

The Directors of Fair Fund Series S.A. SICAV-RAIF whose names appear in the Offering Memorandum accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Offering Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

# OFFERING SUPPLEMENT

**In respect of the offer of Classes “D1” and “D2” Shares**

**in**

WPB real estate sustainable debt fund

**A Fund of**

FAIR FUND SERIES S.A. SICAV-RAIF

A collective investment scheme organised as an investment fund and incorporated as a public limited liability investment company with variable share capital under the Companies Law (Luxembourg law of 10 August 1915 related to commercial companies) and under the RAIF Law (Luxembourg law of 23 July 2016 related to Reserved Alternative Investment Fund) as an Alternative Investment Fund in the form of an Umbrella Fund.

**FAIR FUND SERIES S.A. SICAV-RAIF is not subject to the supervision of the Luxembourg supervisory authority.**

**1<sup>st</sup> March 2024**

## **IMPORTANT INFORMATION**

**THE COMPANY IS AN UMBRELLA FUND INCORPORATED AS A PUBLIC LIMITED LIABILITY INVESTMENT COMPANY WITH VARIABLE SHARE CAPITAL IN ACCORDANCE WITH THE COMPANY LAW AND THE RAIF LAW. THE COMPANY IS SOLELY AVAILABLE TO WELL-INFORMED INVESTORS.**

**APART FROM THE FOUNDER SHARES (WHICH DO NOT CONSTITUTE A DISTINCT FUND), THE COMPANY SHALL ALSO COMPRISE SEPARATE CLASSES, OR GROUPS OF CLASSES, OF NON-VOTING SHARES CONSTITUTING DISTINCT FUNDS. THE ASSETS AND LIABILITIES OF EACH FUND SHALL CONSTITUTE A PATRIMONY SEPARATE FROM THE ASSETS AND LIABILITIES OF EACH OTHER FUND PURSUANT TO THE COMPANY LAW. HOWEVER, THERE CAN BE NO GUARANTEE THAT THE AUTHORITIES OF OTHER JURISDICTIONS WILL TREAT OF THE ASSETS AND LIABILITIES OF EACH FUND AS A PATRIMONY SEPARATE FROM THE ASSETS AND LIABILITIES OF EACH OTHER FUND.**

**ALTERNATIVE INVESTMENT FUNDS AVAILABLE TO WELL-INFORMED INVESTORS ARE NOT SUBJECT TO ANY RESTRICTIONS ON THEIR INVESTMENT OR BORROWING POWERS (OTHER THAN RESTRICTIONS APPLICABLE TO SUCH FUNDS AND THOSE SET OUT IN THE OFFERING MEMORANDUM, INCLUDING THIS OFFERING SUPPLEMENT). FURTHERMORE, THEY ARE NOT REGULATED TO THE SAME DEGREE AS RETAIL COLLECTIVE INVESTMENT SCHEMES. IN ADDITION, INVESTORS IN ALTERNATIVE INVESTMENT FUNDS ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN THE EVENT OF THE COMPANY'S OR THE FUND'S FAILURE. THUS, THE DEGREE OF RISK TO WHICH THEY MAY BE EXPOSED MAKES THEM UNSUITABLE FOR INVESTMENTS BY MEMBERS OF THE GENERAL PUBLIC.**

**THE DIRECTORS ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT. TO THEIR BEST KNOWLEDGE AND BELIEF, THE INFORMATION CONTAINED IN THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.**

**NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY, OR THE FUNCTIONARIES OF EACH FUND, TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFERING OR SALE OF SHARES OTHER THAN THOSE CONTAINED IN THE OFFERING MEMORANDUM, THIS**

**OFFERING SUPPLEMENT AND IN THE DOCUMENTS REFERRED TO THEREIN, IN CONNECTION WITH THE OFFER HEREBY MADE. IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY, ITS DIRECTORS, OR ANY OF THE FUNCTIONARIES OF A FUND.**

**THE BOARD OF DIRECTORS OF THE COMPANY HAVE APPROVED THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT. SHARES IN THE COMPANY MAY ONLY BE HELD BY WELL-INFORMED INVESTORS. THE COMPANY DOES NOT INTEND TO OFFER SHARES TO THE PUBLIC AND IS NOT AUTHORISED TO DO SO.**

**THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT DO NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, ANY OFFER OR INVITATION TO SUBSCRIBE FOR SHARES BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED, OR, (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO, OR, (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.**

**IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT, AND ANY PERSONS WISHING TO APPLY FOR SHARES, TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR SHARES SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.**

**PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT AS CONSTITUTING OR OTHERWISE PROVIDING LEGAL, TAX OR FINANCIAL ADVICE. ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISERS AS TO THE LEGAL, TAX, FINANCIAL OR OTHER MATTERS RELEVANT TO THE SUITABILITY OR OTHERWISE OF AN INVESTMENT IN A FUND FOR SUCH INVESTOR.**

**APPLICATIONS FOR THE PURCHASE OF SHARES ARE ACCEPTED ONLY ON THE BASIS OF THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT. ANY PERSON RELYING ON THE INFORMATION CONTAINED IN THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT IS ADVISED TO ENSURE THAT THESE DOCUMENTS ARE THE MOST CURRENT VERSIONS, AND THAT NO**

REVISIONS, ADDITIONS OR MODIFICATIONS HAVE BEEN MADE, NOR CORRECTIONS PUBLISHED, TO THE INFORMATION CONTAINED IN THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT SINCE THE DATE SHOWN. SUCH INFORMATION MAY BE OBTAINED FROM THE DIRECTORS OR THE ADMINISTRATOR.

STATEMENTS MADE IN THE OFFERING MEMORANDUM, THIS OFFERING SUPPLEMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN LUXEMBOURG AND ARE SUBJECT TO CHANGES THEREIN. NEITHER THE DELIVERY OF THIS DOCUMENT NOR ANY SUBSCRIPTION FOR SHARES MADE IN CONNECTION HEREWITH SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

UNLESS OTHERWISE INDICATED SPECIFICALLY, INVESTMENT IN THE COMPANY SHOULD BE REGARDED AS A LONG-TERM INVESTMENT. THERE IS NO ASSURANCE THAT THE INVESTMENT OBJECTIVE OF THE RELEVANT FUND SHALL BE ACHIEVED. YOUR ATTENTION IS DRAWN TO THE SECTION OF THIS OFFERING MEMORANDUM HEADED “RISK FACTORS”.

#### **UNITED STATES OF AMERICA**

THE SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY FEDERAL, STATE OR OTHER SECURITIES REGULATORY AUTHORITY OF THE UNITED STATES. THE SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “1940 ACT”) AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF THE 1940 ACT.

THE SHARES MAY NOT BE OFFERED, SOLD, OR DELIVERED WITHIN THE UNITED STATES OR SUBSCRIBED BY, OR TRANSFERRED TO, U.S. PERSONS, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

SUBSCRIBERS TO THE SHARES WILL BE REQUIRED TO DECLARE WHETHER THEY ARE U.S. PERSONS AND WHETHER THEY ARE APPLYING FOR SHARES ON BEHALF OF ANY U.S. PERSON AND/OR OTHERWISE RESELLING SHARES FOR THE BENEFIT OF U.S. PERSONS.

**SHARES DISCOVERED TO BE HELD BY PROHIBITED PERSONS MAY BE COMPULSORILY TRANSFERRED OR REDEEMED IN TERMS OF THE PROVISIONS OF ARTICLE 12 OF THE ARTICLES. THERE WILL BE NO PUBLIC OFFERING OF THE SHARES IN THE UNITED STATES.**

### **GENERAL**

**THE COMPANY MAY ONLY BE MARKETED IN THE EUROPEAN ECONOMIC AREA (“EEA”) TO PERMITTED PERSONS UNDER THE AIFMD. MARKETING TO AN INVESTOR WITHIN THE EEA WHO IS NOT A PROFESSIONAL INVESTOR AS DEFINED IN AIFMD MAY ONLY BE UNDERTAKEN IN ACCORDANCE WITH THE NATIONAL PROVISIONS APPLICABLE IN THE RESPECTIVE JURISDICTION AS PRESCRIBED IN ARTICLE 43 OF AIFMD.**

**THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING OF SHARES MAY BE RESTRICTED IN CERTAIN JURISDICTIONS. THE ABOVE INFORMATION IS FOR GENERAL GUIDANCE ONLY, AND IT IS THE RESPONSIBILITY OF ANY PERSON OR PERSONS IN POSSESSION OF THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT AND WISHING TO MAKE APPLICATION FOR SHARES TO INFORM THEMSELVES OF, AND TO OBSERVE, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR SHARES SHOULD INFORM THEMSELVES AS TO LEGAL REQUIREMENTS ALSO APPLYING AND ANY APPLICABLE EXCHANGE CONTROL REGULATIONS AND APPLICABLE TAXES IN THE COUNTRIES OF THEIR RESPECTIVE CITIZENSHIP, RESIDENCE OR DOMICILE.**

**THE OFFERING MEMORANDUM AND THIS OFFERING SUPPLEMENT DO NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT WOULD BE UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.**

**PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENT OF THIS MEMORANDUM AS LEGAL, TAX OR FINANCIAL ADVICE. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT YOUR OWN PROFESSIONAL ADVISERS AS TO THE LEGAL, TAX, FINANCIAL OR ANY OTHER MATTERS WHICH ARE RELEVANT TO THE SUITABILITY AND PROPRIETY OF AN INVESTMENT IN THE SHARES.**

**NEITHER THE DELIVERY OF THIS MEMORANDUM NOR THE ISSUANCE OR SALE OF THE SHARES IS INTENDED IN ANY WAY TO CREATE THE IMPLICATION THAT NO CHANGE HAS OCCURRED IN THE AFFAIRS OF THE FUND SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF**

**ANY TIME SUBSEQUENT TO THE DATE OF THIS MEMORANDUM. INVESTORS SHOULD ALWAYS REFER TO THE LATEST AVAILABLE OFFERING MEMORANDUM.**

**SUBSCRIPTIONS FOR SHARES MAY ONLY BE MADE ON THE ACCOMPANYING SUBSCRIPTION AGREEMENT. ACCEPTANCE OF APPLICATIONS FOR THE SHARES SHALL BE IN THE ABSOLUTE DISCRETION OF THE DIRECTORS. IF YOU ARE A US PERSON, YOU SHOULD CONSULT WITH THE INVESTMENT COMMITTEE OR THE ADMINISTRATOR TO OBTAIN THE SUBSCRIPTION AGREEMENT FOR U.S. TAX EXEMPT ENTITIES.**

**APPLICATIONS FOR THE SUBSCRIPTION OF SHARES IN THE FUND SHALL BE MADE ON THE QUALIFYING INVESTOR DECLARATION & SUBSCRIPTION FORM. THE PURCHASE OF SHARES IN WRITING IS A LEGALLY BINDING CONTRACT. THE FUND RESERVES THE RIGHT TO REJECT ANY APPLICATION IN WHOLE OR IN PART. NO APPLICATION FOR SHARES SHALL BE ACCEPTED UNLESS A QUALIFYING INVESTOR DECLARATION & SUBSCRIPTION FORM HAS BEEN DULY COMPLETED AND EXECUTED BY THE AUTHORISED AGENT OF THE QUALIFYING INVESTOR.**

**IF YOU ARE A US PERSON, YOU ARE NOT PERMITTED TO INVEST IN THE FUND.**

**THE INFORMATION SET OUT HEREIN IS QUALIFIED IN ITS ENTIRETY BY THE FUND'S ARTICLES OF ASSOCIATION, BYELAWS AND THE MATERIAL CONTRACTS REFERRED TO HEREIN. PROSPECTIVE INVESTORS ARE REFERRED TO THESE DOCUMENTS.**

**THIS MEMORANDUM IS INTENDED SOLELY FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE FUND DESCRIBED HEREIN AND SHOULD BE READ IN ITS ENTIRETY.**

#### **APPLICABLE LAW**

**THE OFFERING MEMORANDUM, THIS OFFERING SUPPLEMENT AND RELATED MATERIAL HAVE BEEN ISSUED UNDER THE PREVAILING LAWS OF LUXEMBOURG AT THE TIME OF ISSUE. PARTIES TO ANY AGREEMENT, INVESTMENT, SUBSCRIPTION AND/OR REDEMPTION RELATING TO THE FUND CONSENT TO THE EXCLUSIVE JURISDICTION OF LUXEMBOURG COURTS IN ALL RELATED MATTERS.**

#### **RISK FACTORS**

**YOUR ATTENTION IS DRAWN TO THE HIGH RISKS ASSOCIATED WITH THE FUND AS OUTLINED IN THE SECTION OF THIS OFFERING SUPPLEMENT AND OF THE OFFERING MEMORANDUM WHICH IT SUPPLEMENTS TITLED 'RISK FACTORS' AND 'GENERAL RISKS'/'RISKS RELATED TO THE FUND' RESPECTIVELY.**

## DIRECTORY

**Registered Office:**

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**Depositary:**

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**Directors:**

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**Alternative Investment Fund Manager:**

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**Administrator & Registrar:**

**Apex Fund Services S.A.**  
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Grand Duchy of Luxembourg

**Auditors:**

**Ernst and Young**  
35E Avenue John F. Kennedy,  
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**Regulatory and Compliance Adviser:**

**PricewaterhouseCoopers,  
Société Coopérative**  
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L-2182 Luxembourg

Grand Duchy of Luxembourg

**Money Laundering Reporting Officer:**

**Mr Sven Ulbrich**  
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**Investment Advisor:**

**Wiener Privatbank SE**  
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## 1. DEFINITIONS

All the capitalised terms that are used, but not separately defined, in this Offering Supplement shall have the meaning assigned to them in the Offering Memorandum, unless inconsistent with the subject or context.

The following words shall, for the purposes of this Offering Supplement, bear the meanings set opposite to them, unless inconsistent with the subject or context:

**“Administration Agreement”** means an agreement entitled ‘Administration Agreement’ entered into by and between the Company and the Administrator, regulating the appointment and engagement by the Company of the Administrator;

**“Administrator”** means the administrator of the Fund, duly appointed and engaged by the Company as referred to in Section 4.7.1.2 of this Offering Supplement;

**“AIFM”** means the Alternative Investment Fund Manager of the Company;

**“AIFMD”** means the Alternative Investment Fund Managers Directive (Directive 2011/61/EU of 8 June 2011) and any modification;

**“Applicable Law”** means the Company Law, the RAIF Law, the AIFMD and any other laws, rules, regulations and enactments as may be applicable to the Company from time to time;

**“Broker and/or Dealer”** means any brokers, custodians, dealers, banks, clearing associations, depositories, futures commission merchants, counterparties and other financial institutions, which the AIFM is authorised to designate to be used for all relevant investment transactions made by the AIFM and for managed accounts;

**“Business Day”** means a day on which the banks are open for normal banking business in Luxembourg or such other day as the Directors may determine from time to time;

**“Class D1 Share”** means a share, not being a Founder Share, having no nominal value, in issue in the Fund and having such rights as provided in terms of Section 4.7.4.2 of this Offering Supplement;

**“Class D2 Share”** means a share, not being a Founder Share, having no nominal value, in issue in the Fund and having such rights as provided in terms of Section 4.7.4.2 of this Offering Supplement;

**“Company”** means FAIR FUND SERIES S.A. SICAV-RAIF;

**“Company Law”** means the Luxembourg law of 10 August 1915 related to commercial companies and any modification or re-enactment thereof for the time being in force;

**“Depositary”** means the depositary of the Fund, duly appointed and engaged by the Company as referred to in Section 4.7.1.4 of this Offering Supplement;

**“Depositary Agreement”** means an agreement entitled ‘Depositary Agreement’ entered into by and between the Company and the Depositary, regulating the appointment and engagement by the Company of the Depositary;

**“ESG”** means Environmental, Social and Governance;

**“EU Taxonomy Regulation”** means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;

**“Fund”** means sub-fund that may, from time to time, be set up and established by the Company in terms of this Offering Memorandum and the relevant Offering Supplement, and comprising a distinct class, or group of classes, of shares in the Company, to which are allocated assets and liabilities distinct from other assets and liabilities that may be allocated to any other sub-fund that may, from time to time, be set up and established in the Company as aforesaid;

**“Launch Date”** means the first Business Day immediately following the official launch of the Fund;

**“Management Agreement”** means an agreement entitled ‘Management Agreement’ entered into by and between the Company and the AIFM, regulating the appointment and engagement by the Company of the AIFM;

**“Member / Investor”** means a person who is registered as the holder of Shares in the Register;

**“Minimum Holding”** means the Minimum Holding as defined and specified in Section 3.1 of this Offering Supplement;

**“MFSA”** means the Malta Financial Services Authority;

**“Offering Memorandum”** means the Offering Memorandum as may from time to time be in force, and includes this Offering Supplement relating to the Classes D1 and D2 Shares, and all relevant appendices, amendments and exhibits thereto, if any, as the same may, from time to time, be consolidated;

**“Offering Supplement”** means this offering document in relation only to the Classes D1 and D2 Shares, as may from time to time be in force;

**“RAIF”** means a reserved alternative investment fund subject to the RAIF Law;

**“RAIF Law”** means the Luxembourg law of 23 July 2016 related to reserved alternative investment funds;

**“Redemption Day”** means the day on which Classes D1 and D2 Shares may be redeemed by the Fund in terms of Offering Memorandum and this Offering Supplement. For the purpose of this Offering Supplement the Redemption Day shall be the last Business Day of each month;

**“Redemption Price”** means the Net Asset Value of Shares to be redeemed, on the relevant Redemption Day, less any applicable fees or expenses that may be due by the Investor to the Fund;

**“Service Providers”** means all the service providers, other than the AIFM, contracted by the Company (acting for the Fund) for the purposes of providing a service/s to the Fund;

**“SFDR”** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation);

**“Shares”** means the Classes D1 and D2 Shares, and any other class or classes of shares in the Fund as the Company may, from time to time, issue in favour of Well-Informed Investors, and having such rights as may be provided in terms of this Offering Supplement;

**“Special Purpose Vehicle” or “SPV”** means a subsidiary company to the Company, established in Luxemburg or in a jurisdiction which is not an FATF Blacklisted Country, which is beneficially owned or controlled, via a majority holding of the capital therein, directly or indirectly by the Fund through the Company (that is, beneficially owned by the Company as assets of and attributable to the Fund), and in which the Fund, through the Company’s Directors, has the majority directorship (or equivalent administrative function), set up or otherwise purchased by the Fund (through the Company as aforesaid) for the purposes of directly or indirectly investing in the underlying investments or assets in terms of this Offering Supplement in accordance with the investment objective, strategy and restrictions of the Fund;

**“Subscription Day”** means the day on which Classes D1 and D2 Shares may be issued by the Company and subscribed by an eligible Investor, on the basis of, and in accordance with, the most recent Net Asset Value per Share of the Fund. For the purpose of this Offering Supplement the Subscription Day shall be the last Business Day of each month;

**“Subscription Price”** means the price at which the Shares may be subscribed on any Subscription Day, as determined on the basis of the Net Asset Value per Share as on the Valuation Day;

**“Sustainability Risks”** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment, as defined in article 2 of the SFDR;

**“UCITS Directive”** means the Undertaking for Collective Investments in Transferable Securities Directive (Directive 2009/65/EU of 13 July 2009) and any modification;

**“Valuation Day”** means the day on which the Net Asset Value is calculated, which shall be the last Business Day of each month, and for the purposes of a subscription or redemption, the Valuation Day

shall be the last Business Day prior to any Subscription Day or Redemption Day (as the case may be), with the first Valuation Day being the last Business Day preceding the first Subscription Day following the Launch Date. Provided that the Directors may from time to time determine such other date or dates during any year (in addition to the original Valuation Day) as a Valuation Day for the purposes of the Fund by giving prior notice thereof to the Investors, and such additional date or dates shall for all intents and purposes be, and be deemed to be, a Valuation Day of the Fund;

**“Well-Informed Investor”** means an institutional investor, a professional investor or any other investor who meets the conditions stated in article 2 of the RAIF Law.

## 2. KEY INFORMATION

This Offering Supplement should be read in conjunction with the Articles and the Offering Memorandum. The rights and conditions attached to the Shares constituting this Fund, which is a segregated Fund of the Company, are set out below and in the Articles and the Offering Memorandum. Full information on the Company and the offer of Shares is only available on the basis of a combination of this Offering Supplement, the Articles and the Offering Memorandum.

The latest versions of the following documents shall be available for inspection at the registered office of the Company, and at the office of the Administrator, during business hours:

- (a) The Memorandum and the Articles, and the certificate of incorporation of the Company.
- (b) The Offering Memorandum.
- (c) The Offering Supplement (including subscription and redemption forms).
- (d) The audited financial statements of the Company, when available.
- (e) Copies of any agreements entered into between the Company and any relevant Service Providers in respect of the Fund.

### **General restrictions relating to offer**

Fund Shares may only be held by Well-Informed Investors as defined in the Offering Memorandum.

This Offering Supplement does not constitute and may not be used as an offer or invitation to subscribe for Shares by any person in any jurisdiction (i) in which such offer or invitation is not authorised or (ii) in which the person making such offer or invitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or invitation.

The Fund shall not distribute Shares nor accept any subscriber to the Fund Shares who is not a citizen of an EU or EEA Member State.

Additionally, the Shares have not been nor will be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or under any State securities law and, except with the specific consent of the Directors, may not be offered or sold directly or indirectly, in the United States of America, its territories or possessions or any area subject to its jurisdiction (the “United States”) or to any U.S. Person. In addition, neither the Company nor the Fund will be registered under the United States Investment Company Act of 1940, as amended (the “1940 Act”) and the Investors will not be entitled to the benefits of the 1940 Act.

It is the responsibility of any persons in possession of this Offering Supplement and any persons wishing to apply for Shares to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as

to the legal requirements of so applying and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile. Prospective Investors should not construe the contents of this Offering Supplement as legal, tax or financial advice. Each prospective Investor should consult its own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Fund for such Investor.

**Country-specific sales information**

*Austria*

The Fund has been notified to the Republic of Austria. The Fund may be sold to professional investors (within the meaning of MiFID II).

*Germany*

The Fund has been notified to the Federal Republic of Germany. The Fund may be sold to professional investors (within the meaning of MiFID II).



### 3. NATURE & SCOPE OF FUND

#### 3.1 Nature of the Fund

The Fund is being established as an open-ended Fund promoted to Well-Informed Investors. Only Well-Informed Investors may invest in the Fund. The Minimum Holding for each Investor in the Fund shall be of one hundred and twenty-five thousand Euros (€125,000) in the case where the conditions relative to the “Well-Informed Investor” definition, as per the RAIF Law, are complied with.

Each prospective Investor shall be required to confirm his status as a Well-Informed Investor by completing and executing the Investor Form and submitting the same to the Administrator. Each prospective Investor shall represent and warrant to the Administrator *inter alia* that he is able to acquire the Shares without violating Applicable Law.

Although the Fund is being established as an open-ended Fund as aforesaid, the Directors may convert the Fund into a closed-ended Fund in the event that the Directors, upon the advice of the AIFM, deem this to be in the overall and best interests of the Fund.

#### 3.2 Investment Objectives

The investment objective of the Fund is to produce positive returns by investing in the real estate industry through mezzanine capital.

The fund promotes environmental and/or social characteristics in line with its investment strategy according to Art 8 SFDR. Information about the environmental or social characteristics of the Fund is available in the annex to this document.

The Fund invests its assets in mezzanine financing for selected real estate projects that meet strict environmental and social sustainability standards. In assessing the viability or otherwise of the prospective investment, the Fund shall take into consideration both quantitative and qualitative criteria including the use and life cycle of the immovable property, the infrastructure, the ecological impact of real estate projects and the materials used.

Mezzanine financing is to be understood as any form of subordinated financing, in particular the subordinated loan agreement, the atypical silent partnership or bonds.

The Fund may from time to time also trade in liquid instruments as further elaborated in the sections entitled ‘Liquid Assets’ below.

The real estate projects are only allowed in countries in which the Euro is the official national currency or where the national currency is legally or on the basis of binding international treaties linked with the Euro, to be realized or the project companies realizing these projects to be statuted in such states. The Fund’s base currency is the Euro (EUR).

The Fund shall seek to attain its investment objectives by investing in the above-mentioned assets which are considered as environmentally friendly and/or sustainable. The said element must be verified and/or certified by a recognised institution or authority.

*Information according to Art 6 of the EU Taxonomy Regulation*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Nature of Investments*

The investments of the Fund will be predominantly in the following type of real estate situated in a Member State of the European Union or in a contracting state to the agreement of the European Economic Area:

**Liquid Assets**

The Fund may invest up to a total of forty-nine per cent (49%) of the Net Asset Value of the Fund in the following:

- (a) bank deposits;
- (b) money market instruments;
- (c) debentures, medium-term bonds, convertible bonds, covered bonds, municipal bonds and federal treasury bonds with an individual remaining term of not more than three (3) years;
- (d) units in collective investment schemes including undertakings for the collective investment in transferable securities as defined in the UCITS Directive and the AIFMD established in Austria and which invest (directly or indirectly) exclusively in the asset classes mentioned under paragraphs (a), (b) and (c) preceding this paragraph (d);

Up to a maximum of twenty percent (20%) of the Net Asset Value of the Fund held in the form of cash may be held in the form of deposits with the same credit institution. Provided that for the purpose of this regulation deposits held with credit institutions forming part of the same group shall be considered as being held by the same credit institution. Provided further that any income generated by the Fund by way of return on its investments deposited with the same credit institution/credit institutions forming part of the same group, shall not be taken into consideration in calculating the maximum threshold of twenty per cent (20%).

The value of assets listed or traded on a stock exchange or on another regulated market shall, generally, be determined on the basis of the last market value available.

Should an asset not be listed or traded on a stock exchange or on another regulated market, or should the market value of an asset listed or traded on a stock exchange or another regulated market not reflect the actual market value adequately, the market values of reliable data providers or, alternatively, market prices of similar securities or other acknowledged valuation methods shall be applied.

The role and functions of the valuation committee (the “**Valuation Committee**”) in charge of the valuation of the Fund’s assets is further described hereafter.

The valuation of the share value shall be in Euro.

#### *Number of Investments*

The Fund shall at all times be invested at minimum in five (5) assets/instruments permitted under the rules contained in this Offering Supplement.

Provided that such limitation on the number of investments shall be enforced after the expiry of the fourth (4<sup>th</sup>) year from the Launch Date.

Provided further that after the expiry of the fourth (4<sup>th</sup>) year from the Launch Date no one of the five assets/instruments held by the Fund shall at the time of its acquisition, exceed forty per cent (40%) of the Net Asset Value of the Fund.

### **3.3 Investment Policies and Strategies**

#### **Mezzanine financing in the real estate sector**

In order to achieve the investment objective, the Fund invests its assets in mezzanine financing for selected real estate projects.

#### **The economic background of mezzanine financing**

##### *High equity requirements for project developments*

Equity has always been a major issue in real estate project development. Project developers usually work on several projects at the same time. The larger the real estate projects are and the longer it takes to implement them, the more capital they tie up. As a rule, the project developer only gets his work back after completion and successful marketing. That can lead to bottlenecks when the property developer would like to start a new project but does not have sufficient equity. The challenges have tended to become even greater since the financial crisis of 2008 because the capital requirements for traditional bank lending have increased.

##### *Mezzanine capital strengthens equity*

Mezzanine capital comes into this financing gap. As the name suggests, this form of financing is usually located between equity and debt capital. Due to its equity-like character, mezzanine capital is usually assigned to equity by banks and therefore makes it easier to conclude a traditional home loan. There are also structures in which the mezzanine capital, from the perspective of the financing bank, represents the entire equity portion and therefore the project developer does not have to raise his own capital. With such an approach, however, the project developer must expect higher financing costs and possibly provide third-party collateral. Another approach used by mezzanine capital to strengthen liquidity is the secured pre-financing of profit claims in the form of a release of equity.

### *Subordination*

Against this background, mezzanine capital is regularly structured subordinate to the capital additionally provided by banks. At the same time, the developer's equity share, the so-called "first loss" position, serves as a safety buffer against payment defaults.

Due to the higher risk of default in the event of bankruptcy of the borrower, the interest components in favor of the mezzanine capital provider are significantly higher than those of the classic ones Bank loans. The lower the equity position and the marketing potential of the financed property, the higher the risk premiums will be from the mezzanine capitalist's point of view.

For mezzanine capital financing, the Fund will use the following instruments in particular:

#### 1. Subordinated Loans/Qualified Subordinated Loans/Subordinated Bonds

A subordinated loan is a loan in which the lender accepts that he ranks behind the other creditors. The lender accepts that in the event of the borrower's insolvency, he will only get his money back if all other unsubordinated creditors have received their money beforehand ("subordinate clause").

There is a particularly high risk that the subordinate creditors will then run out of money. Subordinated loans therefore often promise higher interest rates than classic loans, as there is also a higher risk of default. A financial investment in the form of a subordinated loan is characterized by a high risk and can also lead to the total loss of the investment.

In the case of qualified subordinated loans, the borrower does not have to pay despite the due date if the payment could result in a serious financial crisis. The lender cannot demand repayment of the loan as long as it could trigger insolvency for the borrower.

However, it is also possible that the loans are structured as bonds and the loans or bonds could be secured. It is possible that the Fund is not the only Investor who is subscribing to the bond.

#### 2. Atypical silent participation

The silent partner makes a cash contribution and participates as a percentage of the reported net profit and loss of the corresponding company in the amount of his participation quota, but only up to the amount of his contribution to the loss. In addition, he participates in the hidden reserves and in the business value.

### **Geographic focus**

The real estate projects may only be implemented in countries in which the Euro is the official national currency or whose national currency is linked to the Euro by law or on the basis of binding international agreements or the project companies implementing these projects be stipulated in such states.

### **Mezzanine financing terms**

Depending on the size of the project and the point in time at which it was started, the duration of the financing will usually be between 6 and 36 months but can also be shorter or longer depending on the given opportunities. In particular, due to the fixed terms of the financing, recurring liquidity bottlenecks can occur within the fund if a substantial investor amount is to be given back, but at the same time no compensating investor capital is available and no financing is repaid on time.

THERE CAN BE NO ASSURANCES THAT THE FUND SHALL ACHIEVE ITS INVESTMENT OBJECTIVES. THE PRICE OF THE SHARES ON OFFER IN THIS OFFERING SUPPLEMENT MAY GO DOWN AS WELL AS UP FOLLOWING SUBSCRIPTION.

### *Sustainable Investment*

The Fund is a product according to Article 8 of the SFDR. The Fund is a 'financial product' within the meaning provided under the Disclosure Regulation. The Fund promotes environmental and social characteristics but does not have 'sustainable investment' as its principal objective.

As part of the Fund's sustainability process, a methodically comprehensive approach is depicted and sustainable evaluations are undertaken in accordance with the applicable "Sustainable Investment Guideline". The "Sustainable Investment Guideline" integrates sustainability factors such as environmental, social and employee issues, as well as respect for human rights and the combat against corruption and bribery, in its specific investment process.

With regard to the investment universe, a combination of exclusion (negative selection) and positive selection criteria are used. According to the investment process, sustainability is comprehensively defined in terms of responsible investment with high ethical (affordability, corporate governance, avoidance of negative environmental influences), social (infrastructure in the vicinity, noise pollution, barrier-free access to apartments) and environmental (energy efficiency, problematic substances, use of renewable energies, building ecology, thermal comfort, construction work) standards. Based on the investment decisions, the financing options for long-term sustainable investments can be steered.

## **3.4 Valuation of Assets**

The valuation of the Fund's assets is performed by the AIFM with the support of a valuation committee (the “**Valuation Committee**”).

The purpose of the Valuation Committee is to undertake reliable, proper and objective asset valuation in respect of the assets of the Funds under management.

All assets of the funds managed by the Company shall be fairly and appropriately valued.

Prices should be obtained from independent reliable sources whenever possible and appropriate.

The Valuation Committee is considered to have the necessary competence and experience position to carry out the requisite valuation function also in light that the underlying assets of the funds under management.

In case of disagreements or differences in values of assets, such matters shall be promptly raised to the Board and the AIFM by the Valuation Committee or respective Valuation Committee member for due consideration.

The Valuation Committee is convened at least on a monthly basis to discuss and decide on the valuation decisions under the responsibility of the AIFM, who is responsible for performing the valuation function.

Valuation of the investment shall occur in accordance with the generally recognised valuation principles and at least once every year, and whenever such assets are purchased, sold or encumbered.

Unless otherwise provided in the Articles, the value of the assets comprised in each Fund shall be determined as follows:

(a) The value of any Investment quoted, listed or normally dealt in a Regulated Market shall be calculated by reference to the price appearing to the Directors to be the latest available dealing price or (if bid and offered quotations are made) the latest available middle market quotation on such Regulated Market, provided that:

(i) If an Investment is quoted, listed or normally dealt in more than one Regulated Market, the Directors shall adopt the price or, as the case may be, the middle quotation on the Regulated Market which, in their opinion, provides the principal market for such Investment.

(ii) In the case of any Investment that is quoted, listed or dealt in a Regulated Market, but in respect of which, for any reason, prices on that Regulated Market may not be available at any relevant time, the value thereof shall be determined by such professional person as may be appointed for such purposes by the Directors.

(iii) The Directors shall not be under any liability by reason of the fact that a value reasonably believed by them to be the latest available price or, as the case may be, middle quotation for the time being, may be found not to be such.

(iv) There shall be taken into account any interest accrued on interest-bearing Investments up to the date on which the valuation is made, unless such interest is included in the price or quotation referred to above.

(b) Investment on loans will be valued at fair value, taking into account related payables and receivables subject impairment test (which may be based on inputs from external experts). In case

of loans held until maturity to collect contractual cash flows (payments of principal and interest), they will be valued on an amortised cost basis, subject to an impairment test (which may be based on inputs from external experts).

(c) The value of each unit or share in any collective investment scheme that provides for the units or shares therein to be realised at the option of the shareholder out of the assets of that scheme shall be the last published net asset value per unit or share or (if bid and offer prices are published) at a price midway between the last published bid and offer prices applicable to the fund.

(d) Cash, deposits and similar property shall be valued at their face value (together with accrued interest).

(e) Derivative instruments shall be valued using quoted market prices for publicly traded derivatives or, in the absence of quoted market prices, appropriate valuation techniques as the Directors under the responsibility of the AIFM shall from time to time determine.

(f) Notwithstanding any of the foregoing sub-paragraphs hereof, the Directors under the responsibility of the AIFM may adjust the value of any Investment, or permit some other method of valuation to be used if it considers that in the circumstances (including without limitation a material volume of subscription or repurchases of shares in the Fund, or the marketability of the Investments, or such other circumstances as the Directors and the AIFM may deem appropriate), such adjustment or other method of valuation should be adopted to reflect more fairly the value of such Investment or other property.

(g) Every Share allotted by the Company shall be deemed to be in issue and the Fund shall be deemed to include the net amount of any cash or other property to be received in respect of each such Share.

(h) Where, in consequence of any notice or repurchase request duly given, a reduction of the Fund by the cancellation of Shares has been or is to be effected, but payment in respect of such reduction has not been completed, the Shares in question shall be deemed not to be in issue and any amount payable in cash or Investments out of the Fund in pursuance of such reduction shall be deducted.

(i) Where any Investment has been agreed to be acquired or realised, but such acquisition or disposal has not been completed, such Investment shall be included or excluded (as the case may be) and the gross acquisition or net disposal consideration excluded or included, as the case may require, as if such acquisition or disposal had been duly completed.

(j) There shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Directors may have determined to amortise, less the amount thereof which has previously been or is then to be written off.

(k) Where an amount in one currency is required to be converted into another currency, the Directors may effect such conversion using the latest available rates as the Directors shall determine at the relevant time, except where otherwise specifically provided.

(l) There shall be deducted from the assets such sum in respect of tax (if any) as in the estimate

of the Directors will become payable in respect of the current Accounting Period.

(m) Where the current price of an Investment is quoted, ex dividend or interest, there shall be added to the assets a sum representing the amount of such dividend or interest receivable by the Fund but not yet received.

(n) There shall be added to the assets the amount (if any) available for allocation in respect of the last preceding Accounting Period, but in respect of which no allocation has been made.

(o) There shall be deducted from the assets the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable, including outstanding borrowings and accrued interest on borrowings (if any) but excluding liabilities taken into account in sub-Article (h) above.

Notwithstanding the foregoing, the Administrator under the responsibility of the AIFM shall be entitled to value the Shares of any Fund using the amortised cost method of valuation, whereby the Investments are valued at their cost of acquisition, adjusted for amortisation of premium or accretion of discount on the Investments, rather than at the current market value of the Investments.

The Net Asset Value of each Fund fluctuates with changes in the market values of the Fund's investments. Such changes in market values may occur as a result of various factors, including those factors identified below:

#### *Use of Derivatives*

Derivatives are subject to a number of risks, such as interest rate risk and market risk. They also involve the risk of mispricing or improper valuation, the risk that changes in the value of the derivative may not correlate with the underlying reference and, in over-the-counter transactions, the risk that the counterparty may not honour its obligation. Derivatives may be highly illiquid and often contain a degree of leverage. The Fund could lose more than the principal amount invested in any derivative transaction. Suitable derivative transactions may not be available in all circumstances, and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The Fund's ability to close out its position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market. Unless the parties provide for it, there is no central clearing or guarantee function in an over-the-counter option. As a result, if the counterparty fails to make or take delivery of the security, currency or other instrument underlying an over-the-counter option it has entered into with the Fund or fails to make a cash settlement payment due in accordance with the terms of that option, the Fund will lose any premium it paid for the option as well as any anticipated benefit of the transaction.

#### *Covered and Uncovered Options*

Writing covered call options (where the Fund owns the security or other investment that is subject to the call) may limit the Fund's gain on portfolio investments if the option is exercised because the Fund will be required to sell the underlying investments below the current market price. Also, writing put options may require the Fund to buy the underlying investment at a disadvantageous



price above the current market price.

Writing uncovered call options (where the Fund does not own the security or other investment that is subject to the call) entails the risk that the price of the underlying investment at the time the option is exercised could have risen without limit. The risk of loss of uncovered put options written by the Fund is limited to the exercise price of the option less the premium received.

Without prejudice to their general powers to delegate their functions herein contained, the Directors may delegate any of their functions in relation to the calculation of the Net Asset Value to the AIFM, to the Administrator, to a committee of Directors or to any other duly authorised person. In the absence of wilful misconduct or manifest error, every decision taken by the Directors or any committee of Directors or by the AIFM or by the Administrator or any duly authorised person on behalf of the Company, in calculating the Net Asset Value shall be final and binding on the Company, and on present, past or future Members. The Company, the AIFM, the Administrator or any other duly authorised person, shall not be responsible for any error in calculating the value of assets, if they have acted in good faith when making such calculations.

### **3.5 Transactions**

The AIFM is authorized to designate Brokers, Dealers and real estate agents for the purpose of executing some of the investment transactions in implementing the investment strategy of the Fund particularly but not limited to transactions involving trading of liquid instruments.

The policy of the AIFM regarding relevant purchases and sales for the portfolio is that primary consideration shall be given to obtaining the most favourable execution of the transactions in seeking to implement the AIFM's strategy. The AIFM will effect transactions with those Brokers, Dealers and real estate agents which the AIFM believes provide the most favourable prices and which are capable of providing efficient executions. Those factors that the AIFM believes contribute to efficient execution include size of the order, difficulty of execution, operational capabilities and facilities of the Broker or Dealer and real estate agents involved, and the prior experience of the Broker, Dealer or real estate agent in effecting transactions of the type in which the Fund will engage.

Moreover, the AIFM may also cause a Broker, Dealer, or real estate agent, which provides such brokerage and research services and products, to be paid a commission or, in the case of a Dealer, a dealer spread for executing a portfolio transaction, which is in excess of the amount of commission that another Broker, Dealer or real estate agent would have charged for effecting that transaction.

Consistent with obtaining the most favourable execution, the AIFM may also consider the fact that certain Brokers, Dealers and real estate agent may refer, or have referred, prospective Investors to the Fund. Prior to making such an allocation, however, the AIFM shall make a good faith determination that such commission or spread was reasonable in relation to the value of the brokerage and research services provided, viewed in terms of that particular transaction or in terms of all the accounts over which the AIFM exercises trading discretion.

## **4. RESTRICTIONS & RISKS**

### **4.1 Borrowing**

The Fund may borrow money, up to a maximum of fifty per cent (50%) of the Net Asset Value of the Fund. In obtaining such liquidity through borrowing the Fund may encumber its underlying assets through the creation of a security interest over the said assets in favour of the liquidity provider.

The Fund may also take out short-term loans for organizational, administrative and liquidity purposes (including any liquidity required in respect of payment of redemptions) up to a maximum of forty per cent (40%) of the Net Asset Value of the Fund. Short-term loans are to be taken in consideration in calculating the fifty per cent (50%) borrowing threshold mentioned in the preceding paragraph.

Assets forming part of a real estate investment fund shall not be pledged or otherwise encumbered or given in security or assigned, except in the cases expressly provided for and permitted in terms of the applicable law of the jurisdiction where the said real estate assets are situated.

A disposal in contravention of this provision shall be ineffective vis-à-vis the unit holders.

### **4.2 Investment Restrictions**

The Fund shall apply any and all investment restrictions which are stipulated in this Offering Supplement, and in particular those set out above in the sections entitled Investment Objectives and Investment Policies and Strategies.

### **4.3 General Risks**

Notwithstanding the investment strategy outlined above and discussed herein, the Fund's investments may involve a number of significant risk factors. The risks enumerated in Sections 4.4 and 4.5 hereof should not be considered as an exhaustive list of all investment risks connected with, or otherwise inherent in, the Fund. Investors are strongly recommended to either personally, or through their advisors, investigate and analyse the risks arising from the investment activities of the Fund and assess their possible impact and consequences.

There can be no guarantee that the investment objectives of the Fund shall be achieved. The Fund's investments are subject to fluctuations and the risks inherent in all investments, and there are no assurances that capital appreciation shall be achieved.

The value of any investment and the income therefrom (if any) may, from time to time, go down as well as up, and Investors may not realize the amount of their initial investment. In particular, the deduction of the initial charge applicable to the Fund and the accumulation of any other fees debited to the Fund in terms of the Offering Memorandum and this Offering Supplement, means

that a Well-Informed Investor may not get back any amounts that may be invested by such Investor by way of subscription of Classes “D1” and “D2” Shares, if the underlying investments to be made by the Fund do not generate the projected yields in terms of net capital gains.

Currency fluctuations between the base currency of the Fund and:

- (i) An Investor’s currency of reference; and/or
- (ii) The currency of the underlying investments of the Fund,

may adversely affect the value of investments and the income derived therefrom.

The Fund has been established as an open-ended Fund promoted to Well-Informed Investors. Notwithstanding the aforesaid, the Directors, upon the advice of the AIFM, shall retain the right to convert the Fund into a closed-ended Fund. Investors should be aware that, in the event of such a conversion, the redemption rights described in Section 4.7.4.9 et seq of this Offering Supplement would no longer apply.

Although the Fund may invest in instruments known for their high risk character due to their usage in speculative strategies (including without limitation, options and such like instruments), the Fund intends to use such instruments in a very conservative way. It is the intention of the Fund to make use of all available strategies to achieve its rather conservative goals, contrary to exploiting maximum possible profits from high risk strategies. Investment in the Fund is suitable for Investors who are pursuing a long-term strategy, and who are willing to accept higher risks. Investors who are in any doubt about the risks of investing in the Fund should consult their own stockbroker and/or financial advisor, in order to obtain professional advice on the suitability or otherwise of investing in the Fund.

## **4.4 Specific Risks**

### **4.4.1 Risks Related to the Fund**

#### **4.4.1.1 Start-Up Periods**

The Fund may, during its start-up period, incur certain risks relating to the initial investment of newly contributed assets. Moreover, the start-up period also represents a special risk in that the level of diversification of the portfolio may be lower than in a fully-committed portfolio. The Fund may employ different procedures for moving to a fully-committed portfolio. These procedures will be based in part on market judgment. No assurance can be given that these procedures will be successful.

#### **4.4.1.2 Limited Liquidity**

Shares may only be redeemed pursuant to the terms and conditions provided in this Offering Supplement and in the Offering Memorandum which it supplements, including the limitation to certain Redemption Days, and other possible restrictions or suspensions of redemptions contemplated therein.

To date, there is no market for the Shares and no secondary market is expected to develop to provide Investors with liquidity of investment except through redemption. No assurance may be given that active secondary trading will develop or that Shares will trade at a premium or discount from their Net Asset Value.

#### **4.4.1.3 Liquidity and Redemption Risk**

Redemptions of Shares will be funded through sale of the underlying assets of the Fund and may result in erosion of capital. The realisation of the underlying assets depends on factors affecting the relevant market at the relevant time as well as on several economic factors, all of which can significantly impinge on the targeted price of sale and/or on the time frame set for the sale. Accordingly, whilst it is the intended policy of the Fund to ensure regular liquidity, there may be factors which could affect such liquidity and delay realisation of the assets until such time when it would be most appropriate to realise the same in the interest of the Fund and all the Investors. As a consequence, Share redemption requests may be deferred, as further detailed in this Offering Supplement and in the Offering Memorandum that it supplements.

#### **4.4.1.4 Restriction or Suspension of Redemption or Transfer Rights and Mandatory Redemptions or Transfers**

Although Investors may request the Company to repurchase their Shares on any Redemption Day at the applicable Net Asset Value per Share or may wish to transfer all or any of their Shares, certain restrictions on or suspension or deferral of redemptions and transfers may apply in certain circumstances. Furthermore, Shares may be subject to mandatory redemptions in certain circumstances. Reference is made to disclosures included under the Offering Memorandum and under this Offering Supplement.

#### **4.4.1.5 Calculation of the Net Asset Value**

The Net Asset Value of the Fund and of the Shares shall be calculated by reference to (among other things) the value of the securities of any underlying companies and/or the net asset value of any underlying funds, in which the Fund may invest from time to time. The procedures for the calculation of the value of the securities of such underlying companies, and of the net asset value of such underlying funds, may not correspond to the method of calculation adopted by the Company. In

addition, the dates on which such valuations are carried out may not coincide with the Valuation Day. As a result, the calculation of the Net Asset Value may be made on the basis of valuations for underlying companies and/or underlying funds, which are either estimated in the event that no published valuation or net asset value (as the case may be) is available for such underlying companies and/or funds, or are historic valuations and/or net asset values where the relevant valuation dates of any underlying companies and/or funds do not coincide with the Valuation Day. Such estimated values and historic values may vary significantly from the actual value of the net assets of the respective underlying companies or funds on the Valuation Day. Such variations may not be reflected in the Net Asset Value of the Fund and of Shares, as a result of which the calculated Net Asset Value of the Fund may be higher or lower than the actual value of the Fund's net assets on the relevant Valuation Day. Consequently, the proceeds resulting from the redemption of Shares or the amount which an Investor must pay to subscribe for Shares, may represent a discount, or premium, on the value of the net assets attributable to the Fund.

#### **4.4.1.6 Classes “D1” and “D2” Shares - Distribution Shares**

The Classes “D1” and “D2” Shares are distributive shares and accordingly entitle Investors to receive dividends or other income thereon. This means that Investors invested in such shares will be able to realize return on their investment before redemption or disposal of such investment.

#### **4.4.1.7 Portfolio Construction**

The ability of the Fund to meet its investment objective is dependent upon the ability of the AIFM to set selection policies and asset allocation criteria, and to identify investment opportunities, select investments and add value through its active management. Although investment decisions will be based on carefully structured investment strategies, there is no assurance that the investment objective will be met. There can be no assurances that any investment by the Fund will produce profitable results.

#### **4.4.1.8 Dependence on the AIFM**

The AIFM will make all decisions with respect to the Fund's assets. As a result the success of the Fund depends largely upon the ability of the AIFM to set an investment policy executed by them. The Directors will make all decisions regarding the general management of the Fund. Investors have no right or power to take part in the management of the Fund or of the Company.

Investors must rely on the judgment and abilities of the AIFM in exercising these responsibilities, who are not required to devote substantially all their time to the Fund's business.

Subject to the Directors' fiduciary responsibilities, the Directors shall have no personal liability to the Investors for the return of any capital contributions, it being understood that any such return shall be made solely from the Fund's assets.

#### **4.4.1.9 Sustainability Risks**

Sustainability Risks are considered in the fund management process and the Sustainability Risks features are integrated into the overall investment process.

A 'sustainability risk' in the area of environmental, social and governance factors is an event the occurrence of which could have a significant negative impact on the value of an investment.

On the one hand, physical environmental risks such as extreme weather or a continuous rise in temperature and environmental pollution can have negative effects on companies and / or investments. On the other hand, 'transition risks' (risks from the transition to a climate-neutral and resilient economy and society) such as political regulations, technological developments and consumer behaviour can have both positive and negative effects on companies and / or investments. In addition to environmental risks, this also applies to social goals (such as labour standards, etc.) and risks in connection with corporate governance (such as tax compliance, corruption, etc.).

Sustainability Risks do not represent a specific type of risk considered individually. The occurrence of Sustainability Risks can have a significant negative impact on the value of an investment and therefore lead to a significant deterioration in the financial profile, liquidity, profitability and reputation of the underlying investment. If Sustainability Risks are not already taken into account in the assessment process of the investment, they can have significant negative effects on the expected / estimated market price and / or the liquidity of the investment and thus on the performance of the investment.

Whilst general risks may themselves cause a significant negative impact on the value of an investment, such general risks may also contribute to the materiality of Sustainability Risks to which a Fund may be exposed to.

The investment decision-making process outlined herein aims to prevent and/or mitigate as much as possible the potential significant negative impact that may otherwise result on the value of an investment. The associated opportunities can also result in medium and long-term opportunities for a positive impact on the value development of the investment.

#### **4.4.2 Conflict of Interest**

The AIFM may act as an investment manager to other clients or funds and may, accordingly, give advice or take action with respect to such other clients or funds, which advice or action may be the same or different from the advice given, or action taken, with respect to the Fund and the Fund's investments.

The AIFM shall ensure the fair allocation of investment opportunities between the Fund and the AIFM's other clients. However, the AIFM shall not be bound to present to the Fund any particular investment opportunity, even if such opportunity is of a character, which, if presented to the Fund, could be taken by the Fund, and the AIFM shall have the right to take for its own account, or recommend to others, any particular investment opportunity.

The Fund understands that material, non-public information regarding an issuer may come into the possession of the AIFM, and that the AIFM shall not disclose such information to the Fund or make use of such information in effecting transactions on behalf of the Fund.

Moreover the Directors and any Service Provider, and their respective principals, affiliates, officers, directors and shareholders, employees and agents (collectively the "**Connected Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Fund and/or their respective roles with respect to the Fund. These activities may include managing or advising or servicing other funds or companies including underlying funds invested in by the Fund, purchases and sales of securities and trades for own account and/or for the account of other customers, AIFM services, brokerage services, valuation of unlisted securities (in circumstances in which fees may increase as the value of assets increases), sponsoring or promoting or establishing other collective investment schemes and serving as directors, officers, advisers or agents of other funds or companies, including underlying funds in which the Fund may invest.

The above-mentioned persons are not required to devote substantially all their time to the Fund's business. Therefore, each of these persons will also have conflicts of interest in allocating management time, services and functions among the various entities for which they provide services.

The Directors, the AIFM, the Service Providers and Connected Parties will remain free to trade for accounts which are not the Fund's accounts (whether their own or of other customers) and to utilize trading strategies and formulae in trading for such accounts which are the same or different from the ones they will utilize in making trading decisions for the Fund. In particular, the Directors, the AIFM, the Service Providers and Connected Parties may be involved in advising or managing other investment funds or other clients which have similar or overlapping investment objectives to or with the Fund and such clients could thus compete for the same trades or investments. Whilst available investments or opportunities are generally allocated to each client in a manner believed to be equitable, some of those allocation procedures may adversely affect the price paid or received for

investments or the size of positions obtained or disposed of. They may also take positions different than or opposite to those of the Fund and each may trade ahead of the Fund. The records of any such trading will not be available for inspection by Fund Investors except to the extent required by law.

Furthermore, because the Directors, the AIFM, the Service Providers and Connected Parties may be willing to accept more risk than they believe is acceptable for clients, and because they may test new trading methodologies, positions in their respective proprietary accounts may be inconsistent or opposite to those of clients and, as a result, the performance of their respective own accounts may differ from the performance of client accounts.

Certain distributors, placement agents and other financial intermediaries may be paid ongoing compensation while Investors introduced to the Fund by them hold Shares. Accordingly, such financial intermediaries will have a conflict of interest in advising Investors whether to purchase or redeem Shares.

Each of the Service Providers to the Fund has contractually undertaken to use its reasonable endeavours to ensure that the performance of its respective duties towards the Fund will not be impaired by any involvement, activity or interest as aforesaid which it may have and that any conflicts which may arise will be resolved fairly and in the best interests of the Fund.

In the above-mentioned circumstances, therefore, the Service Providers will have appropriate regard to their respective obligations under the rules of the Applicable Law and/or under the agreements appointing them to act in the best interests of the Company, so far as practicable having regard to their obligations to other clients or schemes, when potential conflicts of interest may arise. Should a conflict of interest arise, the Directors will endeavour to ensure that it is resolved fairly and that the Fund shall not be disadvantaged. Whilst no assurance can be made that a conflict of interest may not arise at some time, the Directors will seek to resolve such conflicts of interests in the best interests of the Fund. Furthermore, where officials of the Company or of the Fund are allowed to deal for their own account, standards and procedures shall be adopted and implemented to ensure that such a practice does not lead to abuse and that all transactions undertaken by such officials on their own account be at an “arm’s length” basis.

#### **4.4.3 Performance Fee**

As at the date of this Offering Supplement, the AIFM does not receive any performance fee.

#### **4.4.4 Trading**

The Fund may not attain its objectives. The AIFM intends to implement the strategies described above, and shall generally follow these strategies for as long as they are in



accordance with the Fund's objectives. Nevertheless, the AIFM reserves the right to modify the Fund's investment approaches or to formulate new approaches to carry out the objectives of the Fund, subject to the AIFM informing all Investors and providing them with the opportunity to redeem their Shares in the Fund, prior to any changes in the investment strategy of the Fund being formalised as aforesaid.

Substantial risks are involved in alternative strategies. Market movements can be volatile and are difficult to predict. Politics, recession, inflation, employment levels, trade policies, international events, war and other unforeseen events can also have a significant impact upon the prices of the investment instrument used. A variety of possible actions by various government agencies also can inhibit the profitability of the Fund's business or can result in losses. Such events, which can result in large market movements and volatile market conditions, create the risk of catastrophic losses for the entities in which the Fund will invest.

#### **4.4.5 Portfolio Turnover and Rebalancing Risk**

The Fund has not placed any limit on the rate of portfolio turnover. Accordingly, there can be adjustment of proportions of investments on relatively frequent basis. This may result in a relatively high turnover rate.

#### **4.4.6 Risks of Leverage**

The Fund can be leveraged as provided and subject to what is stated under Section 4.1 hereof. The borrowing of funds for investment purpose and the use of the leverage option creates an opportunity for greater yield and total return, but may also result in greater losses. It is accordingly a high risk / high reward option and can significantly negatively or positively affect the performance of the Fund. Any income or gains earned on investments made with borrowed funds that are in excess of the interest costs associated therewith may cause the value of such investments to rise more quickly than otherwise would be the case. Conversely, if the investments are unprofitable, their value may decrease more quickly than would otherwise be the case. In addition, the Fund may be compelled, depending on the repayment terms of the relevant borrowing facilities, to liquidate and realise, in an anticipatory manner, assets owned by it under conditions which may differ from those anticipated by the AIFM's models or projections.

#### **4.4.7 Foreclosure Risk**

The facilities that may be granted by banks and other lenders to the Company in relation (and attributable) to the Fund may be terminated and/or called in by the bank or other lender in circumstances and for reasons outside the control of the Fund and the AIFM, and such termination and/or call in can negatively affect the performance of the Fund, due to the possible constraints imposed on the Fund to sell off some of its underlying assets at less favourable prices in order to fund the repayment of any such facilities.

#### **4.4.8 Institutional Risk**

The institutions, including brokerage firms and banks, with which the Fund (directly or indirectly) does business, or to which portfolio assets have been entrusted for safekeeping purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Fund.

#### **4.4.9 Legal Restrictions on Portfolio Investments**

The Fund is subject to regulations in Luxemburg and its direct and indirect portfolio investments may be subject to regulations (including tax and exchange control regulations) in other countries. The Fund may also be subject to regulations in countries where its Shares are distributed. In view of the said legal requirements which may be applicable to the Fund, the Fund may at times either need to limit, for other than investment reasons, the amount of assets invested in a particular financial instrument or issuer or may not be able, for regulatory reasons, to invest at all in financial instruments that would otherwise be appropriate (in view of restrictions on investments by foreign Investors). Such factors may affect the performance of the Fund and could limit the availability to the Fund of attractive investment opportunities. In addition, possible changes to the laws and regulations governing permissible activities of the Fund could restrict or prevent the Fund from continuing to pursue the Fund's investment objective or policies or to operate in the manner currently contemplated. In addition some underlying companies or funds in which the Fund may invest will not be subject to significant regulation or regulatory supervision and neither the Fund nor the AIFM can monitor legal and regulatory compliance by such underlying companies or funds.

#### **4.4.10 Possible Adverse Tax Consequences**

No assurance may be given that the manner in which the Fund will be managed and operated, or that the composition of its direct and indirect portfolio investments, will be tax efficient for any particular Investor or group of Investors. The Fund does not intend to provide its Investors with information regarding the percentage ownership of its Shares held by residents of any country. The Fund's books and records could be audited by the tax authorities of countries where a portion of its direct and indirect portfolio investments are made, or where a particular Shareholder or group of Shareholders reside. Any such audits could subject the Fund to tax, interest and penalties, as well as incremental accounting and legal expenses.

#### **4.4.11 General Tax and Legal Risks**

The tax consequences to the Fund and the Investors, the ability of the Fund as a foreign Investor to invest in the markets and to repatriate its assets including any income and profit earned on those assets and other operations of the Fund are based on existing regulations and are subject to change through legislative, judicial or administrative action in the various jurisdictions in which the Fund or its Service Providers operate.

There can be no guarantee that income tax legislation and laws or regulations governing the Fund's operations and investments will not be changed in a manner that may adversely affect the Fund.

#### **4.4.12 Risk of Litigation**

The Fund may, directly and indirectly, accumulate substantial positions in the securities of an issuer, which may become involved in litigation or bankruptcy proceedings. Under such circumstances, the Fund might be named as a defendant in a lawsuit or regulatory action.

#### **4.4.13 Side Pocketing**

On the occurrence of a Special Event as defined in the Offering Memorandum, the holders of Shares in the Fund may have a portion of their Shares converted into Side Pocket Shares as also defined in the Offering Memorandum, and generally in accordance with the provisions contained therein. Such Side Pocket Shares have an attendant lack of liquidity for an indeterminate period of time, during which the affected Investors shall not be able to redeem their Side Pocket Shares and the Fund's performance could be negatively impacted. Furthermore, Investors should be aware of the increased difficulty in the valuation of Side Pocket Shares and the restrictions associated with the realization of interest from such Side Pocket Shares.

### **4.5 Market Related Risks**

#### **4.5.1 General Economic Conditions**

The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of prices and interest rates, the extent and timing of Investor participation and the liquidity of the markets. Certain market conditions, including unexpected volatility or illiquidity in the market in which the Fund directly or indirectly holds positions, could impair the Fund's ability to achieve its objectives and/or cause it to incur losses.

#### **4.5.2 Market Risks – Volatility and Lack of Liquidity**

The success of a portion of an investment program may depend, to a certain extent, upon correctly assessing the future course of the price movements of shares and other financial instruments, foreign currencies and other investments and assets. There can be no assurance that the AIFM will be able to predict accurately these price movements. In particular, the value of investments may be affected by changing supply and demand relationships, government trade and fiscal policies, national and international political and economic events, changes in interest rates and other uncertainties and events.

Furthermore, despite the heavy volume of trading in securities and other financial instruments, the markets for some securities and instruments have limited liquidity and depth. This limited liquidity and lack of depth could be a disadvantage to the Fund, both in the realization of the prices, which are quoted, and in the execution of orders at desired prices.

#### **4.5.3 Foreign Exchange Risk**

Because the Fund's assets and liabilities may be denominated in currencies different to its Base Currency, the Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the Base Currency and other currencies. Changes in currency exchange rates may influence the value of shares and other securities and financial instruments, the dividends or other income earned and the gains and losses realised. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments and trades and changes therein, governmental intervention (usually directly by regulation in the currency markets to influence process directly) and trade, fiscal and monetary policies of governments, speculation, different countries' rates of inflation, international interest rates, international trade restrictions, currency devaluations and re-valuations and other economic and political conditions.

If the currency in which a security or instrument is denominated appreciates against the Base Currency, the value of the security or instrument will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security or instrument.

The Fund may engage in foreign currency transactions in order to hedge against currency exchange risk; however, there is no guarantee that hedging or protection will be achieved. This strategy may also limit the Fund from benefiting from the performance of Fund's securities and instruments if the currency in which the securities and instruments held by the Fund are denominated rises against the Base Currency.

Similarly, currency fluctuations between the Base Currency of the Fund and the Investor's currency of reference may adversely affect the value of the Investor's investment in the Fund and the yield derived therefrom.

#### **4.5.4 Credit Risk and Counterparty Risk**

The Fund may invest in securities of underlying companies and/or units of underlying funds, and such underlying companies or funds may in turn invest in other funds, fixed income, and other securities and instruments, and will accordingly be subject to the risk of a decline in the credit of the issuer or the counterparty (including the prime broker/s or broker/s with or through whom it may undertake some of its transactions and/or who provide/s borrowing and other trading facilities to the Fund or such underlying companies or funds to enable it to enter into obligations in excess of its Net Asset Value) and the risk

that the issuers or counterparties may not make payments or may default on such securities, instruments or related transactions. If there is a failure or default by the issuer or counterparty, the Fund or any of such underlying companies or funds (as the case may be) may not receive 100% of its contractual entitlement unless its payment rights and such transactions are adequately secured or collateralised. Transactions and securities entered into and invested in by the Fund and/or its underlying companies or funds may not be adequately secured or collateralised or secured or collateralised to any extent.

Furthermore, an issuer (including an issuer of equity securities) or counterparty suffering an adverse change in its financial condition could lower the credit quality of a security or instrument, leading to greater price volatility of such security or instrument. A lowering of the credit rating of a security or instrument may also offset the security's or instrument's liquidity, making it more difficult to sell.

#### **4.6 Risks Related to Investments in Underlying Companies and Funds**

##### **4.6.1 Calculation of the Net Asset Value**

The AIFM may invest its assets in listed securities and/or other instruments as specified in Section 3.2 of this Offering Supplement. Nevertheless, such securities or instruments may at any time be delisted. As a result, the valuation of such delisted and unquoted securities or instruments and, consequently, the valuation of the portfolio will be a complex process that might in certain circumstances require the Company to make certain assumptions in order to produce the desired output.

Moreover, the AIFM may invest in unquoted securities which assets may be difficult to value.

The Net Asset Value of the Fund and per Share is not audited (except at fiscal year-end) and based primarily upon the value of the Fund's holdings of underlying assets. In valuing delisted and unquoted holdings, the Fund will in some cases need to rely primarily on not audited financial information procured from the relevant underlying securities' issuers, their agents, market makers or other sources. If financial information used to determine the net asset value of any such issuer is incomplete, inaccurate, or if such net asset value does not adequately reflect the net asset value of the issuer, the Net Asset Value per Share may be adversely affected (especially if subscriptions or redemptions are effected on the basis of over- or under- estimated net asset values). Adjustments to the Net Asset Value of the Fund will generally be made to the then current Net Asset Value, not by adjusting the Net Asset Values previously reported. The Fund will have no control over the choice of service providers made by such issuers nor on the valuation methods and accounting rules which they may use.

The lack of an active public market for certain assets in which the Fund may invest will make it more difficult and subjective to value investments of the Fund for the purposes of determining the Net Asset Value. In valuing the interests in underlying companies or funds,

the Administrator will be dependent upon financial information provided by valuers, issuer companies or funds, their fund managers, directors, administrators and/or auditors. The valuation of the Net Asset Value may be based on estimated value. In case of significant differences between the estimated value and the final value of the underlying investments, the Administrator may, at its discretion, recalculate the previously calculated Net Asset Value.

Investors should recognize that the Fund's ability to correctly assess the value of its investments' portfolio will be dependent upon the information available with respect to these investments.

#### **4.6.2 Liquidity of Investments**

At various times, the markets for assets in which the Fund may invest in may be "thin" or illiquid, making purchases or sales of assets at desired prices or in desired quantities difficult or impossible. The liquidity of the market may also be affected by a halt in trading on a particular futures or securities exchange or exchanges. Illiquid markets may make it difficult for the Company to get an order executed at a desired price. All of the above could result in delays in the calculation of the Net Asset Value and / or payment of any redemption proceeds. Under certain circumstances, the Company may be unable to liquidate portfolio investments due to the absence of a liquid market, and consequently, may not be able to redeem Shares.

#### **4.6.3 Risks of Suspension of Net Asset Valuation Determination by Underlying Funds**

The underlying funds in which the Fund invests may be subject to temporary suspensions in the determination of the net asset values of such underlying funds. In such event, the Fund may be unable to redeem its interests in such underlying funds when it would otherwise be advantageous to do so. The delay in disposal of the Fund's investments may adversely affect both the value of the investment being disposed of, and the value and liquidity of the Shares. The lack of liquidity resulting from a suspension of the calculation of the net asset value of underlying funds could require the Board to suspend accepting subscriptions and redemptions of Shares. Holders of Shares should recognize that they will be subject to an above-average liquidity risk.

#### **4.6.4 Unregulated Funds**

The Fund may not invest in unregulated funds.

### **4.7 Risk Measurement**

In calculating risk and global exposure of the Fund the AIFM shall apply the commitment method in terms of the commitment method as applicable in terms of the Commission Delegated Regulation (EU) No. 231/2013 supplementing the AIFMD.

## 4.7.1 Functionaries & remuneration

### 4.7.1.1 The Alternative Investment Fund Manager

The AIFM of the Fund shall be fair-finance Asset Management Limited, a private limited liability company registered and incorporated in Malta with company registration number C 82093 and having its registered office at Il Piazzetta A, Suite 52, Level 5, Tower Road, Sliema SLM 1607, Malta. The AIFM is the holder of a Category 2 Investment Services Licence, duly issued by the MFSA in terms of the Investment Services Act and authorised as an AIFM *inter alia* to provide management services to collective investment schemes.

The AIFM covers its potential professional liability risks resulting from its activities as AIFM through an appropriate professional liability insurance.

The Board of the AIFM presently composed of four (4) directors, details of whom are outlined hereunder.

#### **Mr Johannes Puhr**

Mr Puhr is the Managing Director of fair-finance Asset Management Limited, the Investment Manager. He also acts as the Portfolio Manager for AIFs and UCITS schemes under the management of the Investment Manager, as well as the designated Investment Advisor. Mr Puhr is CEFA and CIIA qualified, and also advises financial services companies through his own practice at Puhr Consult KG.

#### **Mr Johann Langgassner**

Mag. Johann Langgassner is the founder, CEO and Chief Investment Officer of LL Capital & Partners Limited, and also serves as the chairman of the investment Committee of the company. The company, under a category 2 license issued by the MFSA in October 2009 and passported into Member States of the European Union, offers an extensive range of financial services to private clients, family offices, institutional clients, fund managers and professional partners predominantly in member states of the European Union, selectively also in global markets. Those services include, *inter alia*, Investment Advisory, Portfolio Management, Portfolio Optimization, Risk/Return Enhancement Strategies, Personalized Portfolio Concepts in Individual Managed Accounts, Structured Fund Concepts open or closed to other Investors, International Asset Structuring, Legal and Tax Optimization concepts as well as Wealth Transfer and Succession Planning activities. Mr Langgassner is also the original promoter and managing director of the Company. He has direct responsibility for the setup, administration and management of investment funds sponsored by LL Capital & Partners Ltd. and designed for clients of the company. Additionally, he also manages and oversees the transfer, set up, administration and management of 'White Label Funds' offered to third party fund promoters or fund managers under the umbrella of the platform.

**Dr Jean Carl Farrugia**

Dr Farrugia graduated with a Bachelor's degree in law and a Doctor of Laws from the University of Malta, and is also admitted to the Maltese Bar to practice in the Courts of Malta. Dr Farrugia is a lawyer by profession and has been working in the financial services industry for over 15 years. Dr Farrugia has advised and still acts on an ongoing basis for major local and international companies including banks, insurance companies, private equity firms, funds, investment advisors and fund/asset managers, in the setting up and licensing of their business as well as on their regulatory and compliance needs. He also advises various entities on corporate related issues. Dr Farrugia is a Senior Partner at DF Advocates, a Malta based multidisciplinary law firm, and a director of DF Consultancy Services Limited, a company services provider registered with the Malta Financial Services Authority. He also acts as director, money laundering reporting officer and compliance officer for a number of regulated entities operating in the financial services sector, including funds and fund management companies.

**Mr Markus Zeilinger**

Mr Zeilinger possesses a vast experience in the financial services industry. He has chaired and formed part of various boards of companies registered in Austria, including BONUS Pensionskassen AG and BONUS Mitarbeitervorsorgekassen AG. Moreover, Mr Zeilinger presently sits on the boards of fair-finance Vorsorgekasse AG (Austria) and fair-finance Asset Management Limited (Malta), and is approved by the Finanzmarktaufsicht (FMA) and the Malta Financial Services Authority.

The AIFM shall be responsible for the day-to-day management, investment operations, and investment decisions of the Fund, as further described in the Alternative Investment Management Agreement, all of which shall be undertaken and performed by the AIFM in accordance with the applicable investment objectives and policies, as duly set out in this Offering Supplement. The AIFM may, subject to obtaining the prior written approval of the Company, delegate parts of its mandate to third parties.

Pursuant to the provisions of the Management Agreement, the Company has agreed to indemnify the AIFM against actions and claims not arising from the fraud, wilful default, negligence or failure of the AIFM to perform (whether in whole or in part) its obligations in terms of the Management Agreement. In the absence of the foregoing, the AIFM shall not be liable to the Fund or any Investor.

In terms of the Management Agreement, the AIFM and the Company are entitled to terminate the Management Agreement by giving three (3) months notice in writing to the other party. The Management Agreement may also terminate, or be terminated, upon the occurrence of specified events, including *inter alia* the



insolvency of any party to the Management Agreement. Provided that the Management Agreement shall be of a determinate nature (di fermo) for the first three (3) years from the date of the signing of the agreement and of an indeterminate nature (di rispetto) subsequently.

The AIFM shall receive (at its discretion), for the performance of its services in terms of the Management Agreement, an annual management fee of up to one decimal point seven percent (1.7%) based on the Net Asset Value of the Fund (the “**Management Fee**”). The said management fee shall be payable by the Fund to the AIFM quarterly, and shall be calculated, accrue and be paid at the end of each quarter. No withholding tax or similar imposition is currently payable on such management fee. However, if such a tax, or other imposition having a similar effect, becomes payable, it shall be at the charge of the Fund.

The AIFM shall also be entitled to a refund of costs properly incurred and approved in the execution of the management activities performed for the Fund.

The AIFM may, for mezzanine capital financing, provide additional services to the Fund (other than fund management services) (hereinafter referred to as the “**Additional Services**”). The AIFM shall also be entitled to request one-off payments for the Additional Services performed by it for the Fund which payments shall not exceed the following thresholds:

- (i) in case of services rendered in connection with the mezzanine capital financing instruments, such as loan processing, the AIFM may charge up to three percent (3%) of the loan fee as processing costs.

Provided that the AIFM may charge the aforementioned fees for the Additional Services when such services are directly performed by the AIFM to the exclusion of third party service providers.

The following are the contact details of the AIFM:

Fair-Finance Asset Management Limited  
Il Piazzetta A  
Suite 52, Level 5  
Tower Road  
Sliema SLM 1607  
Malta

Tel: +356222608-11  
Website: [www.fair-finance-am.com](http://www.fair-finance-am.com)  
E-mail: [office@fair-finance-am.com](mailto:office@fair-finance-am.com)

#### **4.7.1.2 Administrator**

The Company has appointed Apex Fund Services S.A. as the Administrator of the Fund. Apex Fund Services S.A. is a private limited liability company registered and incorporated in Luxembourg with company registration number B 117939 and having its registered office at 3 Rue Gabriel Lippmann, 5365 Luxembourg, forming part of the Apex Group of fund administrators.

By virtue of the Administration Agreement, the Administrator has been appointed to act as administrator of the Fund and as the Net Asset Value Calculator in respect of the Fund. The Administrator will perform certain administrative functions and services in relation to the Fund, including *inter alia* the calculation of the Net Asset Value, transfer agency services, accounting and reporting (including compliance reporting) services, keeping of the Register, co-ordination of payments (including payments from or to Investors and payments of commissions, fees or retainers due to authorised agents or intermediaries or referees and of remuneration and fees due to Service Providers of the Fund).

The Administrator is not responsible for any trading or investment decisions of or with respect to the Fund (all of which will be made by the AIFM), or for the effect of such trading decisions on the performance of the Fund.

The Administrator may, subject to the written approval of the Company, sub-contract parts of its services to third parties.

The Administration Agreement contains provisions whereby the Company agrees to indemnify (out of the assets of the Fund) the Administrator against actions and claims not resulting from its fraud, wilful default or negligence.

The Administrator can be contacted at:

***Apex Fund Services S.A.***

3 Rue Gabriel Lippmann,  
L-5365 Luxembourg  
Grand Duchy of Luxembourg

Tel: +352 27 44 10 30

Dealing team: [dealing@apexfunds.lu](mailto:dealing@apexfunds.lu)

Registrations team: [registrations@apexfunds.lu](mailto:registrations@apexfunds.lu)

#### **4.7.1.3 Brokers, Dealers, and Real Estate Agents**

The AIFM is authorized to designate brokers, dealers and real estate agents, which are to be used for all relevant investment transactions made by the AIFM and for managed accounts that the AIFM may, at any time, use in respect of the Fund.

In particular, and in light of the Fund's investment strategy, the AIFM may designate such brokers, dealers or real estate agents to deal and/or arrange deals in options for the Fund, to provide safekeeping services (namely, ownership verification and record keeping) in respect of such options, and to provide or otherwise procure and arrange for the safekeeping of underlying securities relative to any transactions in options.

Primary consideration shall be given to obtaining the most favourable execution of the transactions in seeking to implement the AIFM's trading strategy. The AIFM will effect transactions with those brokers, dealers and real estate agents which the AIFM believes provide the most favourable prices and which are capable of providing efficient executions. Those factors that the AIFM believes contribute to efficient execution include size of the order, difficulty of execution, operational capabilities and facilities of the broker, dealer or real estate agent involved, and the prior experience of the broker, dealer or real estate agent in effecting transactions of the type in which the Fund will engage.

The brokerage fees that shall be payable by the Company to any such brokers, dealers or real estate agents shall be so payable by the Company out of the assets of the Fund in accordance with such market rates and conditions as shall be applicable for such services and as shall be agreed from time to time by the Company and the relevant brokers, dealers or real estate agent.

Moreover, the AIFM may also cause a brokers, dealers or real estate agent, which provides such brokerage and research services and products, to be paid a commission or, in the case of a Dealer, a dealer spread for executing a portfolio transaction, which is in excess of the amount of commission that another brokers, dealers or real estate agent would have charged for effecting that transaction.

Consistent with obtaining the most favourable execution, the AIFM may also consider the fact that certain brokers, dealers and real estate agent may refer, or have referred, prospective Investors to the Fund. Prior to making such an allocation, however, the AIFM shall make a good faith determination that such commission or spread was reasonable in relation to the value of the brokerage and research services provided, viewed in terms of that particular transaction or in terms of all the accounts over which the AIFM exercises trading discretion.

The Company shall appoint brokers, dealers and real estate agents on an ad hoc basis.

#### **4.7.1.4 Depositary**

Pursuant to the Depositary Agreement entered into with Banque de Luxembourg S.A., the Company has appointed the latter as the depositary of the Company in relation to all of the Fund's assets, comprising transferable securities, money

market instruments, cash and other assets. The Depositary may entrust the physical custody of securities and other assets, mainly securities traded abroad, listed on a foreign stock market or accepted by clearing institutions for their transactions, to such institutions or to one or more of its banking correspondents under its sole responsibility.

Custody of the Fund's assets has been entrusted to the Depositary, which fulfils the obligations and duties required by the AIFMD.

The key duties of the Depositary are to perform on behalf of the Fund the depositary duties referred to in the AIFMD Rules essentially consisting of:

- a) monitoring and verifying the Fund's cash flows;
- b) safekeeping of the Fund's assets, including *inter alia* holding in custody financial instruments that may be held in custody and verification of ownership of other assets;
- c) ensuring that the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the articles of association of the Company and applicable Luxembourg law, rules and regulations;
- d) ensuring that the value of the shares is calculated in accordance with the articles of association of the Company and applicable Luxembourg law, rules and regulations;
- e) ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund's within the usual time limits;
- f) ensuring that the Fund's income is applied in accordance with the articles of association of the Company, and applicable Luxembourg law, rules and regulations; and
- g) carrying out instructions from the Fund or the AIFM unless they conflict with the Articles of the Company or applicable Luxembourg law, rules and regulations.

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Agreement. The Depositary has appointed various sub-custodians. The list of the sub-custodians is available at the registered office of the Company and available on the web page of the Depositary.

A potential conflict of interest between the interests of the Company or the Depositary may occur:

- where the Depositary's own interests and/or those of its affiliates are in conflict with the interests of the customer or the depositary function;
- where the interests of one customer of the Depositary are in conflict with the interests of another Depositary customer;
- in respect of the Depositary's sub-custodians and counterparties;
- in respect of a combination of any other factors which may lead to a potential conflict of interest.

In order to avoid any conflicts of interest, no delegation or sub-delegation relating to the principal function of investment management or portfolio management can be accepted by the Depositary or delegated to an affiliate or a sub-custodian of the Depositary. As this prohibition applies to any third-party custodian/sub-custodian and in general to any entity below the third-party custodian/sub-custodian in the custody chain of an asset, the Depositary has published on its website an up-to-date list of currently used sub-custodians. The Company and the AIFM have thus full transparency and can ensure that no conflict exists with the Depositary's sub-custodian network in particular as to entities involved in investment and/or portfolio management of the Company.

The extent the Depositary becomes aware of any further potential conflict of interest not captured in this Offering Supplement, the Depositary will promptly inform the Company.

The rights and duties of the Depositary are governed by the Depositary Agreement entered into for an unlimited period of time from the date of its signature as amended from time to time. The Company, the AIFM, and the Depositary may terminate the Depositary Agreement on three months' prior written notice to be served at the end of each month; however, the Depositary shall continue to act as Depositary pending a replacement depositary being appointed and that such replacement is appointed, the Depositary shall take all necessary steps to ensure the good preservation of the interests of the shareholders of the Company.

As far as legally permitted, the Depositary Agreement contains provisions indemnifying the Depositary, and exempting the Depositary from liability, in certain circumstances.

The Depositary is not responsible for the preparation or issue of this Offering Supplement other than with respect to information concerning the Depositary including the above summary details.

The Depositary may be contacted at:

***Banque de Luxembourg S.A.***

14, Boulevard Royal  
L-2449 Luxembourg  
Grand Duchy of Luxembourg

Tel: (+352) 49 924-1

Website: [banquedeluxembourg.com](http://banquedeluxembourg.com)

**4.7.1.5 Safekeeping Arrangements**

Documentation relating to the mezzanine loans by the Fund (including certificates, notes, contracts, deeds or other instruments relative thereto) will be held at the registered office of the Company.

**4.7.2 Fees, Charges & Expenses**

**4.7.2.1 Subscription Fee**

Upon the subscription of Class “D1” and “D2” Shares by an Investor, the Fund may charge the Investor a maximum subscription fee up to 1.5% of any amount that may be invested by an Investor in the Fund.

**4.7.2.2 Trailer Fees**

Trailer fees (if any) shall be paid out of the management fee that shall be due by the Company to the AIFM.

**4.7.2.3 Operating Expenses**

In addition to the fees and expenses referred to above, the Fund shall be liable to pay operating expenses incurred by the Fund, including without limitation, legal, accounting, auditing, registration, licensing, governmental filing fees, printing and marketing costs.

**4.7.2.4 Directors’ Fees**

Each Director shall receive for his services an annual fee amounting to two thousand Euros (€2,000), payable on a quarterly basis in four (4) equal instalments.

Additionally, each Director may be paid reasonable travelling, accommodation and other incidental expenses as may be incurred in the attendance by such Director of meetings of the Directors and/or general meetings of the Company, as the case

may be. Such expenses shall be charged at cost and shall only be refunded by the Company against relative receipts produced by a Director for such purpose.

#### **4.7.2.5 Money Laundering Reporting Officer's Fees**

The Money Laundering Reporting Officer shall receive for his services, an annual fee amounting up to nine thousand Euros (€9,000), payable on a quarterly basis in four (4) equal instalments.

#### **4.7.2.6 Administrator's Fees**

The Administrator is entitled to receive a fee from the assets of the Fund for its administrative services. The administration fee consists of four (4) basis points, subject to an annual minimum of thirty thousand Euros (€ 30.000).

The administration fees calculated as aforesaid shall accrue on every Dealing Day, and shall be payable monthly in arrears following the Valuation Day coinciding with or relative to such Dealing Day.

The Administrator is also entitled to receive reimbursement from the assets of the Fund of all its out-of-pocket expenses, incurred in connection with the Fund, as more fully described in the Administration Agreement.

#### **4.7.2.7 Depositary's Fees**

The Depositary is entitled to receive a fee from the assets of the Fund for its depositary services. The depositary fee consists of two (2) basis points with a minimum of five thousand Euros (€5,000) based on the total assets of the Fund and payable on a quarterly basis (€20,000 p.a.). In addition, the Depositary is entitled to receive the following fees:

- a cash flow monitoring fee of one thousand two hundred fifty Euros (€1,250) is payable by the Fund on a quarterly basis (€5,000 p.a.) and;
- a safekeeping and custody fee of a minimum of five thousand Euros (€5,000) payable by the Fund on a quarterly basis (€20,000 p.a.).

A 50% waiver on the minimum depositary fee and on the cash flow monitoring fee is foreseen for the first two years after payment date of the first capital call.

#### **4.7.2.8 Other Expenses**

The AIFM shall be entitled to recover, out of the assets of the Fund, reasonable out-of-pocket expenses that may be incurred by them in the performance of their duties.

The Fund shall also bear the following expenses:

- (i) All taxes and expenses that may be incurred in connection with the acquisition and disposal of the assets of the Fund;
- (ii) All taxes that may be payable on the assets, income and expenses chargeable to the Fund;
- (iii) All third party brokerage, bank and other charges incurred by the Fund in relation to its business transactions;
- (iv) All fees and expenses due to any third party valuer, dealer, distributor or other third party supplier of services to the Fund;
- (v) All expenses incurred in connection with the publication and supply of information to the Members of the Fund and, in particular, without prejudice to the generality of the foregoing, the cost of printing and distributing any reports specific to the Fund, any report to a regulatory authority that is specific to the Fund, any marketing or promotional materials specific to the Fund, any costs of publishing quotations of prices and notices in the press specific to the Fund, and any costs of all stationery, printing and postage in connection with the preparation and distribution of cheques, warrants, tax certificates and statements specific to the Fund;
- (vi) All expenses incurred in the registration of the Fund with any government agencies or regulatory authorities in any jurisdiction where registration is available or necessary and in having the Shares of the Fund listed or dealt on any Regulated Market;
- (vii) All expenses arising in respect of legal or administrative proceedings specific to the Fund;
- (viii) To the extent not already covered above, all expenses incurred in connection with the operation, promotion and management of the Fund, including, without limitation to the generality of the foregoing, all costs connected to the organisation of meetings of the Members and in obtaining proxies in relation to such meetings, costs incurred in keeping the Register, costs of any translations, insurance premiums, association membership dues, and all non-recurring and qualified items of expenditure as may arise specifically in relation to the Fund.
- (ix) Set-up costs amounting to up to fifty thousand Euros (€50,000) excluding VAT in legal fees and one thousand Euros (€1,000) in licensing fees shall be charged to the Fund. The total set-up costs of a maximum of fifty one thousand Euros (€51,000) excluding VAT (where applicable) shall be amortised over a period of sixty (60) months.



### **4.7.3 Operational Details**

#### **4.7.3.1 Base Currency**

The base currency of the Fund, in which the performance of the Fund shall be measured and reported, shall be the EURO.

#### **4.7.3.2 Shares**

The Class “D1” Shares shall be reserved to the AIFM, from which a Management Fee will not be levied.

The Class “D2” Shares shall be reserved to institutional investors, from which a Management Fee will be levied.

The Classes “D1” and “D2” Shares” shall be distribution Shares in respect of which the Fund distribute substantially all net investment income received by the Sub-Fund, and may also distribute capital gains (both realised and unrealised) and capital.

The Classes “D1” and “D2” Shares shall not carry any entitlement to vote, and shall participate equally in the assets of the Fund in the event of its winding up.

#### **4.7.3.3 Application Procedure**

Applications for the subscription of Shares in the Fund shall be made on the Investor Form. The purchase of Shares in writing is a legally binding contract. The Fund reserves the right to reject any application in whole or in part. No application for Shares shall be accepted unless an Investor Form has been duly completed and executed by the prospective Investor or his authorised agent.

#### **4.7.3.4 Issue of Shares**

On a Subscription Day, the Fund may issue Shares, in such class or classes, and carrying such rights and entitlements, as the Fund may create from time to time, at the applicable Subscription Price, upon receipt by the Fund (or its authorized agent) of the following:

- (a) A completed and duly executed original Investor Form from an Investor;
- (b) Such due diligence documentation as the Fund may require from time to time, as further enumerated in the Offering Memorandum and in the Investor Form;

- (c) Payment of the applicable Subscription Price, in such manner as the Fund may specify from time to time, provided that if the Fund receives the applicable Subscription Price in a currency other than the Base Currency, the Fund shall convert (or arrange for the conversion of) the monies received into the Base Currency, and shall be entitled to deduct therefrom any and all expenses incurred in the conversion.

Copies of the Investor Form, and any other documentation formalising the subscription of Shares by the Investor should be retained by the Investor for his personal reference and records.

Without prejudice to the aforesaid, the Fund is entitled to require additional documentation at its discretion, prior to accepting any subscription of Shares, as referred to in Section 5.4 of the Offering Memorandum.

No issue of Shares shall be made in respect of an Investor Form received by the Company from an Investor, which would result in the Investor holding less than the Minimum Holding, or if the Fund has reason to believe that the Investor does not satisfy the requirements of an Well-Informed Investor, as set out in this Offering Supplement and in the Investor Form.

No Shares shall be issued on any Subscription Day on which the immediately preceding Net Asset Value of the Fund was suspended or not published for any reason.

#### **4.7.3.5 Subscription Price**

Classes “D1” and “D2” Shares shall be issued by the Company on each Subscription Day at the relevant prevailing Subscription Price. In the event that the Fund has suspended or postponed calculation of the Net Asset Value, the Fund shall utilise the Subscription Price on the next effective Subscription Day following the resumption of calculation of the Net Asset Value.

#### **4.7.3.6 Minimum Subscription**

The minimum permitted initial subscription of Shares shall be as follows:

Classes “D1” and “D2” Shares – one hundred and twenty-five thousand Euros (€125,000) in the case where the conditions relative to the “Well-Informed Investor” definition, as per the RAIF Law, are complied with, or the equivalent in any other currency.

#### **4.7.3.7 Subscription Applications**

Applications to subscribe for Shares must be received by the Administrator by no later than noon (12:00) Central European Time (CET), one (1) Business Day prior to the relevant Subscription Day.

In the event that an application to subscribe for Shares is received by the Administrator later than the aforementioned cut-off times, the subscription of Shares in relation to such a late application shall be processed and formalised on the next Subscription Day following the relevant Subscription Day in respect of which the late application was submitted, subject to the right of the Fund, at its sole discretion, to accept to process such a late subscription application.

#### **4.7.3.8 Subscription Monies**

Cleared Funds (including any applicable subscription fee) must be received in the Fund's Designated Account (as may be indicated in the Investor Form) by no later than noon (12:00) Central European Time (CET), one (1) Business Day prior to the relevant Subscription Day, subject to the right of the Fund, at its sole discretion, to accept to process subscription monies received later than the aforementioned relevant cut-off times. Subscription monies should be paid by SWIFT in accordance with the instructions provided in the Subscription Form. Shares shall be issued with effect from the relevant Subscription Day (as the case may be).

Upon an issue of Shares, written confirmation of the number and value of Shares subscribed shall be sent to the relevant Investors within three (3) Business Days of the effective date of the said issue. Shares issued shall be represented in dematerialised and not paper form. No issue shall be made in respect of an application which would result in the Investor holding less than the Minimum Holding, or if the Fund has reason to believe that the Investor does not satisfy the requirements of an Investor as set out in the Investor Form.

#### **4.7.3.9 Redemptions**

Subject to the terms and conditions stipulated in this Offering Supplement and in the Articles, a Member may cause any or all of his Shares to be redeemed by the Company on behalf of the Fund on any Redemption Day at the Redemption Price.

However, for Investors holding less than EUR 500,000, a redemption period of 6 months will apply. For Investors holding more than EUR 500,000 a 12-month redemption period will apply.

The AIFM and the Directors retain the right to waive or reduce such redemption period if deemed appropriate.

An Investor may irrevocably request the Fund to repurchase all or any part of his Shares, by submitting the Redemption Form to the Administrator. The redemption of a portion of the Shares held by an Investor may not result in such Investor holding less than the Minimum Holding. The Fund also reserves the right to defer all or part of any redemption request in terms of the Offering Memorandum and this Offering Supplement.

#### **4.7.3.10 Deferral of Redemptions**

Upon receipt of any Redemption Forms by the Fund, and in the event that the Fund does not have the necessary liquidity to meet such redemption requests, or if acceding to such redemption requests is considered, at the sole discretion of the Fund and/or the AIFM, not to be in the overall interests of the Fund, the Fund reserves the right to defer all or part of the redemptions to the next following Redemption Day, or to any subsequent Redemption Day as may be determined by the Fund.

#### **4.7.3.11 Partial Redemption**

No redemption request submitted by an Investor to the Fund shall be considered and acceded to by the Fund, in the event that such a redemption request would result in the relevant Investor holding less than the Minimum Holding.

#### **4.7.3.12 Redemption Price**

Upon the Fund acceding to a redemption request, Shares shall be redeemed at the prevailing Redemption Price. In the event the Fund has suspended or postponed the calculation of the Net Asset Value, the relevant Shares shall be redeemed at the prevailing Redemption Price on the next effective Redemption Day following the resumption of calculation of the Net Asset Value. The Net Asset Value per Share will reflect all accrued expenses, including accrued Management Fees. The Redemption Price shall be rounded down to the nearest ten (10) cents of a Euro.

#### **4.7.3.13 Submission of Redemption Requests**

The Fund and the Administrator are entitled to require additional documents, including without limitation trust instruments, death certificates, appointments as executor or administrator, and certificates of corporate authority, prior to making any payment in respect of any redemption of Shares.

#### **4.7.3.14 Payment of Redemption Proceeds**

Once the Fund has acceded to the redemption request of an Investor, written confirmation of the number and value of Shares redeemed shall be sent to such Investor, within three (3) Business Days after the relevant Redemption Day. Save

as otherwise provided herein, the Fund shall arrange for payment to such Investor of the net proceeds of the redemption to be effected within five (5) Business Days after the relevant Redemption Day. Payment on redemption may be delayed in the case of extraordinary circumstances, including without limitation the default or delay in payments due to the Fund from banks or other persons. Payment shall be made by SWIFT (with charges for the account of the recipient), in accordance with the instructions of the Investor as provided in the Redemption Form. Payment shall ordinarily be effected in the Base Currency, or in any other freely convertible currency as may be agreed by the Fund/Administrator and the Investor.

#### **4.7.3.15 Compulsory Redemption**

The AIFM and the Directors retain the right to compulsorily redeem all or part of the Shares pertaining to any Investor, at any time, if they deem that the continued ownership of Shares by such Investor would cause an undue risk of adverse tax or other consequences to the Fund or to any of its other Investors, or if any Investor has ceased to qualify as a Well-Informed Investor, or if the AIFM or the Directors deem that such ownership of Shares is not in the best interests of the Fund, or generally for any other reason as may be provided in the Articles and/or in the Offering Memorandum.

#### **4.7.3.16 Side Pocketing**

Notwithstanding any other provisions of the Memorandum, the Articles, the Offering Memorandum and this Offering Supplement, the Board may, upon the occurrence of a Special Event, segregate such number of Shares in the Fund which may have become illiquid or otherwise difficult to value and convert such Shares into Side Pocket Shares within the Fund.

The terms and conditions regulating Side Pocketing shall be stipulated in the Offering Memorandum and specifically in this Offering Supplement as may be amended from time to time.

#### **4.7.3.17 Share Liquidity**

The Shares are freely transferable to third parties, shall rank *pari passu* and shall participate equally in the profits of the Fund. The Fund shall provide a facility to allow Investors to offer Shares for sale, and for other Investors and/or third parties to purchase Shares offered for sale as aforesaid. Details for this procedure are available from the Administrator.

#### **4.7.3.18 Reporting**

The Company shall hold annual general meetings as required in terms of the Companies Act. All Members, including the Investors holding Shares, shall receive notice of general meetings of the Company. This shall afford the Investors the opportunity to review the activities of the Company.

#### **4.7.3.19 Conversion**

The Directors, acting on the advice of the AIFM, may convert the Fund from an open-ended Fund to a closed-ended Fund, provided that sixty (60) days' prior notice in writing of any such conversion shall be given to the Investors. Such a conversion shall only become effective on a date following the next Dealing Day immediately after the expiry of the aforementioned notification period. Any redemption requests received during such notification period shall be regularly processed by the Fund on the said Dealing Day preceding the effective date of conversion of the Fund.

## 5. ANTI-MONEY LAUNDERING MEASURES

The Company, acting through the Administrator, is required to ensure full compliance with all applicable Luxembourg and international anti-money laundering and combating the financing of terrorism legislation.

The principal Luxembourg legislation is laid down in the Law of 12 November 2004 on the fight against money laundering and terrorist financing (“AML/CTF Law”).

The specific requirements include, *inter alia*, the fundamental requirement to conduct suitable Customer Due Diligence, including the requirement to Know Your Client (and to verify the identity thereof), which extends, for any ‘non-individual’ Investor, to the ultimate beneficial owner(s) of the monies invested. This requirement is principally (though not exclusively) satisfied through documentary evidence, as listed in Section C of Appendix A to the Offering Supplement. It should be noted that the Administrator may request further information, in order to satisfy its regulatory obligations. The Company is also obliged to obtain information on the purpose and intended nature of the business relationship, in order to be in a position to establish the business and risk profile of the Investor. The Company is also obliged at law to carry out ongoing monitoring in the case of an existing business relationship, which includes the scrutiny of transactions undertaken throughout the course of the relationship in order to ensure that the transactions being undertaken are consistent with the Company’s knowledge of the Investor and of his/its business and risk profile, including, where necessary, the source of funds as well as ensuring that the documents, data or information held by the Company are kept up-to-date.

**The completion of the Investor Form serves as confirmation that the Investor understands and agrees to furnish the requested documents and other information. It also represents the first request for the documents noted in Section C of Appendix A to the Offering Supplement. If the documents requested are not received within a reasonable time following the investment, the Administrator will send a second request to the Investor, which will act as a reminder. If, within a reasonable time after this reminder, the Administrator would still have not received the documents requested, further requests will be sent to the Investor. For these further requests there will be a charge imposed on the Investor amounting to one hundred Euros (€100), which will be charged directly against the Investor’s interest in the Fund.**

**It must also be noted that redemption monies cannot be remitted to the Investor until all documents requested have been received. Further, please note that it is a regulatory requirement to report suspicious transactions to the competent authorities, and any relevant data in this regard may need to be transferred to the relevant regulators.**

There is also a requirement to know the source of the funds, such requirement normally limited to knowing the bank and account from which the monies were remitted. A further requirement is that such monies invested may only be redeemed to the account of remittance, except in exceptional circumstances.

Finally, as the aforementioned legislation is subject to change, any additional requirements imposed on the Company will be reflected in its requirements of the applicant.

APPENDIX A – QUALIFYING INVESTOR DECLARATION & SUBSCRIPTION FORM

SCHEME: FAIR FUND SERIES S.A. SICAV-RAIF

FUND:

WPB real estate sustainable debt fund, Class D1 / D2 (ISIN NUMBER (LU2470983995/  
LU2470984027))

**SECTION A: DECLARATION**

A.1. This section shall be completed by the Qualifying Investor / his duly authorised agent *[delete as applicable]*

A.2. Name of Investor/ duly authorised agent:

A.3. The investment is not being made directly by the Investor but through a duly authorised agent

(i) I hereby confirm that I have been properly appointed as a duly authorized agent of a prospective Investor in the Scheme described above. I certify that my principal is eligible to be treated as a Qualifying Investor since my principal satisfies the definition thereof in light of the positive response(s) that I have given to the question(s) below in respect of my principal. I certify that my principal has read and understood the Offering Document including the mandatory risk warnings.

A.4. I qualify / My Principal qualifies *[delete as applicable]* as a Qualifying Investor, as I am / he / she / it is:

	Yes	No
I am / (s)he is:		
<input type="checkbox"/> aware of and accepts the risks associated with the proposed investment	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> A body corporate which has net assets in excess of €750,000 or which is part of a group which has net assets in excess of €750,000, or, in each case, the currency equivalent thereof; or	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> An unincorporated body of persons or association which has net assets in excess of €750,000, or the currency equivalent; or	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> A trust where the net value of the trust's assets is in excess of €750,000, or the currency equivalent; or	<input type="checkbox"/>	<input type="checkbox"/>



- An individual whose net worth or joint net worth with that person's spouse, exceeds €750,000, or the currency equivalent;
- or
- A senior employee or Director of Service Providers to the Scheme.

<b>NAME OF INVESTOR / DULY AUTHORIZED AGENT</b>	
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<b>SIGNATURE</b>	
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<b>TITLE / CAPACITY IN WHICH SIGNED</b>	
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<b>DATE</b>	
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## SECTION B: SUBSCRIPTION

### B.1. Application

- (ii) I, the undersigned, appearing hereon in my capacity as a Qualifying Investor / a duly authorised agent of a Qualifying Investor *[delete as applicable]*, hereby apply to subscribe for such number of Class ' [] ' Shares in the Fund as may be subscribed by the investment of the amount indicated below:

--

### B.2. Payment Details

#### (iii) Payment in Cash

I have requested my / the Qualifying Investor's *[delete as applicable]* bankers to effect payment of the subscription amount referred to in Section B.1. above by wire transfer as follows:

<b>Bank &amp; Address:</b>	Banque de Luxembourg S.A. 14, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
<b>Amount:</b>	
<b>Account Name:</b>	<b>FAIR FUND SERIES S.A. SICAV-RAIF - WPB real estate sustainable debt fund (ISIN LU2470983995/ LU2470984027)</b>
<b>Account Number:</b>	
<b>Giro EUR account Number:</b>	
<b>EUR IBAN Number:</b>	LU85 0080 4171 0170 2001
<b>Intermediary of bank of beneficiary:</b>	

#### (iv) Payment by transfer of shares or other investments

The Qualifying Investor shall, in full and final satisfaction of the investment amount referred to in Section B.1. above, transfer to the Fund the following shares / investments *[delete as applicable]*:

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## **SECTION C: DUE DILIGENCE DOCUMENTATION**

### **C.1. Individual applicants shall be required to submit:**

- (v) A copy of a valid passport or other acceptable identification document bearing a photograph and specimen signature, together with reference to the applicant's nationality, duly certified by an advocate or notary public.
- (vi) Evidence of the applicant's permanent residential address in the form of a recent utility bill or bank statement, duly certified by an advocate or notary public.
- (vii) An original bank or professional reference duly issued by a reputable bank or professional (as the case may be) in respect of the applicant.

### **C.2. Corporate applicants shall be required to submit:**

- A copy of the certificate of incorporation, or equivalent document or certificate attesting to the valid incorporation of the applicant, duly certified by an advocate or notary public.
- Information and / or documentation relating to the business of the applicant, including copies of accounts, and any other information and / or documentation as may be requested by the Fund in this respect.
- The names, residential and business addresses, and copies of the passports or other acceptable identification documents (duly certified by an advocate or notary public), of all the directors and beneficial owners of the applicant.
- Copies of any resolution/s of the board of directors of the applicant, authorising the applicant to submit an application for Class ' [ ] ' Shares in the Fund, and appointing attorneys for such purposes, duly certified by an advocate or notary public.
- Any documentation (and certified copies thereof) relevant for the identification of any attorneys appointed by the applicant as referred to above.

### **C.3. Authorised agents shall be required to submit:**

- (viii) A copy of a valid passport or other acceptable identification document bearing a photograph and specimen signature, together with reference to the authorised agent's nationality, duly certified by an advocate or notary public (in the case of an individual authorised agent).
- (ix) Evidence of the authorised agent's permanent residential address in the form of a recent utility bill or bank statement, duly certified by an advocate or notary public (in the case of an individual authorised agent).

- (x) An original bank or professional reference duly issued by a reputable bank or professional (as the case may be) in respect of the authorised agent (in the case of an individual authorised agent).
- (xi) A copy of the certificate of incorporation, or equivalent document or certificate attesting to the valid incorporation of the authorised agent, duly certified by an advocate or notary public (in the case of a corporate authorised agent).
- (xii) A copy of an extract of any updated commercial or other register providing details of the directors, representatives, signatories and other officers of the authorised agent, duly certified by an advocate or notary public (in the case of a corporate authorised agent).
- (xiii) Copies of any resolution/s of the board of directors of the authorised agent, authorising the authorised agent to enter into any agency agreement (or its equivalent) with the Qualifying Investor, to submit an application for Class ‘ [ ] ’ Shares in the Fund on behalf of the Qualifying Investor, and appointing attorneys for such purposes, duly certified by an advocate or notary public (in the case of a corporate authorised agent).

Without prejudice to the above, the Company reserves the right to request such other information and documentation as it may consider necessary and required for the purposes of verifying the identity of an applicant / authorised agent in accordance with the Applicable Laws and, specifically, any applicable anti-money laundering legislation and regulations.

<b>NAME OF INVESTOR</b>	
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<b>NAME OF DULY AUTHORISED AGENT</b> <i>(where applicable)</i>	
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<b>SIGNATURE                      OF</b> <b>INVESTOR                            /</b> <b>AUTHORISED AGENT</b> <i>(delete as appropriate)</i>	
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<b>DATE</b>	
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## **SECTION D: DATA PROTECTION**

In accordance with the General Data Protection Regulation (697/2016/EU) (the "GDPR") and applicable EU data protection legislation (currently the EU local one to quote) (collectively, "Data Protection Legislation") the Fund, being the data controller for the purposes of this application, to subscribe for shares in the Fund, must provide you with information on how the personal data that you provide as part of your application to subscribe for shares in the Fund will be processed.

### *Contact details*

The Fund, as data controller, has appointed Apex Fund Services S.A. as a data processor. The Fund can be contacted via the Administrator at 3 Rue Gabriel Lippmann, L-5365 Luxembourg, Grand Duchy of Luxembourg.

### *Purposes of processing and legal basis for processing*

The personal data collected from you or provided by you or on your behalf in connection with your application for shares in the Fund will be held, disclosed and processed by the Administrator for the purposes of:

### ***Performance of the contract***

- (a) the performance of the contract between you and the Fund whereby; upon the Fund accepting your application to subscribe for shares in the Fund and you having paid the full subscription monies to the Fund and having provided to the Administrator the required documentation as specified in this Agreement, the Fund shall issue you with shares in the Fund and enter your details onto the register of members;
- (b) managing and administering your holdings in the Fund and any related account on an ongoing basis which involves processing your personal data for redemption, conversion or transfer requests, distribution payments and for future subscriptions to the Fund;
- (c) circulating periodic reports relating to the Fund.

### ***Compliance with a legal obligation***

- (d) complying with any applicable legal, tax or regulatory obligations imposed on the Fund including legal obligations under company law, tax law and anti-money laundering / counter-terrorist financing legislation including but not limited to:
  - (i) AML/CTF legislation: in line with anti-money laundering and counter terrorism requirements operating in various jurisdictions, all investors are required to be identified. For this purpose certain documentation will be required at the time of application as set out in this Subscription Form (and updated on an ongoing basis).

- (ii) CRS/FATCA: the Fund is obliged to collect certain information about each investor's tax arrangements. For CRS/FATCA reporting purposes, please note that in certain circumstances the Fund may be legally obliged to share this information, and other financial information with respect to an investor's interests in the Fund with relevant tax authorities. The enclosed forms are intended to request information only where such request is not prohibited by the relevant laws.

***Legitimate interests***

- (e) pursuing the legitimate interests of the Fund including:
  - (i) carrying out statistical analysis and market research;
  - (ii) disclosures to third parties identified in the Offering Memorandum such as auditors, regulatory, tax authorities and technology providers;
  - (iii) recording, maintaining, storing and using recordings of telephone calls that you make to and receive from the Fund, the Administrator, or the Investment Manager and their delegates or duly appointed agents and any of their respective related, associated or affiliated companies for processing and verification of instructions, management and administration of your account(s) and any other matters related to investment in the Fund, dispute resolution, record keeping, security and/or training purposes.

**Please note that where personal data is processed for purposes of legitimate interests, you have a right to object to such processing and the Fund will no longer process the personal data unless the Fund can demonstrate compelling legitimate grounds for the processing which override your interests, rights and freedoms or for the establishment, exercise or defence of legal claims.**

CONSENT

Your consent is not required to process your personal data for the purposes referenced above. However, in order to process your personal data for the purposes of direct marketing, the Fund seeks your consent. Please see the section below which deals exclusively with consent for that purpose.

**Consent to Direct Marketing**

From time to time, one or more of the fund parties may send you information about other products and services that they offer by letter, by telephone, by email or by other reasonable means of communication.

You have a right not to receive such information.

If you consent to receive such information and / or marketing material, please tick here:

You have a right to withdraw this consent at any time. However, your withdrawal of consent will not affect the lawfulness of processing based on consent before its withdrawal. You can withdraw your

consent by contacting the Fund c/o the Administrator at the address above. You also have a right object to the processing of your personal data by the Fund or the Investment Manager for direct marketing purposes.

### **Profiling and screening**

The Fund and its appointed data processors engage in OFAC/Sanction Screening and politically exposed person screening for the purposes of complying with anti-money laundering and counter terrorist financing legislation and with UN, EU and other applicable sanctions regimes.

### **Disclosures to data processors and/ or third parties**

Personal data relating to you which is collected from you or provided by you or on your behalf may be handled by data processors appointed by the Fund and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.

Such data processors include the Administrator, the Investment Manager and their delegates, agents or affiliates. These data processors will handle your information in accordance with applicable Data Protection Legislation.

The Fund may disclose your personal data to other third parties where required by law or for legitimate business interests. This may include disclosure to third parties such as auditors, regulatory bodies, taxation authorities and technology providers.

### **Transfers Abroad**

Personal data collected from you or provided by you or on your behalf may be transferred outside of Luxembourg including to companies situated in countries outside of the European Economic Area (including the U.S.) which may not have the same data protection laws as in Luxembourg. Such data transfers will only involve companies which are part of the same corporate group as the Fund or acting as service providers to the Fund.

### **Retention period**

The Fund and the Administrator will retain all documentation provided by you in relation to your investment in the Fund for such period of time as may be required by Maltese legal and regulatory requirements, but not for less than six (6) years after the period of your investment has ended or the date on which you had your last transaction with us.

### **Your data protection rights**

Please note that you have the following rights under the GDPR. In each case, the exercise of these rights is subject to the provisions of the GDPR:

- (i) You have a right of access to and the right to amend and rectify your personal data.
- (ii) You have the right to have any incomplete personal data completed.

- (iii) You have a right to lodge a complaint with a supervisory authority, in particular in the Member State of your habitual residence; place of work or place of the alleged infringement if you consider that the processing of personal data relating to you carried out by the Fund infringes the GDPR.
- (iv) You have a right to be forgotten (right of erasure of personal data).
- (v) You have a right to restrict processing.
- (vi) You have a right to data portability.
- (vii) You also have the right to object to processing where personal data is being processed for marketing purposes and also where the Fund is processing personal data for legitimate interests.

### **Failure to provide personal data**

The provision by you of personal data, as outlined in the section titled ***"Purposes of processing and legal basis for processing"*** is required for us to accept your subscription application and manage and administer your holdings in the Fund and so that we can comply with the legal, regulatory and tax requirements referenced above. Where you fail to provide such personal data we will not be able to accept your application or to the extent that we do accept your application and the required personal data is not provided within the specified timeframe we may be required to discontinue our business relationship with you.



**APPENDIX B – REDEMPTION FORM**

**SCHEME: FAIR FUND SERIES S.A. SICAV-RAIF**

**FUND:**

<b>WPB real estate sustainable debt fund, Class D1 / D2 (ISIN NUMBER (LU2470983995/ LU2470984027))</b>
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**1. Request**

- I, the undersigned, appearing hereon in my capacity as an Investor / a duly authorised agent of an Investor *[delete as applicable]*, hereby request that the following Shares in the Fund be redeemed:

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**2. Payment Details**

Kindly effect payment of the proceeds of the redemption requested pursuant to Section 1 above by wire transfer as follows:

<b>Bank &amp; Address:</b>	
<b>Account Name:</b>	
<b>Account Number:</b>	
<b>IBAN:</b>	
<b>SWIFT:</b>	

**3. Declarations**

- I agree that, in the case of a redemption of part (but not all) of my / the Investor's *[delete as applicable]* Shares in the Fund, the value of my / the Investor's *[delete as applicable]* remaining Shares may not be less than the Minimum Holding.
- I agree that any and all redemption charges shall be at my / the Investor's *[delete as applicable]* cost.

<b>NAME OF INVESTOR</b>	
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<b>NAME OF DULY</b>	
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<b>AUTHORISED AGENT</b> <i>(where applicable)</i>	
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<b>SIGNATURE OF INVESTOR / AUTHORISED AGENT</b> <i>(delete as appropriate)</i>	
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<b>DATE</b>	
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