any third party, or (ii) use such information for any purpose other than managing their investment in the Fund, without the written consent of the AIFM.
- (b) The obligations in section (a) do not apply to Shareholders for information:
  - (i) that must be disclosed pursuant to a law, rule or regulation of an internationally recognised financial market authority (but, in this case, only within the limits of the disclosure obligation);
  - (ii) which must be disclosed in order to protect the Shareholder's interest in the Fund (but, in this case, only within the limits of the disclosure obligation, and by notifying the Managing General Partner and the AIFM of this forced disclosure);
  - (iii) which was already known or disclosed to the general public other than by being disclosed by

the Shareholder; or

- (iv) which is known by or disclosed to the Shareholder by legitimate means, by a third party other than the Fund, the Managing General Partner or the AIFM.
- (c) Notwithstanding section (a), Shareholders may also send the information contained in this annual management review to their shareholders, members of their advisory committees, unit holders, and their lawyers and auditors, financial and legal advisers and administrative regulatory authorities upon request in accordance with their regulatory, statutory or contractual obligations, subject to:
- (i) having obtained the written consent of the Managing General Partner and the AIFM; and
  - (ii) having made every effort to ensure that the above-mentioned persons, not covered by professional secrecy obligations, undertake not to disclose confidential information to third parties.

## 21. INDEMNIFICATION

- (a) The Managing General Partner and the Directors, the members of the Investment Committee (as well as their corporate officers, directors, board directors, shareholders, partners, representatives or employees) (each, the **Indemnified Person**) shall be reimbursed and indemnified for all liabilities, indebtedness, lawsuits, proceedings, claims and demands, all damages, penalties and all related costs and expenses (including legal fees) incurred by them:

- (i) in the course of their duties as Managing General Partner, Managers, members of the Investment Committee or otherwise, related to the business of the Fund, including when it has ceased, or
- (ii) for any event or other circumstance related to or resulting exercising their business as Managing General Partner, Manager, member of the Investment Committee etc., or providing their services or those of any agent or representative they have appointed, or
- (iii) in any other manner concerning the Fund's operations, business or activities,

excepting those incurred by the Managing General Partner or a Manager or member of the Investment Committee in connection with disputes concerning the internal organisation of the Managing General Partner which they may have with any corporate officer, board director, shareholder, agent, advisor or employee of the Managing General Partner, and any Person appointed by them to be an agent or representative in one of the Fund's financial interests.

- (b) In addition, any corporate officer, director, board director, director, partner, shareholder, agent, adviser or employee of the Managing General Partner, and any Person appointed by the latter (or on behalf of the Fund) to be an agent or corporate officer within an Intermediary Vehicle (also, referred to individually as an **Indemnified Person**) shall be reimbursed and indemnified for any debt, liability, lawsuit, legal proceedings, claims and demands, any damages, penalties and all related costs and expenses (including attorney's fees) incurred by such Indemnified Persons:

- (i) for any event or other circumstance related to or resulting from supplying (or failing to supply) their services to or on behalf of the Fund, or
- (ii) in any other way concerning the Fund's operations, business or activities, or
- (iii) in the context of their role as an agent or representative within an Intermediary Vehicle,

with the exception of those incurred by such Indemnified Person for disputes relating to its internal

organisation that It may have with any corporate officer, board director, shareholder, agent, adviser or employee of the Managing General Partner, and any Person appointed by them to be an agent or representative in one of the Fund's financial interests.

- (c) No Indemnified Person shall be indemnified when its liability results from gross negligence or wilful misconduct as determined by any competent court.
- (d) Any Indemnified Person within the meaning of sections (a) and (b) shall be reimbursed and indemnified out of the amounts to be distributed to Shareholders.
- (e) Compensation payable under this Section 21 shall be paid even if any Indemnified Person has ceased to provide services to the Fund or to act in any other role on behalf of the Fund.
- (f) No compensation shall be paid if the Indemnified Person's claim is made more than 2 years after (i) the Indemnified Person's discovery or knowledge of the event giving rise to compensation or (ii) (in all cases) after the fund has been completely liquidated.
- (g) Any Indemnified Person entitled to compensation under this Section 21 shall make its best efforts to initially seek to be indemnified for any liability, debt, lawsuit, legal proceedings, claims and demands, damages, penalty and costs and expenses from an interest in which the Fund has invested, or from any insurance company or third party from whom compensation may be sought. In this case, the compensation received shall be deducted from the amount to which the Indemnified Person is entitled under this Section 21. Consequently, the provisions of this section 21 will also apply, if compensation cannot be sought from insurers or third parties as indicated above.
- (h) Shareholders will be notified in advance whenever compensation is implemented in accordance with this section 21.

## **22. DISSOLUTION/LIQUIDATION**

- (a) The Fund may be dissolved by Extraordinary Decision of the Shareholders (subject to the approval of the Managing General Partner). Any decision to dissolve the Fund will be published in the *Recueil Électronique des Sociétés et Associations* [Electronic Index of Companies and Associations] (**RESA**).
- (b) If the Fund's share capital is less than two thirds of the minimum capital provided for by Luxembourg law, a General Meeting of Shareholders shall be convened within forty (40) days of recording the existence of this situation by the Managing General Partner, which shall submit the question of dissolving the Fund to the General Meeting. The General Meeting shall deliberate without any quorum conditions and shall decide by a simple majority vote of the Shares represented. If the Fund's share capital is less than one quarter of the minimum share capital, the Managing General Partner must submit the question of dissolving the Fund to the General Meeting which must be held within forty (40) days of this situation occurring and which shall deliberate without any quorum conditions; the dissolution may be pronounced by the Shareholders holding Shares representing one quarter of the share capital represented at the General Meeting.
- (c) If the Fund is dissolved, it will be liquidated by one or more liquidators, who may be natural persons or legal entities and who will be appointed by the General Meeting of Shareholders. The latter shall determine their powers and remuneration, on the understanding that the Managing General Partner must be appointed liquidator by the General Meeting if the Fund is liquidated.
- (d) The liquidation shall be carried out in accordance with the 2016 Act which specifies how to distribute the net income of the liquidation among the Shareholders after deducting liquidation costs: the proceeds of the liquidation will be distributed to Shareholders - within each Class - in proportion to their rights under the terms of this Prospectus.

- (e) Once the Fund has been liquidated, any sums that have not been claimed by the Shareholders will be paid to the Caisse de Consignation, which will keep them available for them for the period provided for by law. At the end of this period, any balance will return to The State of Luxembourg.

## **23. TAX REGIME**

### **23.1 Luxembourg tax issues**

#### **(a) Taxation for the Fund**

Under current legislation and practice, the Fund is not subject to any Luxembourg tax or capital gains tax. Similarly, dividends paid by the Fund are not subject to any withholding tax.

The Fund is subject to subscription tax at an annual rate of 0.01% of the Fund's net assets, calculated and payable quarterly, based on the Fund's Net Asset Value at the end of each quarter. An exemption from subscription tax may be obtained in certain cases specified by the 2016 Act.

Certain portfolio income received by the Fund in the form of dividends and interest may be subject to a variable rate of tax via a withholding tax in the countries from which it originates.

The Fund is a Luxembourg tax resident insofar as the Fund has its registered office in Luxembourg. However, the Fund cannot take advantage of all the tax treaties concluded by Luxembourg.

#### **(b) Taxation for Resident Shareholders**

Distributions made by the Fund to resident Shareholders are not subject to withholding tax in Luxembourg. Resident Shareholders who are natural persons or legal entities will be subject to income tax.

For Shareholders who are resident natural persons managing their private assets, the capital gains realised on redeeming or transferring Shares are only subject to income tax in Luxembourg if (i) such Shares are redeemed or transferred within a period of six months from their acquisition or (ii) if the transferring Shareholder, alone or together with his/her spouse or partner and his/her minor children, has directly or indirectly invested more than 10% in the capital or, in the absence of capital, in the organisation's capital at any time during the 5 years preceding the date of the transfer.

#### **(c) Taxation for non-resident Shareholders**

Distributions made by the Fund to non-resident Shareholders are not subject to withholding tax in Luxembourg. Non-resident Shareholders are not subject to income tax in Luxembourg on income from the Shares, unless they have a permanent establishment or permanent representative in Luxembourg through which the Shares are held.

The information given above is based on the laws and practices currently in force in Luxembourg and may be subject to change. These indications, which general in nature, only cover Luxembourg tax issues and are included for information purposes only. They do not constitute legal or tax advice.

### **23.2 FATCA and CRS**

- (a) The provisions of the FATCA Legislation generally require financial institutions which qualify as US Persons to notify the *U.S. Internal Revenue Service (IRS)* of any direct and indirect investments in foreign accounts and entities and the income they perceive through them.

- (b) The NCD Legislation introduces the Automatic Exchange of Financial Account Information in Tax



Matters, with the Member States of the European Union (and the other partner jurisdictions of Luxembourg). This mandatory international exchange of information between competent tax authorities concerns financial accounts held with financial institutions in Luxembourg, by those residents for tax purposes in jurisdictions participating in the NCD, or held with financial institutions in jurisdictions participating in the NCD by residents for tax purposes in Luxembourg.

- (c) FATCA and NCD legislation should qualify the Fund as a Financial Institution, as a result, the Fund will be subject to certain due diligence obligations under such legislation and will be required to file certain information or documents annually with the Luxembourg tax authorities.
- (d) Pursuant to FATCA legislation, any failure to comply with such an obligation on the part of the non-US Financial Institutions involved may, in particular, result in a withholding tax of 30% on certain financial income from the United States of America (including dividends and interest) and gross capital gains on the sale or other property transfers that may generate interest or dividends from the United States of America.
- (e) In order to comply with the corresponding obligations regarding the exchange of information and due diligence, the Fund may also require Investors to provide written proof of their tax residency, any information relating to their identity and any other information necessary in this context and in accordance with this legislation.
- (f) On the request of the Managing General Partner, the Investors agree to provide, (and update on a regular basis), any information, document or form that the Managing General Partner deems necessary to comply with FATCA and NCD legislation. Investors acknowledge that if they do not provide written proof of their tax residency and any other information required by FATCA and NCD acts, they must bear all financial consequences related to such breaches (e.g. excessive withholding tax or possible fines and penalties).

23.3 IT IS RECOMMENDED THAT POTENTIAL SHAREHOLDERS OBTAIN INFORMATION AND, IF NECESSARY, ADVICE ON THE LAWS AND REGULATIONS (SUCH AS THOSE RELATING TO TAXATION AND EXCHANGE CONTROLS) APPLICABLE TO THEM BY VIRTUE OF THE SUBSCRIPTION, PURCHASE, HOLDING AND SALE OF SHARES IN THEIR HOME COUNTRY, PLACE OF RESIDENCE OR TAX DOMICILE.

## 24. RISK FACTORS

- 24.1 An investment in the Fund involves certain risks relating to the structure of the Fund as well as the Investment Objective and investment strategy. Potential investors should assess these risks before making a decision to invest in the Fund.
- 24.2 Among other factors, potential investors should carefully consider the points described below, each of which may have an adverse effect on the value of an investment in the Fund. As a result of these factors, it is impossible to insure or guarantee that the Fund will achieve its Investment Objective or will be able to successfully implement its investment strategy. The performance of the Fund may be unpredictable and an investment in the Fund is therefore not suitable as an investor's sole investment vehicle. An investor should only invest in the Fund as part of an overall investment strategy and only if it can bear the full loss of its investment.
- 24.3 The following paragraphs are a concise description of certain factors, which should be read in conjunction with other points mentioned in this Prospectus. However, they do not purport to be an exhaustive summary of all the risks associated with an investment in the Fund.
- 24.4 Potential investors are also strongly advised to discuss their individual situation with their tax and financial advisers before investing in the Fund and to have an in-depth discussion with their

professional advisers about the risks involved in subscribing for Shares.

#### **Powers of the Managing General Partner and the AIFM**

- 24.5 All decisions relating to the Fund are taken exclusively by the Managing General Partner and/or the AIFM (and the board directors of each Intermediary Vehicle). Accordingly, no potential investor should purchase Shares unless it agrees to entrust all aspects of operating and managing the Fund to the Managing General Partner and the AIFM. Any decision of the General Meeting of Shareholders is subject to the approval of the Managing General Partner.

#### **No recourse against Service Providers**

- 24.6 Service agreements and other agreements relating to the Fund may limit the circumstances under which the liability of the Service Providers and the AIFM, including their directors, board directors, partners, employees, shareholders, members and other agents, may be committed with respect to the Fund. As a result, investors and the Fund (for lawsuits brought against Service Providers or the AIFM) may have a more limited right to act in some cases than if such limitation did not exist. Any lawsuit that a Shareholder seeks to bring directly against a Service Provider may lead the Service Provider to claim compensation from the Fund. Some persons, and in particular, the General Managing General Partner, are Indemnified Persons.

#### **Lack of control by Shareholders**

- 24.7 The Fund's discretionary investment powers will generally be exercised by the Managing General Partner, the AIFMs and the relevant Intermediary Vehicles and, accordingly, the Managing General Partner, the AIFMs and the Intermediary Vehicles will have significant discretion to manage the Fund's investments, within the limits provided for in this Prospectus.
- 24.8 The rights and obligations of Shareholders shall be subject to the limitations set forth in the Articles of Association and this Prospectus and, except for the rights which are expressly reserved for them under the Articles of Association, this Prospectus and applicable laws, Shareholders shall not play any role in managing or supervising the Fund.

### **Distributions**

- 24.9 The Fund will be dependent on payments it receives from the Investments to make dividend distributions to investors. Applicable laws and regulations may set limits on the timing and ability to make payments for certain Intermediary Vehicles.

### **Restrictions on the redemption right and lack of liquidity - Redemption price**

- 24.10 The Shares are subject to restrictions on transferability and resale under various regulations on marketable securities and may only be transferred or resold in accordance with such regulations. It is not expected that a significant secondary market will develop for the Shares. Investors may only transfer their Shares as described in section 11 of this Prospectus.
- 24.11 In addition, no guarantee can be given that a Redemption Request will be fully satisfied such that investors may find themselves in a situation where they will only be able to exit the Fund at its end.
- 24.12 Investors are informed and should be aware that the Redemption Price is calculated in accordance with section 8.1(h) and that this price is determined based on the capital invested and the holding period of the Shares (and therefore does not represent the NAV of the Shares in question).

### **Forced redemption**

- 24.13 The Managing General Partner has the right to redeem the Shares of an investor subject to holding restrictions in accordance with Section 12 (including by redeeming the Shares at a substantial discount to their value). The Managing General Partner also has the right to request information from any investor in order to determine whether it is subject to restrictions, and to use any of the other methods described in section 12 to seek to ensure that the Shares are not held by or benefit a Restricted Person.

### **Valuations and Net Asset Value per Share**

- 24.14 Due to the nature of the investments held by the Fund, the Fund will not have access to easily verifiable prices when preparing investment valuations. However, as a result of the lack of liquidity of a substantial portion of the Fund's investments, the Managing General Partner cannot guarantee that a given investment may be sold at a price equal to the market value attributed to such investment by the Fund.
- 24.15 There can be no assurance that the price paid or received by the Fund for an investment will be equal to or less than the value calculated for that investment.

### **Risks related to the Fund's objectives and strategies**

- 24.16 Any investment can be decrease as well as increase in value.
- 24.17 The Shares are denominated in euros while some of the investments may be denominated in currencies other than the euro; their value may therefore vary according to the exchange rate.
- 24.18 Past returns on similar investments do not necessarily give an indication of the returns that will be generated by the Fund's investments, and no assurance can be given that the Fund's performance targets will be achieved.
- 24.19 The success of the Fund depends on the ability of the Managing General Partner, the AIFM and the Investment Advisers to identify, acquire, develop and implement profitable Investments. Although investors must make their own assessment of the risks associated with investing in the Fund, they

should consider, among other things, the following points before deciding whether or not to invest in the Fund.

- 24.20 When made directly in Shares, investments in debt instruments and other equity instruments of highly illiquid companies that do not trade on recognised investment exchanges are difficult to achieve. In addition, these Investments may be difficult to value and there is no assurance that the Fund will be able to complete its Investments and, if so, in a timely manner. As a result, the timing and type of Distributions made by the Fund are uncertain and unpredictable, and may include cash Distributions. The value of Investments may increase but also decrease, and Shareholders may not recover the amounts invested in the Fund.
- 24.21 The returns obtained from an Investment in the Fund are likely to be affected by the economic climate in the countries in which the Fund invests.
- 24.22 Changes in the tax treatment of the Fund, the legal and regulatory regimes applicable to the Fund, or any changes in international accounting standards may have a negative impact on the Fund's returns.
- 24.23 The Fund intends to make only a limited number of Investments. The Fund's operating costs will remain substantially unchanged during this period, which could significantly affect the total level of returns to Shareholders. In addition, the total return on Investments may be negatively affected by the poor performance of a single Investment or several Investments.
- 24.24 This Company allows Investors to be exposed to non-specific Assets and Shareholders will not have the opportunity to assess specific Investments before investing. The Fund may not be able to identify and acquire Assets that meet its objectives. Shareholders of the Fund must rely on the ability of the Fund, the General Managing General Partner and the AIFM to identify and implement Investments, in accordance with the Fund's Investment Strategy.
- 24.25 The Fund will operate in a sector that will become increasingly competitive as investors enter the market. Competition may affect the Fund's ability to achieve its investment objectives. The Fund is aware of the number of investment funds and other investors that invest in Assets similar to those sought by the Fund.
- 24.26 The loss of any member of the Management Team and, in particular, one or more Key Persons may adversely affect the Fund's performance and Investments. The Fund and the Managing General Partner may not be able to replace such members of its Management Team or Key Persons in the short or long term, and this may also adversely affect the performance of the Fund, its Investments and the Managing General Partner.
- 24.27 The Fund, its Managing General Partner and its Portfolio Companies may participate in transactions with the Joint Investors of the Founding Partners. The Fund may pay fees for introductions, recommendations or other arrangements to Joint Investors of the above-mentioned entities.

#### **Risks related to investing in Real Estate**

- 24.28 Political and government risks

A government or government agency in a country in which the Fund invests in a real estate project may amend, repeal, enact or promulgate a new law or regulation, or a government agency or national court may publish a new interpretation of the existing law or regulation, which in each case may substantially affect real estate projects and, as such, Investments in real estate projects and associated service companies.

#### 24.29 Risks related to supporting documents

Real estate projects, such as those in which the Fund will invest, are usually governed by a complex set of legal documents and contracts. As a result, the risk of litigation or disputes over the interpretation or enforceability of documentation and contracts for these Investments may be greater for other Capital Investments or Debt Investments, despite the efforts and experience of the Management Team.

#### 24.30 Inflation risks

Returns on Equity or Debt Investments in the Fund, Portfolio Companies or specific real estate projects or associated service companies may be positively or negatively affected by changes in the rate of inflation in the economies concerned.

#### 24.31 Interest rate risks

Companies such as Portfolio Companies that borrow money are potentially exposed to the consequences of interest rate fluctuations that may increase the financial risk inherent in these activities. Although this risk can be reduced by hedging interest rate risks, such as interest rate swaps or other mechanisms, residual risk is nevertheless present. Interest rate fluctuations may affect the relevant discount rate to be used to value the Investments. The Managing General Partner may engage in interest rate hedging activities in connection with the Fund's Investments, if applicable, but is not required to do so.

#### 24.32 Force majeure Risks

'Force Majeure' is the term generally used to refer to an event beyond the control of a party, including fires, floods, war, terrorism and strikes. Certain force majeure risks are not insurable and, if such events occur, may have adverse effects on the Fund and its underlying Investments. The Managing General Partner does not intend to require the Portfolio Companies to take out insurance to cover these risks, as many real estate projects are supported by governments in the event of force majeure, which may mitigate certain potential force majeure risks.

#### 24.33 Cancelled transactions

The Fund will be actively involved in the setting up consortia to make subscriptions or bids for real estate projects. The bidding or tendering process for a real estate project is long. Preparing and participating in calls for tenders involves significant resources in terms of time and expenses, which will be supported by the Fund. The Fund may not complete the tenders it undertakes and in the event of failure, costs incurred in connection with unsuccessful tenders may not be recovered.

#### 24.34 Specific risks

A real estate project has two different risk phases: the construction (or development) phase and the operational phase. The risk profile is different in the two phases, the risk profile decreases significantly at the end of the construction phase and the first phase of operation; for housing projects, at the end of the transfer phase, full operational capacity is reached more quickly). The specific risks associated with the performing and delivering real estate projects are mitigated by passing these risks on to subcontractors. This risk structure aims to minimise the level of risk, although the risk cannot be eliminated. In addition, the risks associated with subcontractors' failure to perform their obligations to an appropriate standard should not be underestimated.

#### 24.35 Performance-related risks

The Portfolio Fund will award a contract for the design and construction of the work, including a

potential development phase. This contract will provide for either a fixed or indicative price and the risks related to the completion costs or costs overruns will be borne by the subcontractor. To cover the performance of their duties, the subcontractor will enter into an agreement to compensate the investment instrument at accepted levels of reliability, weighted by the probability of losing a contract. Payments under this compensation are made in the form of damages to cover loss of revenue in the event of delay or reimbursement related to poor performance. Contractors must obtain the support of banks for such compensation or, if they are sufficiently rated, provide their own guarantees.

#### 24.36 Delivery risks

At the end of the construction phase, the Portfolio Fund will have awarded additional contracts to operate the facilities, on a short-term renewable basis, to operating companies rather than contractors. Any deductions from income related to the operator's poor performance, deducted as part of the contract concluded with the public sector, will be deferred, by contractual arrangement, to the operator. Reliability levels will be set, as part of the operating agreement, at a level that is not likely to be exceeded.

#### **Tax risks**

24.37 An investment involves a significant number of complex tax considerations. Changes in tax law or its interpretation in any of the countries in which the Fund has investments, or changes in tax treaties negotiated by such countries, could adversely affect the Fund's returns to its Shareholders. No assurance can be given regarding the actual level of taxes applied to the Fund or Intermediary Vehicles. Shareholders and potential investors are strongly advised to consult their own tax advisers on the tax consequences of investing, holding and disposing of Shares and, where applicable, receiving distributions for the Shares.

24.38 The Fund's structure and taxes depend on the application of certain double taxation treaties and the applicability of European directives. The Fund's taxes will also depend on the application and interpretation of local laws of the markets in which the Fund invests and the jurisdictions in which the Intermediary Vehicles are resident for tax purposes.

#### **No operating history**

24.39 The Fund has been recently established and does not have a previous operating history that would allow an investor to make predictions about future success or failure.

#### **Past performance**

24.40 The past investment performance of previous funds promoted by the Managing General Partner or its Affiliated Vehicles, or projects or other investments made by the Managing General Partner or its Affiliated Vehicles or these funds, should not be taken as an indication of the future results of an investment in the Fund. The Fund's investment strategy should be assessed based on that fact that it is impossible to ensure that asset valuations will prove to be accurate or that the Fund will achieve its Investment Objective or an anticipated return.

#### **Money laundering**

24.41 There is a risk that the Fund or a Service Provider may be required by a public authority to freeze a Shareholder's account or take measures requested by that public authority. A Shareholder whose account is so frozen shall be required to compensate the Fund for the loss incurred.

## **25. MODIFICATIONS TO THIS PROSPECTUS**

### **Changes requiring investors' approval**

- (a) Subject to sections (b) and (c) below, the Managing General Partner, with the agreement of the AIGM, may only amend this Prospectus in a manner that would adversely affect Investors, with the agreement of investors in the Fund representing at least half (1/2) of the outstanding Shares, however, please note that (i) any amendment to this section 25 requires the unanimous agreement of investors.

### **Changes that do not require investor approval**

- (b) The Managing General Partner, with the agreement of the AIFM, may amend this Prospectus without seeking the consent of investors, provided that the proposed amendments do not adversely or significantly affect the interests of Shareholders. In particular, the following changes will not be subject to investor approval:
  - (i) Any amendment to transpose or reflect any legislative or regulatory change applicable to the Fund, the Managing General Partner or the AIFG in this Prospectus.
  - (ii) Any amendment to resolve any ambiguity, correct or supplement any provision of this Prospectus that is incomplete or inconsistent with any other provision or correct any printing, stenographic or secretarial errors or omissions.
  - (iii) Any amendment intended to reflect an agreement reached following negotiation with one or more investors who subscribed after the First Subscription Day that such amendments do not adversely and significantly affect the interests of existing Shareholders.
  - (iv) Any modification that would not negatively affect Investors.

### **Impact on the Articles of Association**

- (c) Any change to this Prospectus that requires a change in the Articles of Association shall also require a General Meeting of Shareholders and an Extraordinary Decision of the Shareholders.