

**THE COMPANIES LAW, CAP. 113**

**ALTERNATIVE INVESTMENT FUNDS LAW OF 2018 No. 124(I)/2018**

**PUBLIC VARIABLE CAPITAL INVESTMENT COMPANY  
LIMITED BY SHARES**

**MEMORANDUM AND ARTICLES OF ASSOCIATION**

**OF**

**LC LONDON CREDIT AIF V.C.I.C. PUBLIC LTD**

**THIS ALTERNATIVE INVESTMENT FUND IS AN OPEN-ENDED UMBRELLA INVESTMENT COMPANY OF VARIABLE CAPITAL ESTABLISHED IN THE REPUBLIC OF CYPRUS PURSUANT TO THE DECISION TAKEN BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ON 4<sup>th</sup> of MARCH 2019.**

**IT IS EXCLUSIVELY ADDRESSED TO PROFESSIONAL AND WELL-INFORMED INVESTORS.**

**External Alternative Investment Fund Manager: Consulco Capital Ltd**

**Licence Number: AIFM05/56/2013**

**Depository: Eurobank Cyprus Ltd, HE217050**

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**ALTERNATIVE INVESTMENT FUNDS LAW OF 2018 No. 124(I)/2018**

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**PUBLIC VARIABLE CAPITAL INVESTMENT COMPANY  
LIMITED BY SHARES**

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**MEMORANDUM OF ASSOCIATION**

**OF**

**LC LONDON CREDIT AIF V.C.I.C. PUBLIC LTD**

- Name: 1. The name of the Company is:  
**LC LONDON CREDIT AIF V.C.I.C. PUBLIC LTD**
- Registered Office: 2. The Registered Office of the Company will be situated in Cyprus.
- AIF V.C.I.C. Form: 3. The Company is incorporated as a public company limited by shares and authorised by the Cyprus Securities and Exchange Commission to operate as an open-ended Alternative Investment Fund in accordance with Part II of the Alternative Investment Funds Law No.124(1)/2018 ("AIF Law") in the form of an investment company with variable capital. It is structured as an umbrella fund with segregated liability between Compartments. The Company is externally managed in accordance with section 6(2)(b)(i) of the AIF Law by an Alternative Investment Fund Manager authorised pursuant to the Alternative Investment Fund Managers Law 56(I)/2013 ("AIFM Law"), as amended or substituted from time to time for the benefit of its members.
- Objects: 4. The objects for which the Company is established are:
- a) To invest through subsidiaries in bridging and buy-to-let loans asset-backed by real estate and more specifically with first or second legal charge basis. The Company may take any measures and carry out any operations which it may deem useful to the accomplishment and development of its purpose to the full extent permitted by the AIF Law, including the powers listed hereafter. The Company shall not alter its objects or powers in any way which would result in it ceasing to qualify as an alternative investment fund under the AIF Law, without the consent of the Cyprus Securities and Exchange Commission ("CySEC") and any other competent authority of the Republic of Cyprus.
  - b) To provide investors with high returns on solid collateral by engaging in the short and medium term lending market.
  - c) To invest via Loan Origination and sale of loans as permitted by the relevant regulation, law and directives.

The Company as an alternative investment fund addressed to professional and well-informed investors, must comply with the investment restrictions set by the applicable AIF Law, the Directive DI 131-2014-03 regarding the Classification of the AIFs of the Republic as these may be amended or replaced from time to time and other relevant issues as well as by other Directives issued, from time to time, by the CySEC or other competent or regulatory Authority.

5. For the purposes of achieving the objects in clauses 4(a), (b), and (c) above, the Company may take such actions and undertake such operations which it may deem useful for the accomplishment and development of its purpose to the extent permitted by the AIF Law, including the following:
  - a) To perform any activities and services subject to the rules and dictation of CySEC, irrespective of any other conflicting provisions of in the Company's Memorandum and Articles of Association;
  - b) Set up in Cyprus or abroad office for the administration of business carried on;
  - c) To invest the funds of the Company other than in the shares of this Company, in or otherwise acquire, hold and deal in securities and investments of every kind carry for that purpose to participate in unit trust schemes, mutual funds and collective investment schemes and to acquire and invest and hold either in the name of the Company or in that of any nominee, shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities, future contracts, contracts for differences, warrants, rights of property, contractual obligations and rights of any kind, option of all kinds and securities of all kinds created, issued or guaranteed by any bank, financial institution or company wherever incorporated or carrying on business and debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority supreme dependent, local or otherwise in any part of the world;
  - d) to acquire any such shares, stocks, debentures, debenture stock, bonds, notes, obligations or securities by original subscription, contract, tender, purchase, exchange, underwriting, participation in syndicates or otherwise, and whether or not fully paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit;
  - e) to exercise and enforce all rights and powers conferred by or incidental to the ownership of any such shares, stocks, obligations or other securities but the Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body;

Management of assets and investments:

**f)** to manage or offer or agree to manage any assets or investments belonging to any person and/or to make arrangements for the management of any such investments on such terms and conditions as may be agreed between the Company and any such person or body of persons and to invest or in any other way place or contract for any monies which any person may at any time place in the hands of the Company for investment purposes and to handle, convert, replace, realise, reinvest, charge or in any way deal with any funds or investments of any person and in any capacity including the transfer or settlement of any such funds or investments in any trust, settlement or fiduciary arrangement of any type or prescription in any part of the world and under the law of any jurisdiction.

Create Compartments:

**g)** Create, maintain and reduce/liquidate any number of investment compartments for the purpose of furthering its objects and to segregate, allocate to such investment compartments its assets and liabilities in a rational and fair manner and to issue shares for each investment compartment as it deems fit, pursuant to Sections 9 (1) and (4) of the AIF Law.

Provision of consultancy services:

**h)** Give or offer to give or agree to give to any person in their capacity as investors or potential investors, promoters of companies, lenders, borrowers, financiers, sellers, purchasers or in any other capacity, any advice and consultancy services or other assistance for an investment or exercising any right conferred by an investment or as to the expediency to acquire, dispose or, underwrite or convert an investment or for any other matter in respect of any transaction or intended transaction whatsoever and either directly or through any publications, articles, Private Offering Memorandum, offering memoranda or in any other way as the Company shall think fit.

Operation of collective investment schemes:

**i)** To issue, publish or otherwise distribute any Private Offering Memorandum, offering memorandum or other informative document as may be required by law or be deemed necessary or expedient for the Company to do including the issue of any bonds or other securities, instruments or other titles or investments of any kind, including if the Company so wishes, the underwriting for any investments.

Business of a holding and an investment company:

**j)** Carry on the business of a holding and an investment company with its own funds and for that purpose to acquire and hold either in the name of the Company or in that of any nominee, shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business, and debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by the Cyprus government by original subscription, contract, tender, purchase, exchange, or otherwise whether or not fully paid up and subscribe for the same subject to such terms and conditions as may be thought fit and to undertake and promote the establishment of business in any part of the world and to promote to this effect, the creation of companies, partnerships, joint ventures, branches and in general, all forms of carrying on business.

To acquire and provide services and employees:

**k)** Provide or secure from others the provision of all and any assistance, services, employment of any nature referring to the business sector which any person, firm, or company wishes in connection with any business exercised by them including the engagement, training and lease of professional, clerical, manual, technical and other personnel, workers and specialised personnel.

To carry on other business:

**l)** to carry on and undertake any other business or activity or do any act whatsoever which may seem to the Directors capable of being conveniently or advantageously carried on or done or undertaken in connection with any of the above objects or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's business, property or rights and to undertake any work or business commenced or carried on or performed prior to incorporation and which the Company decides to take over or continue;

To deal with property of the Company in general and to advertise:

**m)** to improve, manage, control, cultivate, develop, exploit, exchange, let on lease or otherwise grant, mortgage, charge, sell, dispose of, grant as gift, turn to account, grant rights and privileges in respect of the property assets and rights of the Company or in which the Company is interested or otherwise deal with all or any part of this property of the Company and to adopt such means of making known and advertising the business and products of the Company as may seem expedient;

To pay preliminary and other expenses:

**n)** to pay all costs, charges and expenses incurred or sustained in or about the promotion, formation and establishment of the Company or which the Company shall consider to be in the nature of preliminary expenses or expenses incurred prior to incorporation and with a view to incorporation, including therein professional fees, the cost of advertising, taxes, commissions for underwriting, brokerage, printing and stationery, salaries to employees and other similar expenses and expenses attendant upon the formation and functioning of agencies, local boards or local administration or other bodies, or expenses relating to any business or work carried on or performed prior to incorporation, which the Company decides to take over or continue;

To pay underwriting commission:

**o)** upon any issue of shares, debentures or other securities of the Company, to employ brokers, commission agents and underwriters, and to provide for the remuneration of such persons for their services by payment in cash or by the issue of shares, debentures or other securities of the Company, or by the granting of options to take the same, or in any other manner allowed by law;

To borrow or raise money:

**p)** to borrow, raise money or secure obligations (whether of the Company or any other person) in such manner and on such terms as may seem expedient, including the issue of debentures, debenture stock (perpetual or terminable), bonds, mortgages or any other securities, founded or based upon all or any of the property and rights of the Company, including its uncalled capital, or without any such security, and upon such terms as to

priority or otherwise, as the Company may determine at its discretion on each occasion;

To lend and give credit:

**q)** to give credit to lend or advance money to any person, firm or company, to secure or undertake in any way the repayment of money lent or advanced to any person, firm or company or the liabilities incurred by any such person, firm or company and otherwise to assist any person or company as the Company may think fit;

To draw, etc. negotiate instruments, loans etc.

**r)** Issue, sign, accept, endorse, discount, trade in and otherwise negotiate bills of exchange, promissory notes, bills of lading and other negotiable or transferable instruments or securities. To advance and lend money upon such guarantee or security as the Company may think proper or without taking any such guarantee or security therefore;

To underwrite:

**s)** to issue or guarantee the issue of or the payment of interest on the issue of shares, debentures, debenture stock or other securities or obligations of any company or association and to pay or provide for brokerage commission and underwriting in respect of any such issue;

To invest:

**t)** Invest the monies of the Company not immediately required in such investments, other than in the shares of this Company, as from time to time may be determined by the Directors;

To acquire shares in other companies:

**u)** To acquire by subscription, purchase or otherwise and to accept, take, hold, deal in, convert and sell any kind of shares, stock, debentures or other securities or interest in any other company, society or undertaking whatsoever; provided that such activities will not in any way contravene with the authorization granted to the Company to operate as an Alternative Investment Fund;

To issue shares and securities and remunerate persons in consideration of property of services:

**v)** Issue and allot fully paid shares in the capital of the Company or issue debentures or securities in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company and to remunerate in cash or otherwise any person, firm or company rendering services to the Company or grant donations to such persons;

To provide for officers, employees and their families:

**w)** Provide for the welfare of persons in the employment of the Company (including its officers) or persons formerly in the employment of the Company or its predecessors in business including officers or employees of any subsidiary or associated or allied company of this Company, and the wives, widows, dependants and families of such persons, by grants of money, pensions or other payments, (including payments of insurance premiums) and to form, subscribe to, or otherwise aid, any trust, fund or scheme for the benefit of such persons, and any benevolent, religious, scientific, national or other institution or object of any kind, which shall have any moral or other claims to support or aid by the Company by reason of the nature or the type of its operations or otherwise;

- To promote companies: **x)** Establish, promote and otherwise assist, any company or companies for the purpose of acquiring any of the property or furthering any of the objects of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company;
- To sell undertaking: **y)** Sell, dispose of, mortgage, charge, grant rights or options or transfer the business, property and undertakings of the Company, or any part or parts thereof, for any consideration which the Company may at its discretion accept;
- To accept shares in payment: **z)** Accept stock or shares in, or debentures, mortgage debentures or other securities of any other company in payment or part payment for any services rendered or for any sale made to it by the Company or debt owing to it from any such company;
- To distribute assets in specie: **aa)** Distribute in specie, in cash or otherwise as may be resolved on each occasion any assets of the Company among its Members and particularly the shares, debentures or other securities of any other company belonging to this Company or which this Company may have the power of disposing;
- To establish agencies: **bb)** To establish anywhere in the European Union and the rest of the world branch offices, regional offices, branches, agencies and local boards and for this purpose to regulate and to discontinue the same.
- General powers: Generally, do all such other things as may appear to the Company to be incidental or conducive to the attainment of the above objects or any of them.
- Construction of Objects: The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest possible interpretation shall be given thereto, and they shall not, except when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clauses or from the provisions of any other sub-clause or marginal title or the name of the Company. The said sub-clauses, the objects therein specified and the powers thereby conferred shall not be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause. The Company may exercise all or any of the powers conferred upon it by one or more of the said sub-clauses and to achieve or to endeavour to achieve all or any of the objects specified therein.
- Activities: Notwithstanding anything contained in the objects or any other provision hereinabove, the Company shall be subject to both the provisions of the Companies Law, Cap.113 and the provisions of the AIF Law, as well as any administrative acts of regulations issued thereunder by the Cyprus Securities and Exchange Commission. Any sections of the Companies Law which are specifically disappplied by AIF Law, shall not be applicable to the Company.
- The Company shall at all times abide by the Prevention and Suppression of Money Laundering Activities Law of 2007 (as amended or replaced) and any Guidance Notes / Regulations issued by the Securities and Exchange Commission thereof.

- Liability:
- Capital:
6. The liability of the Members is limited.
  7. The share capital of the Company is variable and shall at all times be equal to the issued share capital of the Company.
  8. The issued share capital of the Company shall at all times be equal to the Net Asset Value of the Company.
  9. The shares of the company shall be redeemed upon its shareholders' request, directly or indirectly from its assets.
  10. The authorised share capital of the Company is 10,100 shares of no par value, divided into:
    - a) 100 Management Shares, of no par value,
    - b) 10,000 Unclassified Investor Shares of no par value.
  11. The issued share capital of the Company shall not be less than 100 Management shares.
  12. (a) The initial share capital of the Company is equivalent to GBP 100 (one hundred Pounds Sterling) divided into 100 Management Shares of no nominal value, offered at GBP 1 (one Pound Sterling) each (hereinafter referred to as the "Management Shares"), with power to increase or reduce such share capital.

(b) The Management Shares will not correspond to an Investment Compartment and shall represent the amount paid on such issued shares.
  13. The Company may consist of one or more Investment Compartments for the purpose of acquiring the underlying assets.
  14. The Company has power to issue any of the shares in the original capital, increased or subject to any preferential, special or qualified rights or conditions as regards repayment of capital, voting rights or otherwise, provided that each class of shares shall rank pari passu in all aspects.



We, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names

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<b>NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS</b>	<b>Number of shares taken by each Subscriber</b>
Consulco Management Services Limited  ..... Marios Hajiroussos - Director Company Limited by Shares Metochiou 73 Egkomi 2407, Nicosia Cyprus Registration No.: HE357637	100 (One Hundred) Management Shares

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Nicosia the 21<sup>st</sup> day of August 2019

Witness to the above signatures:

.....  
Niki Stylianou  
23, Ayioy Lavrentiou Street  
Archangelos  
2055, Strovolos  
Nicosia – Cyprus  
Private Employee

**THE COMPANIES LAW, CAP. 113**

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**ALTERNATIVE INVESTMENT FUNDS LAW OF 2018 No. 124(I)/2018**

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**PUBLIC VARIABLE CAPITAL INVESTMENT COMPANY  
LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**LC LONDON CREDIT AIF V.C.I.C. PUBLIC LTD**

**INTERPRETATION**

1. In these Regulations:

"Administrator":	Means the person appointed from time to time by the External Manager by means of a relevant written delegation agreement to provide one or more of the administration functions laid down in Article 6(1)(b)(i) of the AIF Law (if applicable), otherwise such person being at all times the External Manager
"Alternative Investment Fund (AIF)":	Means any collective investment undertaking, including investment compartments thereof, which collectively:  (a) raises capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and  (b) does not require authorization pursuant to section 9 of the Open-ended Undertakings for Collective Investments Law of 2012 or pursuant to the legislation of another Member State which harmonizes the Article 5 of the EU Directive 2009/65/EC.
"AIF Law":	Means the Alternative Investment Funds Law of 2018 (No. 124(I)/2018) or any other law substituting or amending the same.
"AIFM":	Means an authorised alternative investment fund manager pursuant to the provisions of the AIFM Law.
"AIFM Law":	Means the Alternative Investment Fund Managers Law of 2013 or any law substituting, amending or replacing the same.
"Articles":	Means the Memorandum and Articles of Association as defined in the Companies Law, approved by CySEC and filed with the Registrar of Companies and Official Receiver in the English language only.

“Auditor”:	Means the ‘lawful auditor’ as defined in Section 2(1) of the Auditors Law of 2017 (N. 53(I)/2017) or any law substituting, amending or replacing the same.
“Business Day”:	Means a day which is a bank business day in Cyprus or such day or days as may be specified in the relevant Supplement with respect to a particular Investment Compartment.
“Capital Contribution”:	means, in respect of each Investor, the total amount to be paid by such investor in cash or in kind, as its contribution to the capital of the Fund in consideration of acquiring Investor Shares including any Duties and Charges.
“Class”:	Means a particular division or a sub-class of Investor Shares, in an Investment Compartment with certain characteristics, including but not limited to distribution of revenues, tax treatment, minimum investment amount, minimum holding amount, currency denomination or any other characteristics as the Directors may in their discretion determine from time to time.
“Commission” or “CySEC” or “Regulator”:	Means the Cyprus Securities and Exchange Commission, which operates pursuant to the Law Regulating the Structure, Responsibilities, Powers, Organisation of the Securities and Exchange Commission and other related issues, as amended and any other applicable Secondary legislation and/or directive.
“Companies Law”:	Means the Cyprus Companies’ Law, Cap. 113, or any law substituting or amending the same.
“Compartment” or “Investment Compartment”:	Means a compartment of the Fund representing the designation by the Directors of a particular class or classes of Investor Shares as a compartment the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such compartment and which is established by the Directors from time to time with the prior approval of the CySEC and to which all liabilities, income and expenditure attributable or allocated to such compartment shall be applied and charged. Compartments may be established as open-ended, limited liquidity or closed-ended funds.
“Compartment Supplement” or “Supplement”:	Means any supplement to the Prospectus of the Fund forming an integral part thereto and which is to be read in conjunction thereto, outlining information in respect of an Investment Compartment and its Class(es).
“Cyprus”:	Means the Republic of Cyprus.
“CySEC Directives”:	Means the directives issued by CySEC in exercise of its powers under the provisions of the AIF Law and the AIFM Law, as published in the official gazette of the Republic of Cyprus.
“Depositary”:	Means the legal person entrusted with at least one of the depositary tasks set out in article 24 of the AIFM Law.

“Directors”:	Means the members of the Board of Directors of the Fund for the time being and any successors to such members as may be appointed from time to time.
“Distributions”:	Means payment effected by the AIF to its unitholder, exclusive of payments relating to the redemption or repurchase of units.
“Distributing Class of Investor Shares” or “Distributing Classes of Investor Shares”:	Means a Class or Classes (as the case may be) which may distribute the net income attributable to such Class or Classes (as the case may be) as more particularly described in the relevant Supplement.
“Duties and Charges”:	Means all stamp duty and other duties, taxes, governmental charges, valuation fees, agents fees, brokerage fees, commissions, bank charges, transfer fees, registration fees, whether in respect of the constitution or increase of the assets of the Fund or the creation, issue, redemption or transfer of Investor Shares of any Compartment or Class or the purchase of Investments by or on behalf of the Fund or in respect of the issue or cancellation of Investor Shares of any Compartment or Class or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation, including Redemption Fees, Administration fees, Management Fees, Performance Fees or Entry Fees (if any) payable on the redemption and issue of Investor Shares respectively.
“Entry Fee” or “Subscription Fee”:	Means an amount (if any) payable on the issue of the Investor Shares which may be deducted from the Subscription Price, as determined by the Directors and as further detailed in the Articles, the Prospectus and/or the relevant Compartment Supplement.
“External Manager”:	Means a person appointed to manage the investments of an AIF or RAIF or AIFLNP, including the AIF which is an internally managed AIF and the AIFLNP which is an internally managed AIFLNP.
“Externally Managed AIF”:	Means an AIF authorised to operate subject to the provisions of Chapter 2 of Part II.
“Fund” or “Company”:	Means LC London Credit AIF V.C.I.C. Public Ltd, a public company limited by shares under the Companies Law and licensed by the Cyprus Securities and Exchange Commission on 4 <sup>th</sup> March 2019, to operate as an Alternative Investment Fund under the AIF Law, having license no. AIF50/2018, the activities and operation of which shall be governed by the terms and conditions of its Articles of Association and the Prospectus.
“Gate”:	Means the restriction placed by the Fund, if any, whereby the amount of redemptions in a Compartment are limited on a particular Redemption Day to a stated maximum percentage of the respective Compartment’s assets, as such shall be determined in the relevant Supplement as may be applicable.
“General Meeting”:	Means the meeting of the holders of the Management shares of the Fund held as specified in these Articles of Association.

“Initial Offering Period”:	Means the period (if any) as may be determined by the Directors in the relevant Supplement, during which Investor Shares of any Compartment may be offered by the Fund for subscription at a fixed Subscription Price. For the avoidance of doubt, this period may be shortened or extended at the Directors’ discretion.
“Initial Subscription Date”:	(i) the Business Day immediately following the last day of the Initial Offering Period in respect of Investor Shares in a particular Compartment, or (ii) such Subscription Day or such other day or days as the Directors may determine on which the first subscription(s) for the relevant Compartment will have been accepted at a fixed Subscription Price.
“Investment”:	Means any investment made or asset or other interest acquired on behalf of any Compartment of the Fund in accordance with the Investment Strategy and/or in the course of pursuing the objectives described in each Compartment Supplement of the Fund.
“Investor Shares”:	Means a share in the capital of an Investment Compartment which is designated as such and is available for Investors and may be divided in one or more Classes and has been issued in accordance with the Information Memorandum, including the relevant Supplement, and the provisions of the Articles.
“Investor Shareholder”:	Means the sole or joint holder of record of one or more Investor Shares, who qualifies at all times as a Professional Investor or a Well-Informed Investor.
“Leverage”:	Means the method by which: <ul style="list-style-type: none"> <li>(a) the External Manager increases the exposure of an AIF it manages to risk; or</li> <li>(b) the AIF, in case it is internally managed, increases its exposure to risk,</li> </ul> <p>whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.</p>
“Lock-up period”:	Means the period in a Compartment starting from the relevant Subscription Day and/or the relevant Subscription Day during which the Investor Shareholders are prohibited from redeeming their Investor Shares including any Classes thereof and as determined for such particular Compartment in the relevant Supplement.
“LTV” or “Loan-to-Value”:	Means the ratio percentage, of the loan given out against the value of the property offered as security for that loan.
“Management Shares”:	Means the non-redeemable, voting shares in the capital of the Fund, which are not used for investment purposes and are not available for Investors.

“Management Shareholder”:	Means the holder(s) of Management Shares.
“Minimum Holding”:	Means the minimum amount or value of Investor Shares as may be determined by the Directors that must be held by an Investor at any time and further defined in the relevant Supplement.
“Minimum Subscription Amount”:	Means the minimum amount that must be invested by a prospective investor in respect of the subscription of Investor Shares in a Compartment or Class as shall be determined by the Directors and specified in the relevant Supplement (subject to the discretion of the Directors who may, in certain cases, accept subscriptions for a lesser amount).
“Net Asset Value”:	Designates all of the net assets of the Investment Compartment, with respect to any Class or sub-class, calculated in accordance with the terms and conditions of this Prospectus/Offering Document.
“Net Asset Value per share”:	Means the relevant Net Asset Value divided by the number of Investor Shares, including Classes thereof, in issue within the relevant Investment Compartment.
“Open-ended”:	Means an AIF type where its shares are, at the request of any of its Shareholders, repurchased or redeemed prior to the commencement of its liquidation phase or wind-down, directly or indirectly, out of the assets of the AIF and in accordance with the procedures and frequency set out in the AIF’s Articles of Association and Prospectus.
“Performance Fees”:	Means a fee payable to the AIFM as further described in the Prospectus and/or the relevant Compartment Supplement.
“Person”:	Means an individual, firm or corporation.
“Professional Investor”:	Means an investor which is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II of the Investment Services and Activities and Regulated Markets Law as amended.
“Prohibited Person”:	Mean any Person applying for subscription of Investor Shares or an existing Investor (i) that does not meet or has ceased to meet the requirements of a Well-informed Investor /Professional Investor, and/or (ii) that for legal, tax, regulatory or any other reason which from time to time is determined by the Directors, in their sole discretion, is prohibited from being an Investor.
“Prospectus”, “Offering Memorandum”:	Means this information memorandum, within the meaning of the AIF Law, which has been produced in accordance with the relevant provisions of the AIFM Law and of the AIF Law as it may be modified or supplemented from time to time in accordance therewith subject to the prior approval of CySEC.
“Redemption”:	Means the sale to or purchase by the Fund of the Investor Shares held by a Compartment’s Investor Shareholders.

"Redemption Date" or Redemption Day":	Means such day or days as the Directors may from time to time determine as of which Investor Shares may be redeemed, subject to the Lock-Up Period (as applicable) and as further determined in the relevant Supplement.
"Redemption Notice Period":	Means the notice period for receiving requests for redemption of Investor Shares, prior to the Redemption Date, subject to the Lock-Up Period, unless otherwise determined by the Directors and as set forth in the Articles, the Prospectus and/or the relevant Compartment Supplement.
"Redemption Price":	Means the calculated price at which Investor Shares in a Compartment shall be redeemed by the Fund at the request of Investor Shareholders pursuant to these Articles.
"Reference Currency":	The currency in which the Fund is denominated being the GBP and is the currency (i) in which the unitary financial statements for the aggregate of the Compartments are drawn, and (ii) in which the share capital of the Fund is expressed.
"Register":	Means the register of Shareholders of each Compartment of the Fund, which shall include, amongst others, the following information:  <ul style="list-style-type: none"> <li>(a) Name and address of each Shareholder;</li> <li>(b) Details of that Shareholder's participation;</li> <li>(c) Details regarding when such participation was acquired and, if applicable, transferred or disposed;</li> </ul> <p>Any other information that might be required to comply with the AIF Law.</p>
"Shareholder" or "Member":	Means the holder of Shares in the Fund.
"Share":	Means a share issued in the Fund as recorded in the Register and includes any Management Share and/or Investor Share as the context may require.
"Subscription Date" or "Subscription Day":	Means after the Initial Offer period, the date or dates on which Investor Shares are issued and allotted to Investor Shareholders, as further determined in the relevant Supplement.
"Subscription Notice Period":	The notice period for receiving requests for subscription of Investor Shares prior to the Subscription Day selected for subscription unless otherwise determined by the Directors and as described in the Prospectus and/or the relevant Supplement.
"Subscription Price":	Means the Investor Share price, as set out in the Compartment Supplement, up to the Initial Subscription Date and at the Fund NAV thereon after, as calculated at the Valuation Day following receipt of the Subscription Form. The above price is net of any applicable sum which the Directors may in their absolute discretion determine as an appropriate provision for Duties and Charges in respect of the issue of Investor Shares and which is

to be paid over and above the Subscription Price. Such price to be initially fixed by the Directors and thereafter, being the prevailing Net Asset Value per Share.

"Term":	The term of the Fund is indefinite. The Directors may at their sole discretion decide to dissolve and liquidate the Fund for reasons that they deem would benefit the Shareholders.
"the seal":	Means the common seal of the Fund.
"the Secretary":	Means any person appointed to perform the duties of the secretary of the Fund.
"Umbrella AIF":	Means an AIF established and operating as an AIF with more than one investment compartments or which has been converted to and operates as an AIF with more than one investment compartments.
"Unclassified Investor Shares"	Means the Investor Shares to be designated on issue, into such Compartment and into such Classes within a Compartment as the Directors may from time to time determine.
"Valuation Date" or "Valuation Day":	Means a Business Day or any day or days as the Directors may from time to time determine as of which the Net Asset Value will be calculated in accordance with the provisions of the Prospectus and/or relevant Compartment Supplement, the Articles and IFRS-EU for the purpose of determining the price at which Investor Shares may be issued, cancelled or redeemed provided that there shall be at least one valuation day in respect of each Subscription Day and, Redemption Day and as at the end of each annual and half-yearly reporting period.
"Variable Capital Investment Company" or "V.C.I.C."	Means a company established or converted into a variable capital investment company in accordance with the Companies Law and is licensed to operate as an AIF in accordance with Chapter 2 of Part II or as an AIFLNP in accordance with Part VIII, in the form of a variable capital investment company pursuant to the AIF Law.
"Well Informed Investor":	Means an investor who is not a professional investor but fulfils the following criteria: <ul style="list-style-type: none"> <li>(a) the investor confirms in writing: <ul style="list-style-type: none"> <li>i. that he has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks associated with the prospective investment and that he is aware of the risks associated with the prospective investment; or</li> <li>ii. that this business activity is related to the management, acquisition or sale of assets, either on the investor's own account or on behalf of third parties, and are of the same type as the investments of the AIF; and</li> </ul> </li> <li>(b) (i) invests at least €125,000 in the AIF; or</li> </ul>



- (ii) has been assessed by a credit institution, an AIFM, a UCITS Management Company, an Investment Firm or an external manager of AIFs authorised in Cyprus or another Member State for the management of AIFs whose assets of not exceed the limits provided for in article 4(2) of AIFM Law, or the corresponding article 3(2) of Directive 2011/61/EU, and the above assessment shows that he has the necessary knowledge and experience in financial and business matters, to evaluate the merits and risks associated with the AIF's prospective investment based on the AIF's investment policy; or
- (iii) is employed by one of the persons referred to in subparagraph (ii) of paragraph (b) hereof, receiving total remuneration that takes him into the same remuneration bracket as the natural persons who effectively conduct the business of that persons at issue or the executive members of their governing body, who effectively conduct their business.
- (c) By way of derogation from paragraphs (a) and (b) hereof, the investor is a person who effectively directs the business of the AIF or its external manager or is a person engaged in the AIF's investment management functions.

Expressions referring to "writing" shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Regulations shall bear the same meaning as in the Companies Law or any statutory modification thereof in force at the date at which these Regulations become binding on the Fund.

#### **TABLE "A" EXCLUDED**

2. The Regulations contained in Table "A" in the First Schedule to the Companies Law shall not apply except so far as the same are repeated or contained in these Regulations.

#### **PRELIMINARY**

3. The Fund is a public company limited by shares, of unlimited duration, and incorporated under the Companies Law, Cap. 113, as amended, licensed by Cyprus Securities and Exchange Commission to operate as a open ended umbrella AIF in the form of an investment company of variable capital, in accordance with Part II of the AIF Law and:
  - a) the right to transfer shares is restricted in the manner hereinafter prescribed;
  - b) any invitation to the public to subscribe for any shares or debentures of the Fund is prohibited;
  - c) The shares of the Fund are only addressed to well-informed and/or Professional Investors;
  - d) the Fund shall not have power to issue bearer shares;

- e) pursuant to Section 60 of the AIF Law, any amendment to the Memorandum or the Articles of Association shall not be valid without prior consent of the CySEC. Such amendments shall be immediately communicated from the External Manager to the shareholders.
- f) The redemption or repurchase of the Shares in the Fund shall take place in accordance with the conditions stated in these Articles and as may be further specified in the Prospectus.
- g) the Fund shall at all times abide by any Guidance Notes or Regulations issued by CySEC under section 59(4) of the Prevention and Suppression of Money Laundering Activities Law of 2007 (as amended or replaced).
- h) the Fund shall not remove and or accept the resignation of, and or appoint a director without the prior approval of the CySEC.
- i) CySEC shall not be liable by virtue of its recognition of the alternative investment fund by reason of its exercise of the functions conferred on it by the AIF Law. Recognition of the alternative investment fund does not constitute a warranty by the CySEC as to the creditworthiness of financial standing of the various parties to the alternative investment fund.
- j) the Fund shall have the power to issue or give effect to any transfer of shares to any person who is qualified to subscribe or acquire shares in the Fund.
- k) provided that in case the Fund shall have one member, the Articles contained in or made applicable by Part III of Table A shall also apply to the Fund but in case of any variation or inconsistency between these articles and Table A, these articles shall prevail.

## **BUSINESS**

- 4. The Fund shall pay all preliminary and other expenses and enter into, adopt or carry into effect and take over or continue (with such modifications, if any, as the contracting parties shall agree and the Board of Directors shall approve), any agreement or business or work reached or carried on (as the case might be) prior to incorporation, as the Fund may decide.
- 5. The Fund shall pay all preliminary and other expenses including the organisational expenses and the amounts so payable in the accounts of the Company may be carried forward and amortised in such manner and over such period as the Directors may determine and the Directors may at any time and from time to time determine to lengthen or shorten any such period. All preliminary expenses, and the expenses contain in Regulation 6 below, will be charged against current income or against realised capital gains, and, if need be, against assets as the Directors may from time to time decide.
- 6. The Fund shall also bear the following expenses:
  - a) all expenses incurred in connection with the establishment of the Fund;

- b) all taxes which may be payable on the assets, income and expenses chargeable to the Fund;
- c) standard brokerage and bank charges incurred by the Fund's business transactions;
- d) all fees and expenses due to the auditors, the legal consultants to the Fund and the Secretary;
- e) all expenses connected with publication and supply of information to Shareholders, in particular, the cost of translating, printing, distributing any prospectus which may be issued, the annual audited report, the half-yearly reports and any other periodic reports and the calculation and publication of the Net Asset Value per Share and of any notices given to Shareholders in whatever manner;
- f) all expenses involved in registering and maintaining a fund registered with all competent authorities and recognised exchanges in various countries and jurisdictions including, but not limited to, all translation expenses;
- g) all expenses incurred in connection with the Fund's operation and management including, but not limited to, all Fund secretarial expenses and all Companies Registration Office filings and statutory fees.

It is clarified that fees and expenses incurred in relation to a particular Compartment will be applied to that Compartment. Fees and expenses incurred in relation to more than one Compartment shall be allocated equally between the different Compartments unless as otherwise determined by the Directors as being in the best interests of the Investors as provided in these Articles under the heading Compartment Expenses

### **INVESTMENT OBJECTIVES**

- 7. The Fund's primary investment objective is to maximise return through investments of subsidiaries in real estate bridging finance transactions.
- 8. The Fund may invest as permitted by the AIF Law and subject to the limitations set out therein.
- 9. The investment objective, policies and restrictions of the Fund and of each Compartment shall be set out in the Prospectus and specific investment objectives, policies and restrictions relating to any such Compartment will be formulated by the Directors at the time of the creation of the relevant Compartment.
- 10. The Directors shall have the discretion, subject to the prior approval of CySEC and any Investor consent (as required and if applicable) to amend or supplement the investment objectives, policies and restrictions of the Fund and of each and any Compartment.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

11. The share capital of the Fund is variable and shall at all times be equal to the issued share capital of the Fund. The issued share capital of the Fund shall at all times be equal to the Net Asset Value of the Fund as determined in accordance with Regulation 57 hereof.
12. The initial share capital of the Fund is equivalent of GBP 100 (One Hundred Pound Sterling) and is divided into the following:
  - (a) 100 Management Shares of no nominal value, offered at initial price of GBP 1 (One Pound Sterling) each, with power to increase or reduce such share capital (hereinafter referred to as the "Management Shares").
13. Subject to the provisions of the present Regulations and the Companies Law:
  - (a) Any issued Management Shares shall:
    - a) carry voting rights in respect of all matters to be resolved in a General Meeting of the Fund;
    - b) not be entitled to all dividends and/or other distributions to be made out of the profits of the Fund;
    - c) not be redeemable, and
    - d) on a return of capital on a winding up or otherwise:
      - i. shall have the right to repayment of capital after the return of capital paid up on the Investor Shares; and
      - ii. after the return of capital be entitled to the surplus of assets of the Fund.
  - (b) Any issued Investor Shares for any Investment Compartment ("Investor Shares") shall:
    - (a) not confer upon the holders thereof the right to receive notices of or to attend and vote at any General Meetings of the Fund except in the event of any such general meetings which are explicitly required whether in respect to the Fund or a particular Compartment or Class under the provisions of these Regulations or the AIF Law or any other applicable laws;
    - (b) be redeemed on such terms and in such manner as described in Regulation 43 hereof;
    - (c) be offered for transfer/sale to existing Investor Shareholders and will be transferred/sold to existing Investor Shareholders subject to the provisions of these Articles, under the heading Transfer of Shares;
    - (d) be entitled to all dividends and/or other distributions to be made out of the profits of the Fund of the respective Compartment or Class;

- (e) on a return of capital on a winding up or otherwise:
    - i. shall rank in priority to the Management Shares to the return of the capital paid up thereon and;
    - ii. after the return of capital be entitled to the surplus of assets of their respective Compartment upon its liquidation.
  - (f) Shall not be subject to pre-emption rights on issue or transfer.
14. Any shares to be issued shall be at the disposal of the directors who may by resolution and subject to these Regulation, allot or otherwise dispose of them, to such persons at such times and generally on such terms and conditions as they think proper.
15. The Directors may designate the Investor Shares on issue, into such Compartments and into such Classes within a Compartment as they may from time to time determine as further detailed under Regulation 36.
- 15A. The Directors may delegate to the External Manager or any duly authorized person any of the powers, duties discretions and/or functions exercisable by them as Directors to include the duties of accepting the subscription, redemption for, receiving payment for and delivering new Investor Shares as they deem fit.
16. The Fund shall not issue any additional Management Shares except pursuant to the following provision:
- (a) The Fund shall give written notice of the issuance of any such Management Shares to the existing holders. Such offer shall be made by notice fixing the number of Management Shares which each such holder is entitled to be allotted and restricting the time within which the offer, if not accepted, shall be deemed as having been declined. After the expiration of such time period or on such receipt of a declaration by the holder to whom such notice is given that he declines to accept the Shares offered, the Directors may allot or otherwise dispose of the same to such persons and under such conditions as they would deem fit. It is clarified that any such offer shall be made in proportion as nearly as may be to the number of Shares held by the respective holders of the Management Shares.
  - (b) Notwithstanding the above, no Management Shares may be issued and allotted to any existing holder thereof or a new Shareholder, without the prior notification and (where required) consent of CySEC.
17. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the Fund may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to voting, return of capital or otherwise, as the Fund may from time to time by ordinary resolution determine.
18. Whenever the share capital is divided into different Compartments or different Classes of Investors Shares within a Compartment, the special rights attached to any Compartment or Class (and the special rights attaching to any such Class shall be disclosed in the relevant Supplement) may (unless otherwise provided by the terms of issue of the Investor Shares

of that Compartment or Class within that Compartment), whether or not the Fund is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Investor Shares of the relevant Compartment or Class or the sanction of a Special Resolution passed at a separate extraordinary general meeting of the holders of Investor Shares of the relevant Compartment or Class. To every such separate general meeting the provisions of these Regulations relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy two-thirds of the issued Investor Shares of the relevant Compartment or Class and that any holder of Investor Shares of the relevant Compartment or Class present in person or by proxy may demand a poll.

19. The special rights conferred upon the holders of any Investor Shares of any Compartment or Class within a Compartment issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Investor Shares of that Compartment or Class, be deemed to be varied by the creation or issue of further Investor Shares ranking *pari passu* therewith. The special rights attaching to any Class of Investor Shares within a Compartment shall be disclosed in the relevant Supplement.
20. The Fund may exercise the powers of paying commissions conferred by section 52 of the Companies Law, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate of 5 per cent of the price at which the shares in respect whereof the same is paid are issued. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Fund may also on any issue of shares pay such brokerage as may be lawful.
21. Except as required by law, no person shall be recognised by the Fund as holding any shares upon any trust, and the Fund shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
22. A Shareholder shall have his title to Shares evidenced by having his name, address and the number of Shares held by him entered in the Register which shall be maintained in the manner required by applicable laws. An acknowledgement of the subscription will be made by the issue of a confirmation which will be sent by the Directors or the Administrator as their delegate, to the Investor or to the Investor's authorised agent (if one is appointed) by ordinary post, electronic mail or facsimile within such period after the relevant Subscription Day as determined in the Prospectus, providing details of the subscription. If the Investor so requests, a share certificate ("Share Certificate") in the form approved by the Directors from time to time will be issued.
23. The Directors shall be entitled to charge an Investor such fee as they determine appropriate in respect of the cost of a written confirmation of ownership or Share Certificate.

24. If a written confirmation of ownership or Share Certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, a new written confirmation of ownership or Share Certificate representing the same Investor Shares may be issued to the Investor upon request subject to delivery of the old written confirmation of ownership or Share Certificate or (if alleged to have been lost, stolen or destroyed) upon compliance with such conditions as to evidence and indemnity and the payment of exceptional out-of-pocket expenses of the Fund in connection with the request as the Directors may think fit.
25. The Register shall be kept in such manner as to show at all times the Shareholders of the Fund for the time being and the Shares respectively held by them. The Register may be kept in the form of electronic records or by other similar means, provided that legible evidence can be produced therefrom to satisfy the requirements of applicable law and the provisions of these Regulations.
26. The Directors shall cause to be entered in the Register, in addition to the particulars required to be so entered by Law, the following particulars:
  - (a) the name and address of each Shareholder (save that in the case of joint holders, the address of the first named holder only need be entered), a statement of the Shares (whether Management Shares or Investor Shares, and in relation to Investor Shares of which Class in a Compartment) held by him and of the amount paid on such Shares;
  - (b) the date on which each Person was entered in the Register as a Shareholder; and
  - (c) the date on which any Person ceased to be a Shareholder.
27. The Directors shall not be bound to register more than four Persons as the joint holders of any Share or Shares. In the case of a Share held jointly by several Persons, the Directors shall not be bound to issue therefore more than one written confirmation of ownership or Share Certificate and the issue of a written confirmation of ownership or Share Certificate for a Share to the first named of several joint holders shall be sufficient delivery to all.
28. Where two or more Persons are registered as the holders of any Shares they shall be deemed to hold the same as joint holders, subject to the following provisions:
  - (a) the joint holders of any Shares shall be liable, severally, as well as jointly, in respect of all payments which ought to be made in respect of such Shares;
  - (b) any one of such joint holders may give effectual receipts for any dividend, bonus or return of capital payable to such joint holders;
  - (c) only the first-named of the joint holders of a Share shall be entitled to delivery of the written confirmation of ownership or Share Certificate relating to such Share or to receive notices from the Fund to attend general meetings of the Fund. Any written confirmation of ownership or Share Certificate delivered to the first-named of joint holders shall be effective delivery to all, and any notice given to the first-named of joint holders shall be deemed notice given to all the joint holders;

- (d) the vote of the first-named of joint holders who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders; and
- (e) for the purpose of the provisions of this Regulation, the first-named shall be determined by the order in which the names of the joint holders stand in the Register.

### **SUBSCRIPTION AND ALLOTMENT OF INVESTOR SHARES**

29. (a) Subject to applicable laws, the provisions of the Prospectus and the present Regulations, the Fund may, with effect from the Initial Subscription Day or on any Subscription Day (as applicable), issue and allot Investor Shares in such Classes within a Compartment or Class respectively, as may be created from time to time by the Fund, provided that:

- i. an irrevocable application for Investor Shares in the relevant Compartment or Class in such form as the Directors may from time to time determine;
- ii. such declarations as to the applicant's status, identity, residence and otherwise as the Directors may from time to time require; and
- iii. full payment for Investor Shares in such manner and within such usual time limits as the Directors from time to time may specify,

are received by the Fund before the lapse of any such period prior to the Subscription Date (as applicable) selected for subscription as determined by the Directors in relation to the Compartment or Class.

(b) Applications received after the lapse of the abovementioned prescribed period in relation to the Subscription Day (as applicable) shall be treated as an application for Investor Shares received on the next Subscription Day following such receipt and the Subscription Price shall be determined accordingly at such time in accordance with the provisions of these Regulations.

(c) All Investor Shares shall be fully paid up upon issue.

(d) The Directors shall not approve of any application for subscription of Investor Shares where (i) the applicant is a Prohibited Person or (ii) subject to the provisions of these Regulations, the Capital Contribution of the applicant is less than the Minimum Subscription Amount.

(e) The Directors in their absolute discretion may reduce the Minimum Subscription Amount in general or in a particular case.

(f) The Directors may decline any application for the issue of Investor Shares, in whole or in part, without assigning any reason therefore in which event the capital contribution or any balance thereof will be returned to the applicant, in such manner as determined by the Directors at the applicant's risk.



- (g) The Directors may delegate to any duly authorized person or firm the duties of accepting the subscription for, receiving payment for and delivering new Investor Shares.
30. The Directors can, in their absolute discretion, close, suspend or restrict the right for new subscriptions into a particular Compartment or Compartments, or a particular Class or Classes, (i) for such reason and for a specified period which they shall determine, and (ii) either in respect of all Investors, or new applicants of Investor Shares only.
31. No fractions of Investor Shares are allowed and where any capital contribution for Investor Shares received are not an exact multiple of the capital contribution per Investor Share applied for, a fraction of an Investor Share will not be issued but the number of Investor Shares to be allotted will be rounded to the nearest whole number.
32. The Directors may at their sole and absolute discretion, waive any notice requirements or permit subscriptions under such other circumstances as they deem appropriate, provided that such action will not adversely affect the interests of the Fund and/or the Investors.
33. Any Investor Share can be given by an Investor as a pledge or as security for a loan, debt or obligation without the sanction of the Directors subject always to the provisions of section 58(5) of the AIF Law. The Fund upon notification received from the Investor shall arrange for the proper records to be kept in this respect.

#### **SUBSCRIPTION PRICE OF THE SHARES**

34. The Subscription Price per Share at which the allotment of Investor Shares in any Compartment or of any Class shall be made, shall be fixed by the Directors, who may add thereto such sum as they in their absolute discretion may determine as an appropriate provision for Duties and Charges in respect of the allotment and issue of the Investor Shares, subject always to the resulting total being rounded to up two decimal places.
35. The Subscription Price per Investor Share at which the allotment of Investor Shares shall be made following the Initial Offer Period shall be ascertained by:
- (a) Determining the Net Asset Value per Share of the relevant Compartment or Class of Investor Shares (as determined in accordance with these Regulations) prevailing on the relevant Subscription Date on which the subscription is made and adding thereto such sum as the Directors in their absolute discretion may from time to time determined as an appropriate provision for Duties and Charges;
  - (b) Rounding the resulting total calculated under (a) above up to two decimal places as further set out in the Prospectus.

For the avoidance of doubt, the Net Asset Value per Share prevailing on the relevant Subscription Date under paragraph (a) of the present Regulation, shall be calculated on the Valuation Date preceding such Subscription Date, subject to the discretion of the Directors to determine otherwise, having the interest of the Investors in mind.

## INVESTMENT COMPARTMENTS

36. Pursuant to Sections 9 of the AIF Law, the Fund may create separate and distinct Investment Compartments. Each Compartment will have separate Investor Shares issued corresponding to the assets constituting its respective pool of assets. The Fund may also issue Investor Shares of different Classes in each Compartment, and thus a Compartment may have more than one Class of Investor Shares allocated to it. Each Class of Investor Shares and/or each Compartment may have different policies with respect to currency, dividend policy, frequency of subscriptions and/or redemptions. When issuing a Class of Investor Shares in a Compartment, the Directors may allocate entry fees, Duties and Charges and ongoing expenses on a basis different than the basis applicable for other Classes of Investor Shares in that Compartment. The rights of Investors in a Compartment are limited to the assets of that Compartment.
37. The assets of each Compartment shall belong solely to that respective Compartment, and the assets at issue shall not be used, directly or indirectly to satisfy the rights of the Investors or any creditor claims or liabilities of any other Compartment.
- (a) For each class of Shares the Fund shall keep separate books in which all transactions relating to a Compartment shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each such class of each Compartment, the Investments and liabilities and income and expenditure attributable thereto shall be applied or charged to such Compartment subject to the provisions of these Regulations;
  - (b) Any assets derived from any other assets (whether cash or otherwise) comprised in any Compartment shall be applied in the books of the Fund to the same Compartment as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Compartment;
  - (c) In the event that there are any assets of the Fund which the Directors do not consider are readily attributable to a particular Compartment or Compartments, the Directors shall allocate such assets to and among any one or more of the Compartments in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may at any time and from time to time vary such basis in respect of assets not previously allocated;
  - (d) where the Fund incurs a liability which relates to any asset of a particular Compartment or to any action taken in connection with an asset of a particular Compartment, such a liability shall be allocated to the relevant Compartment;
  - (e) where an asset or a liability of the Fund cannot be considered as being attributable to a particular Compartment, subject to the approval of the Auditor, the Directors shall in their absolute discretion determine the basis upon which any such asset or liability shall be allocated among all or any of the Compartments and they shall further have the power at any time and from time to time to vary such basis;

Provided that when issuing a Class of Investor Shares in regard to any Compartment, the Directors may allocate any Duties and Charges and ongoing expenses on a basis which is different from that which applies in the case of Investor Shares in other Classes in the Compartment;

- (f) Notwithstanding any statutory provision or rule of law to the contrary, any liability incurred on behalf of or attributable to any Compartment of the Fund shall be discharged solely out of the assets of that Compartment, and neither the Fund nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Compartment in satisfaction of any liability incurred on behalf of, or attributable to, any other Compartment;
- (g) There shall be implied in every contract, agreement, arrangement or transaction entered into by the Fund the following terms, that the party or parties contracting with the Fund shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Compartment in the discharge of all or any part of a liability which was not incurred on behalf of that Compartment;
- (h) Any asset or sum recovered by the Fund pursuant to the implied terms set out in paragraph (g) above or by any other means whatsoever or wheresoever in the events referred to in those paragraphs shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the Compartment;
- (i) In the event that assets attributable to a Compartment are taken in execution of a liability not attributable to that Compartment, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to that Compartment affected, the Directors, with the consent of the Auditor, shall certify or cause to be certified, the value of the assets lost to the Compartment affected and transfer or pay from the assets of the Compartment or Compartments to which the liability was attributable, in priority to all other claims against such Compartment or Compartments, assets or sums sufficient to restore to the Compartment affected, the value of the assets or sums lost to it.

38. A Compartment is not a legal person separate from the Fund but the Fund may sue and be sued in respect of a particular Compartment and may exercise the same rights of set-off, if any, as between its Compartments as apply at law in respect of companies and the property of a Compartment is subject to orders of the court as it would have been if the Compartment were a separate legal person.

39. In any proceedings brought by any Investor holding Investor Shares, any liability of the Fund to such Investor in respect of such proceedings shall only be settled or any proved liability paid out of the assets of the Compartment in which the Investor Shares in question are in issue without recourse in respect of such settlement or liability or any allocation thereof of any other Compartment.

### **COMPARTMENT EXPENSES**

40. Each Compartment shall be charged with the Duties and Charges, the liabilities, expenses, costs, charges or reserved of the Fund in respect of or attributable to that Compartment. Such fees include, but are not limited to, setting up fees relating to that Compartment's launching, management fees, performance fees, commissions, professional fees, VAT and tax payable, Depositary fees and other such fees to advisors of any associated directly with that Compartment.
41. Any such Duties and Charges, liabilities, expenses, costs, charges or reserves of the Fund not readily attributable to any particular Compartment or Compartments shall be allocated by the Directors in such manner and on such basis as the Directors in its discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time vary such basis including, where circumstances so permit, the reallocation of such Duties and Charges, liabilities, expenses, costs, charges and reserves.

### **COMPARTMENT CROSS INVESTMENTS**

42. An investment compartment of the Fund ("the Investor Compartment") may invest in another investment compartment or compartments of the Fund ("the Target Compartment"), provided that the following conditions are complied with:
- (a) The Investor Compartment invests in total up to 35% of its assets in a Target Compartment;
  - (b) The Target Compartment shall not invest in the Investor Compartment;
  - (c) The voting rights, if any, attached to the Shares corresponding to the investment made by the Investor Compartment in the Target Compartment, are suspended for as long as they are held by the Investor Compartment;
  - (d) The value of the Shares that correspond to the investments of paragraph (a) above, is not included twice in the calculation of the net asset value of the capital of the Fund;
  - (e) Any remuneration or management fees, marketing, redemption or repurchase fees, as well as any expenses regarding the marketing, redemption or repurchase of Shares related to the investment of the Investor Compartment in the Target Compartment shall not be charged.

### **REDEMPTION OF INVESTOR SHARES**

43. a) The Directors may, with the prior notification and approval (where required) of CySEC, suspend the redemption of Investor Shares of all and any Compartments or Class in exceptional circumstances so required and where such suspension is justified as being in the best interests of Investors. In such case the Directors shall duly notify of such suspension and receive the approval of CySEC and shall further notify the other competent authorities where the Investor Shares are being marketed. Redemptions will also be suspended for Investor Shares in a particular Compartment or Compartments or Class or

Classes, under those circumstances under which the Net Asset Value of such Compartment(s) or Class/es (as applicable) cannot be determined as further set out in these Regulations and the Prospectus.

Notice of any such suspension and notice of the termination of any such suspension shall be made by the Fund in such manner as the Directors may deem appropriate or as otherwise required by CySEC and/or applicable laws to the Investors, the Regulator and any other relevant authority.

If the determination of the Net Asset Value per Share is suspended on any Redemption Day by reason of a notice by the Directors pursuant to the provision of the Regulations hereof, the right of the applicant to have his Investor Shares redeemed pursuant to this Regulation shall be similarly suspended and during the period of suspension such applicant may withdraw the request for redemption of its Investor Shares. Any withdrawal of a request for redemption under the provisions of this Regulation shall be made in writing and shall only be effective if actually received by the Fund or its delegate before termination of the suspension. If the request is not withdrawn the redemption of the Investor Shares shall be made on the Redemption Day next following the end of the suspension or on such other Business Day following the end of the suspension as the Directors at the request of the applicant may agree.

b) CySEC may at its own initiative suspend the redemption or repurchase of the Investor Shares.

44. A request for redemption of Investor Shares shall be in such form and shall be made in such manner as may be set out in the Prospectus or as the Directors shall prescribe and shall be delivered by the Investor to the External Manager or to such address designated by the Directors from time to time at any time prior to the Redemption Notice Period, set out in the Prospectus, accompanied by the share certificate (if any) duly endorsed by the Investor, in relation to such Investor Shares or by such proper evidence as the Directors may at their absolute discretion require in relation to succession or assignment, if applicable.
45. Subject as herein provided, the Investor shall not be entitled to revoke or withdraw a request for redemption of his Shares duly given in accordance with the present Regulations.
46. Such redemption requests as are received by or on behalf of the Fund after the expiration of such period as determined in Regulation 44 above, shall be treated as having been received by and on behalf of the Fund on the following Redemption Day, subject to the discretion of the Directors to determine otherwise if they deem that such action will not adversely affect the interests of the Fund, the particular Compartment and/or the Investors.
47. For the purposes of Regulation 43 above "Redemption Price" for an Investor Share of any Compartment or Class shall be the amount equal to the Net Asset Value (calculated as provided in these Regulations) per Investor Share less any such sum as the Directors may consider represents the appropriate allowance for Duties and Charges in relation to the realisation or cancellation of the Investor Shares to be redeemed.

48. Redemption proceeds payable to an Investor in connection with the redemption of Investor Shares under this Regulation, shall be paid in cash to the Investor (or any such other Person(s) as agreed between the Fund and the Investor prior to the redemption) by the Fund within the timeframe described in the Prospectus and where applicable the Investment Compartment. The Fund may withhold up such percentage of the Redemption Proceeds ("Holdback) if in the reasonable opinion of the Directors the determination of the Net Asset Value of the Compartment or Class, as applicable, on the relevant Valuation Day requires verification. Such percentage, where applicable, shall be set out in the relevant Supplement. In such case, the remaining Redemption Proceeds shall be paid to the Investors after an audit is conducted by the Auditor of the Fund. Any discrepancies between the estimated Net Asset Value and the audited Net Asset Value will be adjusted in the pay-out of the remaining portion of the Redemption proceeds.
49. Redemption proceeds will be paid in the Reference Currency of the relevant Compartment or Class (as applicable) or, at the discretion of the Fund, in a freely transferable currency as requested by the Investor and to the account designated by the Investor; any currency conversion expense shall be on the Investor's account. No interest will accrue on the Redemption proceeds pending the payment date.
50. At the discretion of the Directors the Fund may satisfy any application for redemption of Investor Shares in whole or in part by way of transfer to those Investors of assets attributable to the relevant Compartment or Class in specie, provided that such an in specie redemption,
- (a) Will not materially prejudice the interests of the remaining Investors of the same Compartment or Class, and
  - (b) Is in accordance with the provisions of applicable laws.

Any costs associated with such an in-specie redemption shall be deducted from the Redemption Price.

51. The name of a redeeming Investor will be removed from the Register upon Redemption Proceeds being paid in respect of the Investor Shares being redeemed. However, notwithstanding that the name of a redeeming Investor remains on the Register pending determination of the Redemption Price and payment of the Redemption Proceeds, an Investor requesting the redemption of all or any part of its Investor Shares on any particular Redemption Day will, with effect from that Redemption Day (i) be treated as a creditor of the Fund (rather than as a holder of Shares) in respect of the Redemption proceeds due, and will rank accordingly in the event of a winding up of the Fund; and (ii) have no rights as a Shareholder in respect of the Investor Shares being redeemed, save for the right to receive the Redemption Proceeds due and any dividend which has been declared in respect of their Investor Shares prior to the relevant Redemption Day.
52. Partial redemptions of Investor Shares of any Compartment or Class shall be allowed by the Directors in their full discretion and in any case shall always be subject to any Minimum Holding or as otherwise set forth in the relevant. On redemption of part only of the Investor Shares comprised in any

Share Certificate the Directors shall procure that, on request, a balance certificate be issued for the balance of such Investor Shares free of charge.

53. Investor Shares which are redeemed by the Fund shall be cancelled and the amount of the Fund's issued share capital and reserves shall be reduced accordingly.

54. The Fund shall:

(a) Redeem Investor Shares if the External Manager reasonably believe that:

- i. Any shares are owned, whether beneficially or otherwise, by a person not eligible and not approved by the External Manager;
- ii. An Investor Shareholder has become an ineligible person and has ceased to be approved by the External Manager;
- iii. Investor Shares have been acquired (or since their acquisition are now held) in breach of any laws of any country or the decision, order or determination of any governmental agency;
- iv. Such redemption would in any way best serve the interests of the Fund, or Compartment or Class or of the Investor Shareholders as a whole;
- v. Such redemption would eliminate or reduce the exposure of the Fund or its Investor Shareholder to adverse tax or regulatory consequences under the laws of any country;
- vi. Any of the representation given by the Investor Shareholder when subscribing for Investor Shares where not true or have ceased to be true;
- vii. Upon liquidation of all the underlying assets of a Compartment;
- viii. The Fund or a Compartment is being liquidated; or
- ix. The existence of a court order or judgement demanding the redemption of any Investor Shares.

55. If any application for redemption is received in respect of any one Redemption Day, which either singly or when aggregated with other such applications so received exceeds the applicable Gate of any Compartment, the Directors reserve the right, in their sole and absolute discretion and without liability and provided in the reasonable opinion of the Directors to do so is in the best interests of the remaining Investors, to scale down the number of Investor Shares to be redeemed in response to each redemption request on a pro rata basis to such extent as may be necessary to ensure that the foregoing limit is not exceeded.

56. The balance of each redemption request shall be carried forward for redemption as at the next following Redemption Day, and so on to each succeeding Redemption Day until each redemption request has been complied with in full, provided that redemption requests which have been carried forward from an earlier Redemption Day shall, subject always to the foregoing limits, be complied with in priority to later redemption requests.

**DETERMINATION OF THE NET ASSET VALUE**

57. The External Manager shall on or with respect to each Valuation Day determine the Net Asset Value of each Compartment and, if there are different Classes within a Compartment the Net Asset Value attributable to each such Class and the Net Asset Value per Share of each such Compartment or Class in accordance with the provisions of the present Regulation
58. The Net Asset Value of a Compartment shall be calculated by ascertaining the value of the relevant assets of the Compartment pursuant to Regulation 57 hereof, in accordance with the valuation guidelines adopted by the Directors, and deducting thereto the total liabilities of the Compartment. The Net Asset Value attributable to the relevant Class within a Compartment shall be ascertained by calculating that portion of the Net Asset Value of the relevant Compartment attributable to the relevant Class subject to adjustment to take account the assets and/or liabilities attributable to the Class.
59. The Net Asset Value per Share shall be determined by dividing the Net Asset Value of the relevant Compartment or attributable to a Class by the total number of Investor Shares in issue in the Compartment or Class at the relevant Valuation Day and rounding the resulting total to two decimal places.
60. In calculating the number of Investor Shares in issue:
- a) every Investor Share agreed to be issued or allotted but not issued by the Fund at the Valuation Date shall be deemed to be in issue, and
  - b) where notice of a redemption and in extent cancellation of Investor Shares has been given to the External Manager but such cancellation has not been completed prior to or at the Valuation Date, the Investor Shares to be cancelled shall be deemed not to be in issue.
61. The Fund may at any time temporarily suspend the determination of the Net Asset Value and consequently the issue and redemption of Investor Shares in any Compartment in the following instances:
- a) any period when any market or recognised exchange on which a substantial portion of the Investments of the Fund from time to time are quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended;
  - b) the existence of any state of affairs which constitutes an emergency or otherwise as a result of which, disposal or valuation of Investments owned by the Fund cannot, in the opinion of the External Manager, be effected normally or without prejudicing the interest of Shareholders;
  - c) any breakdown in the means of communication normally employed in determining the price of any of the Fund's Investments or of current prices on any recognised exchange or during any period when for any other reason the prices of any Investments owned by the Fund cannot be reasonably, promptly or accurately ascertained;
- or



- d) any period when the Fund is unable to repatriate funds for the purposes of making payments on the redemption of shares or during which the realization of Investments, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the External Manager, be effected at normal prices or normal rates of exchange;
  - e) any period when the proceeds of the subscription or redemption of the Investor Shares cannot be transmitted to or from a Compartment's account;
  - f) any period when a notice to terminate a Compartment has been served or a meeting of the Managing Shareholders has been convened to consider a motion to terminate a Compartment;
  - g) in the event that any redemptions or distributions, in the opinion of the External Manager, result in the violation of any applicable law;
  - h) if the External Manager otherwise determines that allowing any redemption would adversely affect a Compartment or any non-redeeming Investor Shareholders;
  - i) upon the occurrence of an event causing the Fund or any Compartment to enter into liquidation;
  - j) in exceptional cases, where the circumstances so require, and where the External Manager considers it justifiable to do so, having regard to the best interests of the Investor Shareholders as a whole;
  - k) when such suspension is required by CySEC as being in the best interests of the Investor Shareholders; or
  - l) during Force Majeure events;
62. (a) Notice of any such suspension and notice of the determination of any such suspension shall be published by the Fund in such manner as the External Manager may deem appropriate to the persons likely to be affected thereby and notified immediately to the CySEC and their applicable supervisory authorities.
- (b) The Net Asset Value of each Investment Compartment calculated pursuant to the Articles of Association and the respective subscription or redemption price of the Shares, shall be communicated to the Investors by email or in the manner requested by the Investors.

### **VALUATION OF ASSETS**

63. The value of the assets of the Fund shall be determined according to such method of valuation as the External Manager, with the prior consent of the CySEC, consider appropriate and in accordance with IFRS-EU.

Unless otherwise stated or supplemented in the Prospectus, in valuing the assets and investments comprised in the Compartment pursuant to this Regulation the following principles will be applied:

- (a) money market instruments will be valued at their fair market value as at the Valuation Date, adjusted by an amount with respect to any applicable discounts or premiums;
  - (b) the value of each bond, time note, share, subscription right or other security which is listed or quoted on a stock exchange shall be the latest available selling price. Should such a selling price not be available, the value will be determined by the Directors and shall be not higher than the latest available asking price and not lower than the latest available bid price. If the stock exchange concerned is not open on the Valuation Date, the most recent date on which the stock exchange was open shall be used. The value of interlisted securities will be computed in a manner that is determined by the Directors to be the most appropriate to reflect their fair market value. If, in the opinion of the Directors, the latest available selling price or the price determined from the bid and ask prices does not properly reflect the price which would be received upon the disposition of any share or other security, the Directors may, in its discretion, establish such other value as the Directors believes most closely reflects the fair market value of such share or security; and
  - (c) the value of each bond, time note, share, subscription right or other security or asset which is not listed or quoted on a stock exchange, or for which no price quotations are available, will be the amount determined by the Directors which in their opinion best reflects its fair market value;
  - (d) in the case where the property of the Fund includes investments for which different prices are quoted according to whether the said investments are being bought or sold, the investments shall be valued at mid-market price;
  - (e) in relation to the valuation of the property of the Fund, foreign currency translation shall be at mid-market opening rates of exchange ruling on the day of the valuation;
  - (f) loans will be valued having regard to generally accepted principles of banking.
64. The liabilities attributable to the Compartment shall be deemed to include any and all actual or any estimated liabilities of whatsoever nature of the Compartment including, without limitation base fees, performance fees, depositary fees, administration fees and directors remuneration.
65. Notwithstanding the above provisions, the Directors may, at their sole discretion, permit other methods of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice and IFRS-EU.
66. At the Financial Year end the NAV calculations will be reviewed by the Auditors of the Company. In no event, the Manager, Board of Directors or Administrator may incur any liability or responsibility for any determination made or other action taken or omitted by them in good faith in relation to the valuation of the Investments or the calculation of the NAV of a particular Compartment or NAV per Share, as the case may be.

**TRANSFER OF SHARES**

67. a) Subject to any other restrictions in these Articles as may be applicable, Investor Shareholders wishing to transfer any or all of their Investor Shares in a Compartment shall complete the relevant transfer form together with other documentation described in the Prospectus and return them to the External Manager.
- b) The External Manager has absolute discretion on its decision whether the transferee is accepted as an Investor Shareholder in the Fund or not. Provided that the transferee is accepted as an Investor Shareholder, the External Manager shall promptly communicate to the transferee the date from which the transfer is effected, and send the transferee the documentation exhibiting the transfer of the Investor Shares to its name.
- c) Notwithstanding the above, the Fund's Management Shares cannot be transferred, assigned, charged, mortgaged, pledged or otherwise encumbered or disposed of without the prior written consent of the CySEC.
- d) The instrument of transfer of any Share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register in respect thereof.
- e) The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require, and such instrument is not accompanied by all required due diligence information and/or such other evidence as the Directors may reasonable require to show the right of the transferor to make the transfer;
- f) The Directors shall decline to register any transfer of an Investor Shares where such transfer:
- i. is made to a Person who is a Prohibited Person, or
  - ii. would result in either the transferor or transferee holding Investor Shares with a value of less than the Minimum Holding; or
  - iii. would result in the Person to whom the Investor Share(s) is/are transferred to be in breach of any law or requirement of any country or governmental or regulatory authority.
- Notwithstanding the above, the Company's Management Shares may not be transferred without the prior notification and (where required) approval of the Regulator.
- g) No Management Shares in the Company shall be transferred unless and until the rights of the pre-emption hereinafter conferred shall have been exhausted. The rights of pre-emption shall apply in this case to the remaining holders of Management Shares.

- h) Any Share may be transferred by a Shareholder to the spouse, child or remoter issue or parent, brother or sister of that Shareholder or to a company beneficially owned or controlled by such Shareholder and any share of a deceased Shareholder may be transferred by his personal representatives to any widow, widower, child or remoter issue or parent, brother or sister of such deceased Shareholder and Shares standing in the name of the trustees of any deceased Shareholder may be transferred upon any change of trustees to the trustees for the time being of such Shareholder: and where the Shareholder is a body corporate any share may be transferred by such Shareholder to its subsidiary or holding company or to a company controlled by such holding company.
- i) Shares transferred in accordance with this Regulation will only be registered in the name of such Persons to whom they are transferred if they satisfy the Directors that they qualify, in the case of Management Shares as holders of Management Shares, and in the case of Investor Shares as Eligible Investors, and are not Prohibited Persons, and that none of the provisions of Regulation 67(f) are violated.
- j) If the Directors decline to register a transfer of any Share they shall, within 1 (one) month after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
- k) The registration of any transfers may be suspended at such times and for such periods as the Directors from time to time may determine, provided always that such registration of transfers shall not be suspended for more than thirty days in any calendar year.
- l) Notwithstanding the above and subject to the provisions of these Articles, each Investment Compartment may provide for transfer restrictions in regards Investor Shares and different Classes of Investor Shares.

### **TRANSMISSION OF SHARES**

68. In case of the death of a Shareholder, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only person recognised by the Fund as having any title to his interest in the shares: but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
69. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Shareholder before his death or bankruptcy, as the case may be.

70. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Fund a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Shareholder had not occurred and the notice or transfer was a transfer signed by that Shareholder.
71. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Shareholder in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Fund.

Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold payment of all bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

#### **ALTERATION OF CAPITAL**

72. The Fund may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
73. The Fund may by ordinary resolution:
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) Subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of section 60(1)(d) of the Companies Law;
  - (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

The Fund may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

#### **GENERAL MEETINGS OF THE HOLDERS OF MANAGEMENT SHARES**

74. The Fund shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Fund and that of the next. Provided that so long as the Fund holds its first annual

general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Directors shall appoint.

75. All general meetings other than annual general meetings shall be called extraordinary general meetings.
76. The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 126 of the Companies Law. If at any time there are not within the Republic of Cyprus sufficient Directors capable of acting to form a quorum, any Director or any holder(s) of Management Shares of the Fund may convene an extraordinary general meeting in the same manner or as nearly as possible as that in which meetings may be convened by the Directors.

#### **NOTICE OF GENERAL MEETINGS OF THE HOLDERS OF MANAGEMENT SHARES**

77. An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one (21) days' notice in writing at the least, and a meeting of the Fund other than an annual general meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Fund in general meetings to such persons as are, under the Regulations of the Fund, entitled to receive such notices from the Fund.
78. Provided that a meeting of the Fund shall, notwithstanding that it is called by shorter notice than that specified in this Regulation, be deemed to have been duly called if it is so agreed:
- a) in the case of a meeting called as the annual general meeting, by all the Shareholders entitled to attend and vote thereat; and
  - b) in the case of any other meeting, by majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
79. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS OF THE HOLDERS OF MANAGEMENT SHARES**

80. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the consideration of the accounts, balance sheets, and the reports of the Directors and auditors, the election

of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.

81. No business shall be transacted at any general meeting unless a quorum of Shareholders having the right to attend and vote is present at the time when the meeting proceeds to business; save as herein otherwise provided, a Management Shareholder present in person or by proxy, shall be a quorum.
82. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Shareholders present shall be a quorum.
83. The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Fund, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting.
84. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of their number to be Chairman of the meeting.
85. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
86. At any general meeting, any resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declarations of the result of the show of hands) demanded:
  - a) by the Chairman; or
  - b) by at least a Management Shareholders present in person or by proxy; or
  - c) by a Management Shareholder or Management Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
  - d) by a Management Shareholder or Management Shareholders holding shares in the Fund conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right.

Unless a poll be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Fund shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

87. Except as provided in Regulation 86, if a poll is duly demanded, it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
88. In the case of an equality of votes whether on a show of hands or on a poll, the Chairman of the meeting shall not have a casting vote.
89. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

#### **VOTES OF HOLDERS OF MANAGEMENT SHARES**

90. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Shareholder present in person shall have one vote, and on poll every Shareholder shall have equal votes, one vote per shareholder irrespective of the number of shares held by each. Subject to the provisions of the Companies Law and present Regulations, the resolutions to be taken at General Meetings shall be passed by the absolute majority of the present Shareholders.
91. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Shareholders.
92. A Shareholder of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, on a show of hands or on a poll, by the administrator of his property, his committee, receiver, curator bonis, or other person in the nature of an administrator, committee, receiver or curator bonis appointed by that Court, and any such administrator, committee, receiver, curator bonis or other person may on a poll vote by proxy.
93. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
94. On a poll votes may be given either personally or by proxy.



- 95. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder of the Fund.
- 96. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Fund or at such other place within Cyprus as is specified for that purpose in the notice convening the meeting at any time before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, at any time before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 97. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit and must contain the agenda of such meeting:

..... LIMITED  
(Name of the Fund)

I/We, ....., of ....., being a Shareholder/Shareholders of the above-named Fund, hereby appoint ..... of ....., or failing him ..... of ....., as my/our proxy to vote for me/us or on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Fund, to be held on the ..... day of ..... 20..., and at any adjournment thereof.

Signed this ..... day of ..... 20...."

- 98. Where it is desired to afford Shareholders an opportunity of voting for or against a resolution the instrument appointing the proxy shall be in the following form or a form as near thereto as circumstances admit:

..... LIMITED  
(Name of the Fund)

I/We, ....., of ....., being a Shareholder/Shareholders of the above-named Fund, hereby appoint ..... of ....., or failing him ..... of ....., as my/our proxy to vote for me/us or on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the Fund, to be held on the ..... day of ..... 20..., and at any adjournment thereof.

Signed this ..... day of ..... 20...."

This form is to be used in favour of/\* against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

\_\_\_\_\_

\* Strike out whichever is not desired.

99. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
100. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Fund at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
101. Subject to the provisions of the Companies Law, a resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Fund duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the Shareholders or their attorneys, and signature in the case of a corporate body which is a Shareholder shall be sufficient if made by a Director or other authorised officer thereof or its duly appointed attorney.

#### **A COMPANY WITH A SOLE MEMBER**

102. Notwithstanding anything to the contrary in these Regulations, if and so long as the Fund has only one Member the following provisions will apply:
- a) The sole Member present in person or by proxy shall be a quorum.
  - b) The sole Member shall exercise all the powers of the Fund exercised by the General Meeting and decide on any questions arising provided always that any decision taken by such Member at General Meetings shall be recorded in the minutes or preserved in writing.
  - c) The contracts entered into between the sole Member of the Fund who constitutes a Member of the Board of Directors and the Fund shall be recorded in the minutes or preserved in writing unless they concern the trading transactions of the company which are entered into in the ordinary course of the Fund's business.

#### **CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS**

103. Any corporation which is a Shareholder of the Fund may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Fund or of any Class of Shareholders of the Fund, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder of the Fund.

#### **DIRECTORS**

104. The Directors of the Fund shall be appointed by the holders of the Management Shares and unless and until otherwise determined by the holders of Management Shares, the Directors shall be two (2) and there

shall be no maximum number. The first Directors of the Fund shall be appointed in writing by the subscribers to the Memorandum of Association or a majority of them and it shall not be necessary to hold any meeting for that purpose.

105. The remuneration of the Directors shall from time to time be determined by the Fund in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund.
106. The shareholding qualification for Directors may be fixed by the Fund in general meeting, and unless and until so fixed no qualification shall be required.
107. A Director of the Fund may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Fund or in which the Fund may be interested as a shareholder or otherwise, and no such Director shall be accountable to the Fund for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Fund otherwise directs.

#### **BORROWING POWERS**

108. The Directors may exercise all the powers of the Fund to borrow money, and to charge or mortgage its undertaking, property, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Fund or of any third party.

#### **POWERS AND DUTIES OF DIRECTORS**

109. The business of the Fund shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Fund, and may exercise all such powers of the Fund as are not, by the Companies Law or by these Regulations, required to be exercised by the Fund in general meeting, subject, nevertheless to any of these Regulations, to the provisions of the Companies Law and to such Regulations, being not inconsistent with the aforesaid Regulations or provisions as may be prescribed by the Fund in general meeting but no Regulation made by the Fund in general meeting shall invalidate any prior act of the Directors which would have been valid if that Regulation had not been made.
110. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Fund for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Regulations) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

111. The Fund may exercise the powers conferred by section 36 of the Companies Law with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
112. a) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Fund shall declare the nature of his interest at a meeting of the Directors in accordance with section 191 of the Companies Law.
- b) A Director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.
- c) A Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Fund either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Fund in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
- d) Any Director may act by himself or his firm in a professional capacity for the Fund, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorize a Director or his firm to act as auditor to the Fund.
113. All cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for monies paid to the Fund, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
114. The Directors shall cause minutes to be made in books provided for the purpose:
- a) of all appointments of officers made by the Directors;
- b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- c) of all resolutions and proceedings at all meetings of the Fund and of the Directors and of committees of Directors.

#### **DISQUALIFICATION OF DIRECTORS**

115. The office of Director shall be vacated if the Director:

- a) ceases to be Director by virtue of section 176 of the Companies Law; or
- b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- c) becomes prohibited from being a Director by reason of any order made under section 180 of the Companies Law; or
- d) becomes of unsound mind; or
- e) resigns his office by notice in writing to the Fund.

#### **APPOINTMENT OF ADDITIONAL DIRECTORS AND REMOVAL OF DIRECTORS**

116. Subject to the prior approval of the CySEC, the Fund may at any time, and from time to time, by ordinary resolution appoint any person as Director and determine the period for which such person is to hold office.
117. Subject to prior approval of the CySEC, the Fund may by ordinary resolution, of which special notice has been given in accordance with section 136 of the Companies Law remove any Director before the expiration of his period of office. Notwithstanding anything to the contrary herein or any agreement between the Fund and such Director, such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Fund.

#### **PROCEEDINGS OF DIRECTORS**

118. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit and questions arising at any meeting shall be decided unanimously. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall be necessary to give a 96 hour notice of a meeting of Directors to any Director for the time being absent from Cyprus who has supplied to the Fund a registered address situated outside Cyprus.
119. All meetings of Directors shall be held in Cyprus and any meeting held outside of Cyprus shall be inoperative and a decision reached or resolution passed by the Directors at any meeting outside of Cyprus shall be invalid and of no effect unless it is passed in accordance with Regulations 127 and 128.
120. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed, the quorum shall be two (2) Directors.
121. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the Regulations of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of

increasing the number of Directors to that number, or of summoning a general meeting of the Fund but for no other purpose.

122. The Directors may elect a Chairman of their meeting and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
123. The Directors may delegate any of their powers to a committee or committees consisting of such member or members, including members who are not members of the Board of Directors, as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any Regulations that may be imposed on it by the Directors, as to its powers, constitution, proceedings, quorum or otherwise.
124. A committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Members present may choose one of their number to be Chairman of the meeting.
125. Subject to any Regulations imposed on it by the Directors, a committee may meet and adjourn as it thinks proper and questions arising at any meeting shall be determined by a unanimous vote of all of its Shareholders.
126. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
127. A resolution in writing signed or approved by letter, facsimile, electronic mail or any other form of electronic transmission by each Director shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held and when signed may consist of several documents each signed by one or more of the persons aforesaid.
128. Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such by means of telephonic or similar communications whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such a meeting. The location of such a meeting shall be deemed to be the place at which the chairman of the meeting was located at the time of the meeting provided the Chairman is always in Cyprus.

#### **ALTERNATE DIRECTORS**

129. The appointment of Alternate Directors shall not be possible.

#### **MANAGING DIRECTOR**

130. The Directors may from time to time appoint one or more of their body to the office of Managing Director for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any

particular case, may revoke such appointment. His appointment shall be automatically determined if he ceases from any cause to be a Director.

131. A Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.
132. The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **SECRETARY**

133. The Secretary shall be appointed by the Directors for such terms, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.
134. No person shall be appointed or hold office as Secretary who is:
- a) the sole Director of the Fund; or
  - b) a corporation the sole director of which is the sole Director of the Fund; or
  - c) the sole director of a corporation which is the sole Director of the Fund.
135. A provision of the Companies Law or these Regulations requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

### **THE SEAL**

136. The Directors shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

### **DIVIDENDS AND RESERVE**

#### **Declaration of dividend**

137. The Directors may declare dividends on the Investor Shares of each Compartment or of each Class of Shares within each Compartment, and may differentiate between the different Compartments and different Classes of Investor Shares within each Compartment, as to the amount (if any) of any dividend recommended in respect of each Compartment or Class, however amounts declared as dividends within the same Class will be prorated. The basis of differentiating between any Classes of Investor Shares within a Compartment shall be disclosed in the Prospectus.

138. The dividend policy for each Compartment or Class will be specified in the Prospectus and relevant Supplement.

#### **Interim dividend**

139. The Directors may from time to time if they think fit pay such interim dividends on Investor Shares of any Compartment or Class as appear to the Directors to be justified by the profits of the relevant Compartment or Class.

#### **Source of dividend**

140. No dividend shall be paid otherwise than out of profits. The dividend for any particular Compartment shall be payable only out of profits available for distribution relation to the Compartment.

#### **Dividends in specie**

141. Directors may, with the sanction of a Special Resolution in general meeting of the holders of Investor Shares of any Compartment or Class within such Compartment and to the extent permitted by the AIF Law, distribute in kind among the Investors of such Compartment or Class by way of dividend or otherwise any of the Investments/assets of the relevant Compartment.

142. It is clarified that the provisions of these Regulations relating to the proceedings of the general meeting of the holders of Investor Shares shall apply in the same way to this regulation.

#### **Payment of dividends**

143. Any dividend or other monies payable in cash in respect of shares may be paid by direct bank transfer or cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of the two or more joint holders may give effectual receipts for any dividends, bonuses or other monies payable in respect of the Shares held by them as joint holders.

144. The Directors may deduct from any dividend payable to any holder of Investor Shares all sums of money (if any) presently payable by him to the Fund in relation to such Investor Shares.

145. Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the relevant Compartment or Class.

146. Notwithstanding anything to the contrary in these Regulations the Directors, at the option of any Investor entitled to dividends, may apply all dividends declared on the Investor Shares held by such Investor towards the issue of additional Investor Shares credited as fully paid and in any such case the following provisions shall apply:



- (a) the number of additional Investor Shares to be issued in lieu of any amount of dividend shall be equal in value to the amount of such dividend as on the date the dividend was declared; for the avoidance of doubt such additional Investor Shares shall be issued at the NAV per Investor Share when such dividends are declared and the date on which the dividend is declared shall correspond to a Valuation Day;
- (b) for such purpose the Directors shall capitalize a sum equal to the aggregate value of the dividends in respect of such additional Investor Shares proposed to be issued and apply the same in paying up in full the appropriate number of additional Investor Shares for issue to the relevant Investors credited as fully paid up;
- (c) the additional Investor Shares so issued shall rank pari passu in all respects with the fully paid Investor Shares then in issue save only as regards participation in the relevant dividend (or share election in lieu);
- (d) the Directors may do all acts and things considered necessary or expedient to give effect to any such capitalization.

#### **Dividend not to bear interest**

147.No dividend shall bear interest against the Fund.

#### **Reserves**

148.The Directors may, before recommending any dividend and to the extent permitted by the AIF Law, set aside out of the profits of the Fund such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Fund may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Fund or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to the reserve carry forward any profits which they may think prudent not to divide.

### **ACCOUNTS**

149. The Fund shall cause to be kept such books and records as are required from time to time by the CySEC so as to clearly indicate all sums of money received and expended.

Proper books of account shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Fund's affairs and to explain their transactions.

The address at which such books and records are kept shall be notified to the CySEC for the purpose of their inspection.

150. There shall be prepared an annual report for each financial year and a half yearly report covering the first six months of the financial year which reports shall be sent to the CySEC and the Shareholders within three months of the end of the financial year in the case of the annual report, and within two months of the end of the half year in the case of the half yearly report and shall contain such information as may be prescribed by the

CySEC. The reporting date of the financial year shall be the 31<sup>st</sup> December in each year on a 365 days' basis.

151. Financial statements prepared under these regulations in relation to the Fund shall be prepared in accordance with International Accounting Standards published by the International Accounting Standards Committee or where there are no specific standards, in accordance with a manner and form prescribed by the CySEC.
152. The information given in the annual report prepared pursuant to Regulation 150 shall be audited by an auditor in accordance with International Auditing Standards and who shall prepare a report. The report of the auditor shall be included in its entirety in the annual report of the Fund.
153. If the auditor of the Fund has reason to believe that:
  - a) The information provided to Shareholders in the reports do not truly describe the financial position and the assets and liabilities of the Fund, or that there are material inaccuracies or omissions in the reports; or
  - b) the assets of the Fund are not or have not been invested in accordance with the constitutional documentation of the Fund or the AIF Law; or
  - c) there exist circumstances which are likely to materially affect the ability of the Fund to fulfil its obligations to Shareholders or to comply with any of its obligations under the AIF Law; or
  - d) there are material defects in the financial systems or controls or accounting records of the Fund or finally has reasons to express diversities other than the aforesaid in his report,he shall report these matters to the CySEC in writing without delay.
154. The auditor shall furnish annually to the CySEC a written report stating whether in his opinion and to the best of his knowledge, the Fund has complied with its obligations under the AIF Law.
155. Where the auditor so requests, the CySEC shall provide to that auditor in writing details of such returns of a financial nature submitted to the CySEC by the Fund. This information is provided for the purpose of enabling him to exercise his functions under the AIF Law and the Companies Law in so doing the CySEC shall not be constrained by any obligation of confidentiality imposed by the AIF Law.
156. The auditor shall send to the Fund a copy of any report made by him to the CySEC under Regulation 153.
157. Whenever the CySEC is of the opinion that the exercise of its functions under the AIF Law or the protection of the interests of Shareholders so requires, it may require the auditor of the Fund to supply it with such information as it may specify.
158. No duty to which the auditor may be subject shall be regarded as contravened, and no liability to the Fund or its Shareholders or creditors or

other interested parties, shall attach to the auditor, by reason of his compliance with any obligation imposed on him by or under the Fund.

159. All prospective investors shall be provided prior to making a subscription request for Investor Shares with copies of the last Prospectus and these Regulations as well as latest available reports, through durable medium.
160. The Fund may prepare any such other reports containing all such details as required under the AIF Law or the CySEC, and as further set out in the Prospectus, covering such periods within the Financial Year as the Directors may determine; copies of such reports will be made available to holders of Investor Shares upon request and as may be further determined by the AIF Law or the CySEC.
161. Information relating to the Net Asset Value, Net Asset Value per Share, latest available price for subscription of Investor Shares and Redemption Price shall be made available to potential investors, as well as Investors upon request or at the registered office of the Administrator, the External Manager, and the Fund within the time period from the relevant Valuation Day as stipulated in the Prospectus.

#### **CAPITALISATION OF PROFITS**

162. The Fund in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Fund's reserve accounts or to the credit of the profit and loss account or otherwise available, and accordingly that such sum be set free for allocation amongst the Investor Shareholders who would have been entitled thereto on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Investor Shareholders respectively or paying up in full unissued shares or debentures of the Fund to be allotted, distributed and credited as fully paid up to and amongst such Shareholders in the proportions aforesaid, or partly in the one way or partly in the other, and the Directors shall give effect to such resolution:

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Regulation, only be applied in the paying up of unissued shares to be issued to Shareholders of the Fund as fully paid bonus shares.

163. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the Shareholders entitled thereto into an agreement with the Fund providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Fund on their behalf, by the application thereto of their respective proportions of

the profits resolved to be capitalised and any agreement made under such authority shall be effective and binding on all such Shareholders.

### **ADMINISTRATOR**

164. The Directors may from time to time and at any time appoint any person to be the Administrator of the Fund for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Regulations) and for such period and subject to such conditions as they may think fit.

### **AUDIT**

165. Auditors shall be appointed subject to the prior approval of CySEC and their duties regulated in accordance with sections 153 and 155 (both inclusive) of the Companies Law.

### **NOTICES**

166. A notice may be given by the Fund to any Shareholder. Such notice shall be in writing and given either personally or sent by prepaid post or electronic mail or facsimile to the postal or electronic address or fax number respectively, as the case may be, of the Shareholder. Any notice sent by facsimile or electronic mail shall be deemed served 24 hours after despatch and any notice sent by prepaid post shall be deemed served 48 hours after posting. In proving the giving of the notice it shall be sufficient, in the case of posting, to prove that the envelope containing a notice was properly addressed, prepaid and posted, in case of personal delivery that it was delivered or left at the address of the Shareholder to which the notice is addressed and, in the case of an electronic mail or facsimile, that the electronic mail or fax containing the notice was duly despatched to the e-mail address or fax number of the Shareholder to which the notice is addressed.
167. A notice may be given by the Fund to the joint holders of a share by giving the notice to the joint holder first named in the Register by Shareholders in respect of the share.
168. A notice may be given by the Fund to the persons entitled to a share in consequence of the death or bankruptcy of a Shareholder by sending it by electronic mail or facsimile or through the post in a prepaid letter addressed to them by name, or by title of representative of the deceased, or trustee of the bankrupt, or by any like descriptions, at the electronic address or facsimile number or the address supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
169. Notice of every general meeting shall be given in any manner hereinbefore authorised to:
- a) every Shareholder except those Shareholders who (having no registered address) have not supplied to the Fund an address for the giving of notices to them;

- b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Shareholder where the Shareholder but for his death or bankruptcy would be entitled to receive notice of the meeting; and
- c) the auditor for the time being of the Fund.

No other person shall be entitled to receive notice of general meetings.

#### **WINDING UP**

170. If the Fund shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Fund and any other sanction required by the Companies Law, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Fund (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders, provided that the shareholders of each class of shares shall be entitled to assets within their respective portfolios. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

171. Every Director or other officer for the time being of the Fund shall be indemnified out of the assets of the Fund against any losses or liabilities which he may sustain or incur in or about the execution of his duties including liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 383 of the Companies Law in which relief is granted to him by the Court and no Director or officer of the Fund shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Fund in the execution of the duties of his office or in relation thereto. But this clause shall only have effect insofar as its provisions are not avoided by section 197 of the Companies Law.

#### **DEPOSITARY**

- 172.a) The Directors shall, immediately upon their appointment, and pursuant to CySEC's approval, resolve for the appointment of Eurobank Cyprus Ltd, HE217050, a credit institution, as the Depositary of the Fund. The Depositary may resign and/or removed from office only by the prior consent of the CySEC.
- b) Pursuant to the provisions of Chapter 6 of Part II of the AIF Law:
    - (i) Where the Depositary intends to resign from its duties, it shall notify its intention, in writing, to the External Manager of the Fund, at least three (3) months before its resignation;

- (ii) The External Manager of the Fund shall communicate such resignation immediately and shall, either propose a new depositary to replace the one resigned, or propose the operation of the Fund without a depositary, as long as the Fund satisfies the criteria of the AIF Law.
- (iii) The replacement of the depositary of the Fund shall take place in accordance with the terms included in the contract between the Depositary and the External Manager of the Fund and after the approval of such choice by the CySEC.
- (iv) The remuneration and any commissions of the Depositary will be approved and decided by the Board of Directors by a method of calculation specified by the Board. Details of the Depositary fee can be found in the Fund's Prospectus.

### **EXTERNAL MANAGER**

173.a) The Fund shall engage Consulco Capital, HE330560, an authorized Alternative Investment Fund Manager by CySEC, License No. AIFM05/56/2013, to act as the External Manager, pursuant to an Investment Management Agreement and CySEC's approval. The External Manager has the responsibility, inter alia, to manage the AIF's investments, perform all necessary due diligence on the target investment and to ensure that each investment decision is within the scope of the private offering memorandum and these Memorandum and Articles of Association.

- (a) The remuneration and any commissions of the External Manager will be approved and decided by the Board of Directors by a method of calculation specified by the Board. The remuneration is calculated on a per cent of Net Asset basis and any performance fees calculated as a percentage of the Fund's performance.
- (b) The External Manager will be independent from the Depositary and appointed by the Board of Directors, following CySEC's approval.
- (c) The External Manager's authorization is in relation to funds engaged in Multi-Strategy Private Equity, including Real Estate and Mezzanine Capital AIFs.

### **INVESTMENT COMMITTEE**

174. The Fund, compliant to the requirements of the CySEC, may from time to time appoint an Investment Committee which will have the responsibility, inter alia, to provide advice to the Board of Directors and to the External Manager on the decision to pursue a specific investment directly / indirectly to incorporate, acquire and / or invest in companies and partnerships. The External Manager is, however, at liberty to decide against a specific investment, even if such investment has received a positive recommendation of the Investment Committee.

175. Compliant to the requirements of the CySEC, each member of the Investment Committee will be appointed by the Board of Directors of the Fund which may change such composition at any time. In particular, the Board of Directors may appoint additional members to the Investment

Committee on any terms it deems appropriate, including the period of appointment and conditions for the termination of such appointment.

176. The members of the Investment Committee may be entitled to reimbursement of any expenses incurred in the course of performing their duties in accordance with any policy formulated by the Board of Directors and may receive an annual retainer.

### **INVESTORS AND TERMS OF SUBSCRIPTION**

177. The Fund addresses to well informed and professional investors.
178. The Directors may impose such restrictions as they may think necessary for the purpose of ensuring that no shares in the Fund are acquired or held directly or beneficially by:
- a) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold shares including without limitation any exchange control regulations;
  - b) a US Person other than pursuant to an exemption available under the Securities Act;
  - c) any person, whose holding would cause or be likely to cause the Fund to be required to register as an “investment company” under the United States Investment Company Act of 1940 or to register any class of its securities under the Securities Act or similar statute;
  - d) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Fund or the Shareholders as a whole or any Fund or Class incurring any liability to taxation or suffering legal, pecuniary, regulatory or material administrative disadvantage which the Fund or the Shareholders as a whole or any Fund or Class might not otherwise have incurred or suffered;
  - e) any person who does not supply any information or declarations required by the Directors within seven (7) days of a request to do so; or
  - f) any person who holds less than the Minimum Holding;

and the Directors may reject in their discretion any application for shares by or any transfer of shares to any persons who are so excluded from purchasing or holding shares and pursuant to Regulation 182 below at any time repurchase or require the transfer of shares held by Shareholders who are so excluded from purchasing or holding shares.

179. The Directors shall be entitled to assume without enquiry that none of the Shares are held in such a way as to entitle the Directors to give a notice in respect thereof pursuant to Regulation 181 below provided that the

Directors may upon an application for shares or at any other time and from time to time require such evidence and/or undertakings to be furnished to them in connection with the matters stated in Regulation 178 as they shall in their discretion deem sufficient.

180. If a person becomes aware that he is holding or owning Shares in contravention of Regulation 178 he shall forthwith in writing request the Fund to redeem such shares in accordance with Regulations 43 to 56 of these Regulations or transfer such shares to a person duly qualified to hold the same unless he has already received a notice under Regulation 181.

181. If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the Directors pursuant to Regulation 178 the Directors shall be entitled to:

- a) give notice (in such form as the Directors deem appropriate) to such person requiring him to:
  - (i) transfer such shares to a person who is qualified or entitled to own the same without contravening any restriction imposed by the Directors, or
  - (ii) request in writing the redemption of such shares in accordance with Regulations 43 to 56 and/or
- b) where appropriate, compulsorily redeem and/or cancel such number of shares held by such person as is required to discharge and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of shares by such person including any interest or penalties payable thereon.

The Directors may also redeem any shares for the purposes of satisfying any performance fee payable by the Fund or an Investment Compartment or Class, to the External Manager.

182. If any person upon whom such a notice is served as aforesaid does not within 30 days after such notice has been served transfer the shares the subject matter of the notice or request in writing the Fund to redeem the shares he shall be deemed forthwith upon the expiration of the said 30 days to have requested the redemption of all his shares the subject of such notice whereupon if he shall have been issued with a certificate for his shares he shall be bound to deliver the certificate to the Fund forthwith and the Fund shall be deemed to be appointed his attorney with authority to appoint any person to sign on his behalf such documents as may be required for the purposes of the redemption. To any such redemption the provisions of Regulations 43 to 56 shall apply subject to Regulation 183 below, save that the deemed request to redeem the shares may not be withdrawn notwithstanding that the determination of the Net Asset Value of the relevant Fund or Class of shares may have been suspended under Regulation 61.

183. Settlement of any redemption or transfer effected pursuant to Regulation 181 or 182 hereof, shall be effected by depositing the redemption monies or proceeds of sale in a bank for payment to the person entitled subject to such consents as may be necessary being obtained and, if relevant and at the



discretion of the Directors, production of the certificate or certificates representing the Shares previously held by such person with the redemption request on the reverse of each duly signed. Upon deposit of the redemption monies as aforesaid such person shall have no further interest in such shares or any of them or any claim in respect thereof except the right to claim without recourse to the Fund the redemption monies so deposited without interest.

184. Any person or persons to whom Regulations 178, 179, 181 or 182 shall apply shall indemnify the Fund, the Directors, the Investment Manager the Administrator, the Global Distributor, the Custodian and any Shareholder for any loss suffered by any or all of them as a result of such person or persons acquiring or holding Shares in the Fund.

### **DISSOLUTION**

185. The Fund may be dissolved:

- a) In case CySEC revokes its authorisation; or
- b) at any time by Special Resolution of the holders of the Management Shares, if it becomes illegal, impracticable or inadvisable for the Fund to continue operations; or
- c) Where the assets of the Fund are reduced to less than two thirds of the threshold for the minimum assets as such is determined under section 14(1) of the AIF Law, at a general meeting of the Shareholders (to be called within forty days from the reduction and where it is not required for a quorum to be formed) with the decision of simple majority of the Shareholders being present in person or by proxy; and
- d) Where the assets of the Fund are reduced to less than one fourth of the threshold for the minimum assets as such is determined under section 14(1) of the AIF Law, at a general meeting of the Shareholders (to be called within forty days from the reduction and where it is not required for a quorum to be formed) with the decision of one quarter of the Shareholders being present in person or by proxy.
- e) Where its External Manager or Depositary is dissolved, resigned put into liquidation or its authorisation has been revoked and has not been replaced; or
- f) In case the total of its Shares are redeemed.

186. If the Fund shall be wound up, the liquidator shall, subject to the provisions of applicable law, apply the assets of the Fund on the basis that any liability incurred or attributable to a Compartment shall be discharged solely out of the assets of that Compartment.

187. The assets available for distribution among the Shareholders shall then be applied in the following priority:

- (a) firstly, in the payment to the Investors of each Class of each Compartment a sum in the Reference Currency of each such Class or

in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares held by such Investors respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Compartment to enable such payment to be made. In the event that, as regards any Class of Investor Shares, there are insufficient assets available in the relevant Compartment to enable such payment to be made, recourse shall be had to the assets of the Fund (if any) not comprised within any of the Compartments and not to the assets comprised within any of the Compartment;

- (b) secondly, in the payment to the holders of the Management Shares of sums up to the nominal amount paid thereon out of the assets of the Fund not comprised within any Compartments remaining after any recourse thereto under sub-paragraph (a) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Compartments;
- (c) thirdly, in the payment to the holders of each Class of Investor Shares of any asset remaining in the relevant Compartment of any balance being made in proportion to the number of Investor Shares held; and
- (d) fourthly, in the payment to the Investors of any balance then remaining and not comprised within any of the Compartments, such payment being made in proportion to the value of each Compartment and within each Compartment to the value of each Class and in proportion to the number of Investor Shares held in each Class.

188. A Compartment may be wound up in accordance with the applicable law and in such event the provisions of this section will apply *mutatis mutandis* in respect of that Compartment.

### **LEVERAGE**

189. The Fund may make use of leverage on the Fund's assets, following approval by CySEC, in cases where the External Manager will determine that it is in the best interest of the investors and the performance of their Shares.

190.a) Pursuant to the provisions of Section 50 of the AIF Law, the External Manager may use the assets of the Fund as collateral to guarantee the performance of obligations entered into as an aspect of managing the Fund. Such provision of collateral may be made, for example, through a pledge agreement, collateral transfer or 'transfer of title', by which ownership of the property is transferred to the Fund's counterparty.

- b) The External Manager of the Fund shall record in the Shareholders Register the removal of the pledged Shares.