

# 3I HEALTHCARE PARTNERS RAIF V.C.I.C. LTD

## (THE “COMPANY” OR THE “FUND”)

A private company limited by shares registered and incorporated under the Laws of Cyprus with Registration Number HE 418746

### INFORMATION MEMORANDUM

Dated 19<sup>th</sup> April 2021

Competent Authority

Cyprus Securities and Exchange Commission

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External Manager

7Q Asset Management Ltd (License Number: AIFM36/56/2013)

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THE FUND HAS APPOINTED 7Q FINANCIAL SERVICES LTD TO ACT AS ITS DEPOSITARY IN ACCORDANCE WITH SECTION 135(5) OF THE ALTERNATIVE INVESTMENT FUNDS LAW OF 2018 (L. 124(I)/2018) AS AMENDED (“**AIF LAW**”).

THE FUND HAS BEEN REGISTERED ON 19.04.2021 AS A REGISTERED ALTERNATIVE INVESTMENT FUND (“**RAIF**”) UNDER PART VIII OF THE AIF LAW BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION (“**CYSEC**”). THE FUND IS NOT AUTHORISED BY THE CYSEC. THE REGISTRATION OF THIS COMPANY WITH THE CYSEC AND ITS ADMISSION TO CYSEC’S REGISTER OF RAIFs IS NOT EQUIVALENT TO AN AUTHORISATION BY CYSEC. THE FUND IS ESTABLISHED IN THE REPUBLIC OF CYPRUS, PURSUANT TO THE PROVISIONS OF THE CYPRUS COMPANIES LAW, CAP 113 AND IS EXCLUSIVELY ADDRESSED TO PROFESSIONAL AND/OR WELL-INFORMED INVESTORS, WITHIN THE MEANING AIF LAW. AS SUCH, THE FUND IS NOT SUBJECT TO THE PROTECTIVE MEASURES AFFORDED BY APPLICABLE LEGISLATION TO THOSE ALTERNATIVE INVESTMENT FUNDS THAT ARE ADDRESSED TO THE GENERAL PUBLIC.

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# DISCLAIMER

## SUMMARY INFORMATION ON THE FUND

THE FUND IS RESERVED ONLY FOR PROFESSIONAL AND/OR WELL-INFORMED INVESTORS AS THESE ARE DEFINED IN THE AIF LAW, WHICH, ON THE BASIS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND, THIS INFORMATION MEMORANDUM, THE SUBSCRIPTION AGREEMENT AND THE ANNUAL AND SEMI-ANNUAL REPORTS OF THE FUND, HAVE MADE THEIR OWN ASSESSMENT OF THE CONDITIONS OF THEIR INVESTMENT IN THE FUND. IT IS THE RESPONSIBILITY OF SUCH INVESTORS, TO DETERMINE WHETHER THE FUND DESCRIBED IN THIS INFORMATION MEMORANDUM IS SUITABLE TO THEIR EXPECTATIONS OF PERFORMANCE AND RISK.

THE FUND HAS THE LEGAL FORM OF A VARIABLE CAPITAL INVESTMENT COMPANY, WITHIN THE AIF LAW AND HAS BEEN REGISTERED BY THE CYSEC TO OPERATE AS A RAIF UNDER PART VIII OF THE SAID LAW. THE FUND SHALL NOT HAVE THE POWER TO ISSUE BEARER SHARES.

**THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND THE LATEST ANNUAL REPORT OF THE FUND ARE AVAILABLE FROM THE REGISTERED OFFICE OF THE FUND AND FROM THE COMPANY'S AGENTS.**

ONLY THOSE PARTICULAR REPRESENTATIONS AND WARRANTIES, IF ANY, WHICH ARE MADE IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND, AS SUCH REPRESENTATIONS AND WARRANTIES MAY BE FURTHER SPECIFIED IN THIS INFORMATION MEMORANDUM (IF APPLICABLE), AND IN THE SUBSCRIPTION AGREEMENT BETWEEN THE FUND AND A PROSPECTIVE INVESTOR, SHALL HAVE LEGAL EFFECT. SUBSCRIPTIONS FOR INVESTOR SHARES IN THE FUND ARE ONLY EFFECTED ON THE BASIS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND, OF THIS INFORMATION MEMORANDUM, OF THE ANNUAL AND SEMI-ANNUAL REPORTS OF THE FUND AND OF THE SUBSCRIPTION AGREEMENT. THE MEMORANDUM AND ARTICLES AND ASSOCIATION OF THE FUND, THIS INFORMATION MEMORANDUM AND THE SUBSCRIPTION AGREEMENT WILL SUPERSEDE AND EXTINGUISH ALL REPRESENTATIONS AND WARRANTIES MADE AT ANY TIME PRIOR TO THE DATE THEREOF.

THIS INFORMATION MEMORANDUM DOES NOT PURPORT TO BE ALL INCLUSIVE OR TO CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY DESIRE IN EVALUATING THE FUND. THIS INFORMATION MEMORANDUM CONTAINS, TO THE BEST KNOWLEDGE OF THE DIRECTORS OF THE FUND, THE INFORMATION THAT IS REQUIRED BY THE AIFM LAW AND BY THE AIF LAW, IN ORDER FOR A PROSPECTIVE INVESTOR TO MAKE AN INFORMED DECISION WITH REGARD TO AN INVESTMENT IN THE INVESTOR SHARES OF THE FUND. THIS INFORMATION MEMORANDUM HAS BEEN PRODUCED FOR INFORMATION PURPOSES ONLY AND HAS LEGAL EFFECT ONLY TO THE EXTENT EXPLICIT REFERENCE IS MADE IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION

OF THE FUND HERETO. IN CASE OF CONFLICT BETWEEN THE PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND AND THE CONTENTS OF THIS INFORMATION MEMORANDUM, THE FORMER SHALL PREVAIL. PROSPECTIVE INVESTORS SHOULD CONDUCT THEIR OWN INVESTIGATION AND ANALYSIS OF THE BUSINESS, DATA AND PROPERTY DESCRIBED HEREIN, AND SHOULD ALSO INFORM THEMSELVES ABOUT AND OBSERVE ANY LEGAL AND/OR REGULATORY REQUIREMENTS WHICH MAY BE APPLICABLE TO THEIR PROPOSED INVESTMENT IN THE FUND. ANY PERSON INTERESTED IN SUBSCRIBING TO INVESTOR SHARES IN THE FUND IS RECOMMENDED TO SEEK ITS OWN LEGAL, REGULATORY, TAX, ACCOUNTING AND FINANCIAL ADVICE.

NO PERSON, OTHER THAN THE OFFICERS AND DIRECTORS OF THE MANAGER AND OF THE FUND, HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OTHER THAN THAT CONTAINED IN THIS INFORMATION MEMORANDUM, OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE INVESTOR SHARES DESCRIBED HEREIN, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE FUND.

INVESTORS ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN THE EVENT OF THE FUND'S FAILURE. THE CYSEC SHALL NOT BE LIABLE BY VIRTUE OF ITS REGISTRATION OF THE FUND AS A RAIF UNDER PART VIII OF THE AIF LAW OR BY REASON OF ITS EXERCISE OF THE FUNCTIONS CONFERRED ON IT BY THE AIF LAW. THE SAID REGISTRATION OF THE FUND BY THE CYSEC DOES NOT CONSTITUTE A WARRANTY BY THE CYSEC AS TO THE CREDITWORTHINESS OF THE FUND OR OF THE MANAGER OR OF ANY OF THE PARTIES INVOLVED IN THE ACTIVITIES OF THE FUND.

NO ASSURANCES CAN BE GIVEN THAT EXISTING LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY. PROSPECTIVE INVESTORS MUST NOT CONSTRUE THIS INFORMATION MEMORANDUM, AS LEGAL, TAX OR INVESTMENT ADVICE.

THE REGISTRATION OF THIS COMPANY WITH THE CYSEC AND ITS ADMISSION TO CYSEC'S REGISTER OF RAIFs IS NOT EQUIVALENT TO AN AUTHORISATION BY CYSEC. THE REGISTRATION OF THE FUND, BY THE CYSEC SHALL NOT CONSTITUTE A WARRANTY AS TO THE PERFORMANCE THEREOF AND THE CYSEC SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE FUND. THE REGISTRATION OF THE FUND BY THE CYSEC IS NOT AN ENDORSEMENT OR GUARANTEE OF THE FUND BY THE CYSEC NOR IS THE CYSEC RESPONSIBLE FOR THE CONTENTS OF THE INFORMATION MEMORANDUM.

#### **RESTRICTIONS ON SOLICITATIONS AND RESALE**

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL TO, OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FROM, ANYONE IN ANY COUNTRY OR JURISDICTION IN WHICH:

- (I) SUCH AN OFFER OR SOLICITATION IS NOT AUTHORISED;

- (II) ANY PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO; OR
- (III) ANY SUCH OFFER OR SOLICITATION WOULD OTHERWISE BE UNLAWFUL.

NO ACTION HAS BEEN TAKEN THAT WOULD, OR IS INTENDED TO, PERMIT A PUBLIC OFFER OF SHARES IN THE FUND IN ANY COUNTRY OR JURISDICTION WHERE ANY SUCH ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS INFORMATION MEMORANDUM NOR ANY OTHER INFORMATION, FORM OF APPLICATION, ADVERTISEMENT OR OTHER DOCUMENT MAY BE DISTRIBUTED OR PUBLISHED IN ANY COUNTRY OR JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES MUST INFORM THEMSELVES ABOUT AND OBSERVE ANY LEGAL RESTRICTIONS AFFECTING ANY SUBSCRIPTION OF SHARES IN THE FUND. THE FUND IS NOT MAKING ANY REPRESENTATION OR WARRANTY TO ANY PROSPECTIVE INVESTOR REGARDING THE LEGALITY OF AN INVESTMENT IN THE FUND BY SUCH PERSON UNDER APPROPRIATE SECURITIES OR SIMILAR LAWS.

#### **THE INFORMATION MEMORANDUM**

THE DIRECTORS OF THE FUND ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE FUND, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND THE PROVISIONS OF THE AIF LAW, THE AIFM LAW AS AMENDED, THE RELEVANT CYSEC DIRECTIVES, THE COMPANIES LAW AND THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS OF THE FUND ACCEPT RESPONSIBILITY ACCORDINGLY.

THE INFORMATION MEMORANDUM IS NOT A PROSPECTUS IN ACCORDANCE WITH THE PROVISIONS OF EUROPEAN REGULATION 2017/1129 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET AS TO THE REQUIREMENTS OF THE CONTENT OF SUCH PROSPECTUS.

THIS INFORMATION MEMORANDUM CONTAINS FORWARD LOOKING STATEMENTS THAT RELATE TO THE FUND'S FINANCIAL CONDITION, RESULTS OF OPERATIONS, BUSINESS PLAN, STRATEGIES, COMPETITIVE POSITION AND GROWTH OPPORTUNITIES AND THE FINANCIAL AND REGULATORY ENVIRONMENTS IN WHICH THE FUND WILL OPERATE. THESE FORWARD-LOOKING STATEMENTS ARE IDENTIFIABLE BY WORDS SUCH AS "ANTICIPATE", "ESTIMATE", "PROJECT", "PLAN", "INTEND", "EXPECT", "BELIEVE", "FORECAST" AND SIMILAR EXPRESSIONS, AND ARE LOCATED THROUGHOUT THIS INFORMATION MEMORANDUM. PROSPECTIVE INVESTORS SHOULD BE AWARE

THAT THESE STATEMENTS ARE ESTIMATES, REFLECTING ONLY THE JUDGMENT OF THE MANAGEMENT OF THE FUND AND PROSPECTIVE INVESTORS SHOULD NOT PLACE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS AND EVENTS COULD DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THESE FORWARD-LOOKING STATEMENTS AS A RESULT OF FACTORS SUCH AS THOSE DESCRIBED IN "RISK FACTORS" AND ELSEWHERE IN THIS INFORMATION MEMORANDUM. THE FUND, DOES NOT UNDERTAKE ANY OBLIGATION PUBLICLY TO UPDATE OR REVISE THE FORWARD LOOKING STATEMENTS CONTAINED IN THIS INFORMATION MEMORANDUM TO REFLECT EVENTS OR CIRCUMSTANCES OCCURRING AFTER THE DATE OF THIS INFORMATION MEMORANDUM OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

THIS INFORMATION MEMORANDUM SHALL BE HANDED OUT TO PROSPECTIVE INVESTORS FREE OF CHARGE UPON REQUEST.

THE INVESTOR SHARES REFERRED TO IN THIS INFORMATION MEMORANDUM ARE OFFERED SOLELY ON THE BASIS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND, OF THIS INFORMATION MEMORANDUM, OF THE ANNUAL AND SEMI-ANNUAL REPORTS OF THE FUND AND OF THE SUBSCRIPTION AGREEMENT. RECIPIENTS OF THIS INFORMATION MEMORANDUM SHOULD NOTE THAT THERE MAY HAVE BEEN CHANGES IN THE AFFAIRS OF THE FUND SINCE THE DATE HEREOF.

#### **INVESTOR RESPONSIBILITY**

ANY INVESTMENT IN THE INVESTOR SHARES DESCRIBED IN THIS PROSPECTUS INVOLVES A HIGH DEGREE OF RISK. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT IT MUST BEAR THE ECONOMIC RISK OF INVESTMENT IN THE FUND AND BE ABLE TO WITHSTAND A TOTAL LOSS OF ITS INVESTMENT.

PROSPECTIVE INVESTORS SHOULD REVIEW THIS INFORMATION MEMORANDUM CAREFULLY IN ITS ENTIRETY AND CONSULT WITH THEIR OWN LEGAL, TAX AND FINANCIAL OR OTHER ADVISERS AUTHORISED TO PROVIDE INDEPENDENT ADVICE IN RELATION TO:

- (I) THE LEGAL REQUIREMENTS WITHIN THEIR OWN COUNTRIES FOR THE PURCHASE, HOLDING, EXCHANGE, REDEMPTION OR DISPOSAL OF INVESTOR SHARES;
- (II) ANY FOREIGN EXCHANGE RESTRICTIONS TO WHICH THEY ARE SUBJECT IN THEIR OWN COUNTRIES IN RELATION TO THE PURCHASE, HOLDING, EXCHANGE, REDEMPTION OR DISPOSAL OF INVESTOR SHARES; AND
- (III) THE LEGAL, TAX, FINANCIAL OR OTHER CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING, EXCHANGING, REDEEMING OR DISPOSING OF INVESTOR SHARES.

THE CONTENTS OF THIS INFORMATION MEMORANDUM ARE NOT INTENDED TO CONTAIN AND SHOULD NOT BE REGARDED AS CONTAINING ANY SORT OF LEGAL, TAX, INVESTMENT OR OTHER ADVICE. PROSPECTIVE INVESTORS

SHOULD SEEK THE ADVICE OF THEIR LEGAL, TAX AND FINANCIAL ADVISERS FOR ANY ADVICE IN RELATION TO THE INVESTOR SHARES OR IF THEY HAVE ANY DOUBTS REGARDING THE CONTENTS OF THIS INFORMATION MEMORANDUM.

ANY INVESTMENT IN THE INVESTOR SHARES IS ONLY SUITABLE FOR INVESTORS WHO HAVING CAREFULLY CONSIDERED THEIR PERSONAL CIRCUMSTANCES AND ALL OF THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM, EITHER ON THEIR OWN OR IN CONJUNCTION WITH THE APPROPRIATE ADVISER, ARE CAPABLE OF UNDERSTANDING AND EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE INVESTOR SHARES OF THE FUND AND HAVE SUFFICIENT RESOURCES TO BE ABLE TO BEAR ANY LOSSES THAT MAY RESULT THEREFROM. PROSPECTIVE INVESTORS SHALL HAVE REGARD TO, AMONG OTHER MATTERS, THE CONSIDERATIONS CONTAINED UNDER THE HEADING “RISK FACTORS” IN THIS INFORMATION MEMORANDUM.

ANY INVESTOR SUBSCRIBING TO OR HAVING SUBSCRIBED TO INVESTOR SHARES IN THE FUND IS DEEMED TO HAVE READ, UNDERSTOOD AND ACCEPTED THE CONTENTS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND, OF THIS INFORMATION MEMORANDUM, THE ANNUAL AND SEMI-ANNUAL REPORTS OF THE FUND AND THE SUBSCRIPTION AGREEMENT.

#### **THE INVESTOR SHARES IN THE FUND ARE NOT AVAILABLE FOR INVESTMENT BY ANY U.S. PERSON**

THE INVESTOR SHARES IN THE FUND HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE “**1933 ACT**”), AS AMENDED, OR THE SECURITIES LAWS OF ANY OF THE STATES OF THE UNITED STATES AND THE FUND HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, OR THE LAWS OF ANY OF THE STATES OF THE UNITED STATES. ACCORDINGLY, NO SECURITIES REGULATORY AUTHORITY OR COMMISSION IN THE UNITED STATES, INCLUDING THE US SECURITIES AND EXCHANGE COMMISSION, HAS PASSED UPON THE VALUE OF THE INVESTOR SHARES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED OF THE OFFERING OF SHARES FOR SALE, OR PASSED UPON THE ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY CONTRARY REPRESENTATION IS CRIMINAL OFFENCE. THE INVESTOR SHARES IN THE FUND MAY NOT BE OFFERED, SOLD OR PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON, AS DEFINED IN REGULATIONS OF THE 1933 ACT, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT. FOR THE PURPOSE OF THIS PARAGRAPH, THE “UNITED STATES” INCLUDES ITS POSSESSIONS, ITS TERRITORIES AND ALL AREAS SUBJECT TO ITS JURISDICTION AND A “U.S. PERSON” IS A NATIONAL, CITIZEN OR RESIDENT OF THE UNITED STATES OF AMERICA OR A CORPORATION OR PARTNERSHIP ORGANISED UNDER THE LAWS OF THE UNITED STATES OF AMERICA.

#### **STOCK EXCHANGE LISTING**

THERE IS NO PUBLIC MARKET FOR THE INVESTOR SHARES DESCRIBED IN THIS INFORMATION MEMORANDUM, AND NO GUARANTEE THAT SUCH MARKET MAY DEVELOP IN THE FUTURE.

IF IT IS INTENDED TO APPLY FOR THE ADMISSION OF INVESTOR SHARES, INCLUDING CLASSES THEREOF, FOR TRADING ON ANY REGULATED STOCK EXCHANGE IN ANY MEMBER STATE IN ACCORDANCE WITH THE PROVISIONS GOVERNING THE SAID MARKET, THIS WILL BE DISCLOSED IN THIS INFORMATION MEMORANDUM.

## **RISKS**

INVESTMENT IN THE FUND CARRIES WITH IT A DEGREE OF RISK. THE VALUE OF INVESTOR SHARES AND THE INCOME FROM THEM IS NOT GUARANTEED AND IT MAY GO DOWN AS WELL AS UP, AND INVESTORS MAY NOT GET BACK THE AMOUNT INVESTED. CONSEQUENTLY, THERE IS A SIGNIFICANT RISK OF THE LOSS OF THE ENTIRE AMOUNT OF THE VALUE OF AN INVESTOR'S INVESTMENT. AN INVESTMENT IN THE INVESTOR SHARES IN THE FUND SHOULD BE VIEWED AS MEDIUM TO LONG TERM. HOWEVER, INVESTOR SHARES MAY BE REDEEMED ON EACH DEALING DAY, IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND AND OF THIS INFORMATION MEMORANDUM, TO THE EXTENT REFERENCE IS MADE IN THE MEMORANDUM AND ARTICLES OF THE FUND THERETO, UNLESS A LAWFUL SUSPENSION OF REDEMPTIONS APPLIES.



## DEFINITIONS

In this INFORMATION MEMORANDUM the following capitalised terms shall have the meaning given hereunder:

<p><b>“Accumulating Class” or “Accumulating Classes”</b></p>	<p>means a Class or Classes which generally do not pay a dividend or other distribution as further detailed in this Prospectus</p>
<p><b>“Administrator”</b></p>	<p>means the person appointed from time to time by the External Manager by means of a relevant written delegation agreement to provide one or more of the administration functions laid down in Article 6(1)(b)(i) of the AIF Law (if applicable), otherwise such person being at all times the External Manager.</p>
<p><b>“AIF or Alternative Investment Fund”</b></p>	<p>means collective investment undertakings, including investment compartments thereof, which:</p> <ul style="list-style-type: none"> <li>a) raise capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and</li> <li>b) do not require authorisation pursuant to article 9 of the Open Ended Undertakings for Collective Investment Law or pursuant to the legislation of another Member State which harmonises article 5 of Directive 2009/65/EC, it being understood in relation to the Fund as an AIF governed by the provisions of Part II of the AIF Law.</li> </ul>
<p><b>“AIF Law”</b></p>	<p>means the Alternative Investment Funds Law 124(I) of 2018 or any Law substituting or amending the same.</p>
<p><b>“AIFM”</b></p>	<p>means an authorised alternative investment fund manager pursuant to the provisions of the AIFM Law.</p>
<p><b>“AIFM Law”</b></p>	<p>means the Alternative Investment Fund Managers Law 56(I) of 2013 or any Law substituting or amending the same.</p>
<p><b>“AIFM Regulation”</b></p>	<p>Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.</p>
<p><b>“Articles”</b></p>	<p>means the Memorandum and Articles of Association of the Fund as amended from time to time.</p>
<p><b>“Auditor”</b></p>	<p>means “statutory auditor”, within the meaning of article 2(1) of the Auditors Law being in relation to the Fund, Proquaserv Advisors Ltd or any successor company as may be appointed by the Fund to act as such from time to time.</p>

<b>"Banking Laws"</b>	means the Business of Credit Institutions Laws Of 1997 to 2019.
<b>"Business Day"</b>	means a day which is a bank business day in Cyprus or such day or days as may be specified in the Information Memorandum.
<b>"CIF Law"</b>	means Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets.
<b>"Class"</b>	means a particular division of Investor Shares in a Fund with certain characteristics, including but not limited to distribution of revenues, tax treatment, minimum investment amount, minimum holding amount, currency denomination or any other characteristics as the Directors may in their discretion determine from time to time.
<b>"Clear Days"</b>	means in relation to the period of a notice, that period excluding the day on which notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
<b>"Companies Law"</b>	means the Companies Law, Cap. 113 of the Laws of Cyprus or any Law substituting or amending the same.
<b>"Fund"</b>	means 3I HEALTHCARE PARTNERS RAIF V.C.I.C. LTD
<b>"Cut-Off Date"</b>	means the last Business Day until which applications for Subscriptions and/or Redemptions (as the case may be) can be validly addressed, in order to be processed on the immediately following Dealing Day.
<b>"Cyprus"</b>	means the Republic of Cyprus.
<b>"CySEC"</b>	means the Cyprus Securities and Exchange Commission, or its successor.
<b>"CySEC Directives"</b>	means the directives issued by CySEC in exercise of its powers under the provisions of the AIF Law and the AIFM Law, as published in the official gazette of the Republic of Cyprus.
<b>"Dealing Day"</b>	means a Business Day, following the expiration of the IOP (if applicable), which is also a Valuation Day, at which Redemptions and/or Subscriptions may be effected in the Fund, as further specified in this Information Memorandum.
<b>"Depository"</b>	means the legal person entrusted with at least one of the depositary tasks set out in article 24 of the AIFM Law being in the case of the Company 7Q Financial Services Limited or any successor company as may be appointed by the Fund from time to time to act as such, whereas the relevant appointment has taken place in accordance with Article 23 of the AIFM Law and Article 26(1) of the AIF Law.

**“Depositary Agreement”**

means the written agreement designated as ‘Depositary Agreement’ and concluded between the Fund, the External Manager and the Depositary on 19<sup>th</sup> April 2021 as it may be amended, supplemented or replaced from time to time and relating to the appointment and duties of the Depositary.

**“Directors”**

means the members of the Board of Directors of the Fund for the time being and any successors to such members as may be appointed from time to time.

**“Distributing Class of Investor Shares” or “Distributing Classes of Investor Shares”**

means a Class or Classes (as the case may be) which may distribute the net income attributable to such Class or Classes (as the case may be).

**“Distribution”**

means the payments by the Fund to its Investor Shareholders, excluding the payments which relate to Redemptions.

**“Duties and Charges”**

means all stamp duties, taxes, governmental charges, levies, exchange costs and commissions, transfer fees and expenses, agents’ fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, whether payable in respect of the constitution, increase or reduction of all of the cash and other assets of the Fund or the creation, acquisition, issue, conversion, exchange, purchase, holding, redemption, sale or transfer of Shares or Investments by or on behalf of the Fund or in respect of the issue or cancellation of share certificates or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation including Redemption Fees and Subscription Fees (if any) payable on the redemption and issue of Investor Shares respectively.

**“EURO”**

means the currency used by the Institutions of the European Union and the official currency of the Eurozone.

**“Eligible Assets”**

means those asset classes ranging from Financial Instruments to real assets, which are covered by the External Manager’s license as an AIFM and in which the Fund is eligible to invest pursuant to the applicable legal framework, the Articles and the Information Memorandum.

**“Eligible Distributors”**

means an investment firm, within the meaning of the CIF Law and/or an AIFM, within the meaning of the AIFM Law and/or a management company, within the meaning of the UCI Law and/or a credit institution, within the meaning of the Banking Laws.

**“Expert Advisors”**

means any person who may be appointed as an expert advisor to the External Manager of the Fund.

<b>“External Manager”</b>	means a person appointed to manage the investments of an AIF or RAIF, such person being vis-a-vis the Fund 7Q Asset Management Limited subject to the terms and conditions of the Investment Management Agreement or any successor company as may be appointed by the Fund from time to time.
<b>“Externally Managed RAIF”</b>	means an AIF authorised to operate subject to the provisions of Part VIII of the AIF Law, such RAIF being for the purposes of this Information Memorandum the Fund.
<b>“Financial Year”</b>	means the accounting period of the Fund ending on 31st December of each year, unless otherwise determined by the Directors.
<b>“Financial Instruments”</b>	means financial instruments, within the meaning of the Investment Services and Investment Activities, Regulated Markets and Other Related Matters Law 87 of 2017 as may be amended or replaced from time to time.
<b>“High-Watermark”</b>	means the highest peak in value of the NAV of the Fund over and above which the External Manager is entitled to receive the Performance Fee.
<b>“Hurdle Rate”</b>	means the minimum pre-set threshold rate of return (if any) of the Fund over and above which the External Manager (and/or the Expert Advisors) is entitled to receive the Performance Fee.
<b>“Income Tax Law”</b>	means the Cyprus Income Tax Law N118(I)/2002 as may be amended from time to time.
<b>“Ineligible Person”</b>	means any person, firm or corporation applying solely or jointly with others for Subscription or being a joint or sole holder of Investor Shares that (i) for legal, tax, regulatory or any other reason, in particular for not meeting the requirements of a Professional or Well Informed Investor or (ii) because of being a U.S. Person or (iii) because the Directors have, in their sole discretion so determined, is not eligible to be an Investor Shareholder.
<b>“Information Memorandum” or “Offering Document” or “Prospectus”</b>	means this information memorandum, within the meaning of the AIF Law, which has been produced in accordance with the relevant provisions of the AIFM Law and of the AIF Law as it may be modified or supplemented from time to time in accordance therewith subject to the prior approval of CySEC.
<b>“Initial Offering Period” or “IOP”</b>	means the period during which Investor Shares, may be offered by the Fund for Subscription at the Initial Subscription Price as set out in this Information Memorandum.

**“Initial Subscription Day”**

means the first Business Day of the IOP in respect of the offering of the relevant Investor Shares, or in case there is no IOP the first Dealing Day of the relevant Investor Shares.

**“Initial Subscription Price”**

means the fixed price determined by the Directors at which the relevant Investor Shares may be offered for Subscription during an Initial Offering Period, or in case there is no IOP, the first Subscription Price applicable to such shares on the relevant Dealing Day, as such price is determined in the Offering Document and adding thereto such sums as the Directors may determine as an appropriate provision for Duties and Charges.

**“International Financial Reporting Standards” or “IFRS”**

means the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS), for the time being in force as well as the relevant texts issued under the general supervision of the International Accounting Standards Board (IASB) and as these are adopted by the European Union in accordance with the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as from time to time amended or substituted.

**“Investment Company”**

means a Variable Capital Investment Company or a fixed capital investment company, it being at all times understood as a Variable Capital Investment Company in relation to the Fund.

**“Investor”**

means a prospective or existing Investor Shareholder.

**“Investor Shareholder”**

means the sole or joint holder of record of one or more Investor Shares, who qualifies at all times as a Professional Investor or a Well-Informed Investor.

**“Investment Management Delegation Agreement”**

means an agreement (if any) subsisting between the External Manager and a third party, such party being considered eligible under the AIFM Law to enter into such agreement, in relation to the delegation of obligation and duties of the External Manager in respect of investment management functions, whereas such agreement has been concluded in accordance with the provisions of the AIFM Law.

**“Investments”**

means any investment or other asset of any description which the Fund is entitled to acquire, purchase, trade or invest in, in accordance with the Information Memorandum, the provisions of the Articles, the AIF Law, the AIFM Law and the CySEC Directives.

**“Investor Shares”**

means a share in the capital of the Fund which is designated as such and is available for Investors and may be divided in one or more Classes and has been issued in accordance with the Information Memorandum and the provisions of the Articles.

<b>“Investment Management Agreement”</b>	means the agreement for the time being subsisting between the Fund and the External Manager in relation to the appointment and duties of the External Manager.
<b>“Internal Rate of Return” or “IRR”</b>	means the IRR for an investment is the discount rate for which the total present value of future cash flows equals the cost of the investment.
<b>“Key Information Document” “KID”</b>	means key information document, within the meaning of Regulation (EU) no 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs).
<b>“Last Subscription Day”</b>	means the last Business Day of the IOP in respect of the relevant Investor Shares, including Classes thereof.
<b>“Liquidation Date”</b>	means the day in which the Fund is dissolved and its remaining assets are liquidated.
<b>“Lock up period”</b>	Means the period (if any), during which Investor Shareholders are prohibited from redeeming their Investor Shares, including any Classes thereof, as further described in the Information Memorandum.
<b>“Management Fee”</b>	means the fee designated as such and payable to the Manager (and/or the Expert Advisors) as further detailed in this Information Memorandum.
<b>“Management Shareholder”</b>	means the holder of Management Shares.
<b>“Management Shares”</b>	means the non-redeemable, voting shares in the capital of the Fund, which are not used for investment purposes and are not available for Investors as these are further described in the Information Memorandum.
<b>“Minimum Subscription”</b>	means the minimum amount or value that must be subscribed for by a prospective or existing Investor Shareholder in order to purchase Investor Shares, including Classes thereof, as further specified in the Information Memorandum.
<b>“Minimum Additional Subscription”</b>	means the minimum amount or value that must be subscribed for by an existing Investor Shareholder in order to purchase Investor Shares as may be specified from time to time in the Prospectus.
<b>“Net Asset Value” or “NAV”</b>	means the value of the Total Assets of the Fund minus its Total Liabilities, calculated as further described in this Information Memorandum.

<b>“Net Asset Value per Investor Share”</b>	means the relevant Net Asset Value divided by the number of Investor Shares, including Classes thereof, in issue within the Fund.
<b>“Own Funds”</b>	has the meaning attributed to this term by article 4, paragraph 1, point 118) of Regulation (EU) No. 575/2013.
<b>“Performance Fee”</b>	means a fee designated as such and payable to the External Manager (and/or the Expert Advisors) as further detailed in the Information Memorandum.
<b>“Portfolio”</b>	means all the assets attributable to and held by and/or on behalf the Fund at any point in time.
<b>“Prevailing Exchange Rate”</b>	means the prices at the Cut-Off Date.
<b>“Professional Investor”</b>	means an investor who is considered to be a professional client or may, on request, be treated as a professional client within the meaning of the Second Appendix of the Investment Services and Activities and Regulated Markets Law.
<b>“Project Companies”</b>	means all special purpose vehicles (‘SPVs’) and intermediary holding companies that the Fund may invest through, depending on the requirements of local law and tax considerations.
<b>“RAIFs Register”</b>	means the relevant register of RAIFs kept by CySEC.
<b>“Redemption”</b>	Means the redemption of Investor Shares, including any Class or Classes thereof in the Fund.
<b>“Redemption Fee”</b>	means such amount or amounts payable upon Redemption which may be deducted and retained from the proceeds of the Redemption, as further detailed in the Information Memorandum.
<b>“Redemption Price”</b>	means the price at which Investor Shares, including Classes thereof, shall be redeemed by the Fund at the request of a redeeming Investor Shareholder, such price being calculated in accordance with the provisions of the Information Memorandum and the Articles less any such sum as the Directors may determine as an appropriate provision for Duties and Charges.
<b>“Reference Currency”</b>	means the currency in which the Fund is denominated being the EURO, and is the currency (i) on the grounds of which the Fund NAV is calculated, (ii) in which the unitary financial statements for the aggregate of the Fund is drawn, and (iii) in which the share capital of the Fund is expressed.
<b>“Reference Currency of the Class”</b>	means the currency in which a Class of the Fund is denominated, and is the currency on the grounds of which the Subscription Price and the Redemption Price of such class is calculated. If such currency denomination is different than the Reference



	Currency of the Fund and/or the Reference Currency, then it shall be converted at the Prevailing Exchange Rate for reporting purposes.
<b>“Register”</b>	means the register of the Fund kept by the Administrator into which the names and addresses of Investor Shareholders, and the number of holdings thereof are entered together with any other content requirements prescribed for such register by the AIF Law.
<b>“Registered Alternative Investment Fund” or “RAIF”</b>	means the AIF which may operate as a registered AIF subject to the provisions of Part VIII of the AIF Law.
<b>“Secretary”</b>	means any person, firm or corporation appointed to perform the duties of the secretary of the Fund.
<b>“Set Up Fees”</b>	means the preliminary expenses incurred in connection with the incorporation of the Fund, the obtaining by the Fund registration from the CySEC and the launch of the Fund, including the costs and expenses of preparing, publishing and distributing the Information Memorandum and all professional and legal fees and costs incurred in connection therewith; it is to be clarified that such professional fees include, among others, the cost of opening the account with the Depositary and the set-up of the ledger with the Administrator.
<b>“Share”</b>	means an Investor share or a Management Share (as the case may be).
<b>“Shareholder”</b>	means a holder of Investor Shares or of Management Shares (as the case may be)
<b>“Subscription”</b>	means the initial or subsequent subscription for Investor Shares, including Classes thereof, by a prospective or existing Investor Shareholder respectively (as the case may be).
<b>“Subscription Application”</b>	means the application by a prospective or existing Investor Shareholder, which is addressed to the Fund or the External Manager acting on behalf of the Fund, to subscribe for Investor Shares in the Fund or a Class (as applicable).
<b>“Subscription Fee”</b>	means any such amount or amounts payable by the Investor Shareholder for Subscription on the issue of Investor Shares, including Classes thereof, in the Fund as further detailed in the Information Memorandum.
<b>“Subscription Price”</b>	means the price at which Investor Shares, including Classes thereof, shall be offered for Subscription, following the Initial Offering Period, calculated in accordance with the provisions of



	<p>this Information Memorandum and the Articles and adding thereto such sum as the Directors may determine as an appropriate provision for Duties and Charges.</p>
<b>“Target Market/s”</b>	<p>means the markets in which the Fund may invest as further detailed in the Information Memorandum.</p>
<b>“Total Assets”</b>	<p>means tangible and intangible fixed assets, Investments, cash and cash equivalents, receivables and inventories of the Fund.</p>
<b>“Total Liabilities”</b>	<p>means short and long-term borrowings, deferred taxation, creditors and other current liabilities of the Fund.</p>
<b>“Ultimate Beneficial Owner” or “UBO”</b>	<p>means any natural person who ultimately owns or controls the customer and/or the natural person on whose behalf a transaction or activity is being conducted and includes at least:</p> <p>(a) in the case of corporate entities:</p> <p>(i) the natural person who ultimately owns or controls a corporate entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that corporate entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.</p> <p>Provided that-</p> <p>(a) an indication of direct shareholding shall be a shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a natural person; and</p> <p>(b) an indication of indirect ownership shall be a shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person, or by multiple corporate entities, which are under the control of the same natural person or persons.</p> <p>Provided further that the control by other means can be verified, inter alia, based on the criteria provided for in section 142 (1) (b) and section 148 of the Companies Law;</p> <p>(ii) the natural person who holds the position of senior managing official if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under sub paragraph (i) of the</p>

	<p>present paragraph is identified, or if there is any doubt that the person identified is the beneficial owner: Provided that the obliged entity shall keep record of the actions taken in order to identify the beneficial ownership under sub paragraphs (i) and (ii);</p> <p>(b) in the case of trusts:</p> <ul style="list-style-type: none"> <li>(i) the settlor;</li> <li>(ii) the trustee or commissioner;</li> <li>(iii) the protector, if any;</li> <li>(iv) the beneficiary, or where the individual benefiting from the legal arrangement or legal entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;</li> <li>(v) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means; and</li> </ul> <p>(c) in the case of legal entities, such as foundations, and legal arrangements similar to trusts, the natural person holding equivalent or similar positions to the person referred to in paragraph (b);</p>
<b>“U.S. Person”</b>	means a U.S. Person as defined in Rule 902 of Regulation S of the United States Securities Act of 1933, as amended.
<b>“Valuation Day”</b>	means the Business Day, following the IOP (if any), specified in the Information Memorandum at which the relevant NAV and NAV per Investor Share, including Classes thereof, is calculated.
<b>“Valuer”</b>	means any Internationally recognized qualified property valuers, independent auditors or valuers of financial instruments hired by the Company from time to time as required.
<b>“Variable Capital Investment Company” or “VCIC”</b>	means a company incorporated subject to the Companies Law as a company limited by shares and which is authorised to operate as an AIF subject to the provisions of Chapter 2 of Part II or as an AIFLNP subject to the provisions of Part VII or which may operate as a RAIF subject to the provisions of Part VIII, as a variable capital investment company in accordance with the relevant provisions of this Law; it being at all times understood as a company incorporated subject to the Companies Law as a company limited by shares and which is authorised to operate as an AIF subject to the provisions of Chapter 2 of Part II of the AIF Law with respect to the Fund.
<b>“Well-Informed Investor”</b>	means an Investor who is not a Professional Investor, but fulfils the following criteria: (a) the said investor confirms in writing - (i) that he has sufficient knowledge and experience in financial and

business matters to evaluate the merits and risks associated with the prospective investment and that he is aware of the risks associated with the prospective investment; or (ii) that his business activity is related to the management, acquisition or sale of assets, either on the investor's own account or on behalf of third parties, and are of the same type as the investments of the Fund; and (b) (i) invests at least €125.000 in the Fund; or (ii) has been assessed by a credit institution, an AIFM, a UCITS Management Company, an Investment Firm or an external manager of AIFs authorised in the Republic or another Member State for the management of AIFs whose assets do not exceed the limits provided for in article 4(2) of the Alternative Investment Fund Managers Law or the corresponding article 3(2) of Directive 2011/61/EU, and the above assessment shows that he has the necessary knowledge and experience in financial and business matters, to evaluate the merits and risks associated with the Fund's prospective investment based on the Fund's investment policy or (iii) is employed by one of the persons referred to in subparagraph (ii) of paragraph (b), receiving total remuneration that takes him into the same remuneration bracket as the natural persons who effectively conduct the business of the person referred to in subparagraph (ii) of paragraph (b) or the executive members of their governing body, who effectively conduct the their business; (c) by way of derogation from paragraphs (a) and (b), such investor is a person who effectively directs the business of the Fund or the External Manager or is a person engaged in the AIF's investment management functions.

**“Wholly Owned  
Subsidiary”**

means a subsidiary company whose share capital is entirely owned by the holding company.

Unless the context otherwise requires:

- (I) words importing the singular number shall include the plural number and vice versa;
- (II) words importing any gender shall be construed as importing any other gender;
- (III) words importing persons only shall include companies or associations or bodies of persons, whether corporate or not; and
- (IV) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative; and
- (V) words and expressions defined in the Articles and not otherwise defined herein shall have the meaning ascribed to them therein.

## 1. FUND AND ISSUE OVERVIEW

<b>Name of the Fund</b>	<b>3I HEALTHCARE PARTNERS RAIF V.C.I.C. LTD</b>
<b>Registered Office of the Fund</b>	9, Archiepiskopou Makariou III Avenue, Severis Building, 3rd Floor, 1065 Nicosia, Cyprus.
<b>Fund Structure</b>	Open Ended Fund
<b>Legal Structure</b>	Variable Capital Investment Company
<b>Incorporation Date</b>	25 <sup>th</sup> February 2021
<b>Geographical Region of Operations</b>	Cyprus
<b>Fund Life</b>	Unlimited Duration
<b>Fund Type</b>	Single Scheme
<b>Listing Status</b>	Not Listed
<b>Reference Currency</b>	EURO
<b>Investor Profile</b>	Risk-tolerant Investor
<b>Investment Objectives and Policy</b>	<p>The External Manager aims to pursue the Investment Strategy of the Fund by constructing a portfolio of equities, fixed income, non-traditional investments, and Healthcare and senior housing real estate.</p> <p>The senior housing and healthcare real estate consists of:</p> <ul style="list-style-type: none"> <li>▪ Skilled nursing Facilities (SNF)</li> <li>▪ Assisted Living Facilities (ALF)</li> <li>▪ Independent Living Facilities (ILF)</li> <li>▪ Memory Care Facilities (MCF)</li> <li>▪ and combinations thereof.</li> </ul> <p>The Fund's opportunistic strategy primarily seeks to create value by:</p> <ul style="list-style-type: none"> <li>▪ paying consistent current income through cash distributions to the investors;</li> <li>▪ maintaining the investors' capital contribution; and</li> <li>▪ realizing capital appreciation through the potential sale of the assets of the Fund by optimizing the timing of the sale.</li> </ul>
<b>Distribution Policy</b>	Dividend payments are upon the discretion of the Board of Directors or otherwise as may be delegated to the External Manager in accordance with the Fund's Articles of Association and Dividend

	Policy. The distribution policy of the Fund will be specified in Section 18 – Distribution Policy.
<b>Use of Leverage</b>	The Fund may make use of leverage in cases where the External Manager will determine that it is in the best interest of the Investors and the performance of their Investor Shares.
<b>Target Capital Raising</b>	EUR 10.000.000
<b>External Manager</b>	7Q Asset Management Limited
<b>Regulatory Minimum Capital Requirement</b>	EUR 500.000, to be attained within 12 months following registration, unless approval from CySEC to extent the said period to another 12 months is obtained
<b>Investor Type</b>	Professional & Well-Informed Investors
<b>Reports and Financial Statements</b>	31 <sup>st</sup> December of each calendar year
<b>Management Fee</b>	1,00%
<b>Performance Fee</b>	15,00%
<b>Hurdle Rate</b>	5,00%
<b>Administrator Fee</b>	0,06% (with a Minimum Fee of EUR 5.000 annually)
<b>Depositary Fee</b>	0,10% (with a Minimum Fee of EUR 5.000 annually)
<b>Total Expense Ratio</b>	N/A
<b>Historical performance during the last calendar year</b>	N/A
<b>Latest NAV</b>	N/A
<b>Valuation Frequency</b>	Quarterly or after any major financial event
<b>Risk Factors</b>	Investors' attention is drawn to the risks outlined in Section 16 of the Prospectus

## INVESTMENT COMPARTMENT & CLASSES

<b>Share Classes</b>	<b>Class A</b>
<b>Type of Investors</b>	Professional & Well Informed Investors
<b>Reference Currency</b>	EUR
<b>Investors Country of Domicile</b>	Worldwide

<b>Initial Subscription Price per Investor Share</b>	EUR 100
<b>Subscription Price</b>	NAV per Investor Share
<b>Minimum subscription amount during the Initial Offering Period</b>	EUR 125.000
<b>Minimum Subscription amount following the Initial Offering Period</b>	EUR 50.000
<b>Minimum Holding Amount</b>	EUR 50.000
<b>Frequency of Investor Subscriptions</b>	Quarter (last business day of each quarter)
<b>Cut-off Date for Subscriptions</b>	
<b>Lock Up Period</b>	4 years
<b>Secondary Trading</b>	Potential transfer of all or part of shareholding in the Fund can take place immediately (subject to notification of the agreed transaction to the Fund Administrator)
<b>Frequency of Investor Redemptions</b>	Redemption period starts after 4 years lock up period. Annually (last business day of the year), unless otherwise is determined by the Board of Directors
<b>Subscription Fee</b>	None
<b>Redemption Fee</b>	None
<b>Contributions in kind</b>	Yes
<b>Distribution Policy</b>	Interim or annual dividends payable to the investors derived from the net profits of the Fund, upon the discretion of the Directors.
<b>Investment Strategy as per ESMA guidelines</b>	Other Real Estate Strategy

## 2. DIRECTORY

<b>Board of Directors</b>	<b>Mr. Chrysis Pegasiou Dr. Demetris Stavrou</b>
<b>Secretary</b>	<b>PETSAS FIDUCIARY SERVICES LTD</b> GIORGOU & THELMAS PARASKEVAIDE, 4 <sup>th</sup> Floor, Flat/Office 403 36 Griva Digeni

	1066 Nicosia, Cyprus.
<b>External Manager</b>	<b>7Q ASSET MANAGEMENT LTD</b> 9, Archiepiskopou Makariou III Avenue, Severis Building, 3rd Floor, 1065 Nicosia, Cyprus. Licensed by the CySEC as an AIFM under the AIFM Law with license number AIFM36/56/2013
<b>Expert Advisors</b>	<b>Dr. Demetris Stavrou</b>
<b>Depository</b>	<b>7Q FINANCIAL SERVICES LTD</b> Kennedy Business Center, 12-14 Kennedy Avenue, Suite 402, 1087 Nicosia, Cyprus
<b>Administrator</b>	<b>7Q ASSET MANAGEMENT LTD</b> 9, Archiepiskopou Makariou III Avenue, Severis Building, 3rd Floor, 1065 Nicosia, Cyprus.
<b>Auditors</b>	<b>PROQUASERV ADVISORS LTD</b> 121 Prodromou, HADJIKYRIAKION BUILDING, Floor 5, Flat 501 2064 Nicosia, Cyprus.
<b>Legal Consultants</b>	<b>ANDREAS PETSAS &amp; ASSOCIATES LLC</b> Griva Digeni 36, Office 403, 1066 Nicosia, Cyprus

### 3. THE FUND

#### REGISTRATION

The Fund has the legal form of a V.C.I.C. and has been incorporated as a private company limited by shares under the Companies Law of Cyprus under registration number HE418746. The Fund operates as a RAIF under Part VIII of the AIF Law under registration number RAIF73 and in accordance with the Directive 124-01 (Directive DI124-01) regarding the “Registration of RAIFs in, and deletion from, the RAIFs Register”. The Fund

is an open-ended RAIF, within the meaning of the AIF Law, whereas the rights of Investor to require Redemption are specified in the Articles and in the Information Memorandum. The Fund operates as a RAIF with one Investment Compartment (single scheme). The Investor Shares are at all times available to Professional Investors and/or Well-Informed Investors only. The Fund is an Externally Managed RAIF by an AIFM, being currently the External Manager, so that the provisions of the AIFM may additionally apply to those of the AIF Law to the Fund. In case of conflict between the provisions of the AIFM Law and of the AIF Law, as applicable to the Fund, the latter shall prevail.

## **INVESTMENT COMPARTMENT & CLASSES**

The Fund operates as a RAIF with one investment compartment and is invested in accordance with the investment objectives, investment policy, risk profile and the investment techniques set out in this Prospectus.

The Fund issues Investor Shares, including Classes thereof, corresponding to the assets constituting its respective pool of assets as per Article 9 of the AIF Law. The rights of Investors and of creditors created by the constitution, operation or dissolution of the Fund are limited to the assets of the Fund. The Fund may issue more than one Classes as will be further detailed in this Information Memorandum. Upon creation of new Class of Investors Shares, the Information Memorandum will be updated, if necessary.

The net proceeds from Subscriptions are invested in the specific portfolio of assets, constituting the Fund. The Fund may, depending on the Classes issued (if applicable), differ in respect of its fee structures, Distributions, marketing targets, denominations in currency (other than the relevant Reference Currency) or any other aspects as the Directors may from time to time determine.

Investor Shares shall be issued to Investors in registered form. Title to registered shares is evidenced by entries in the Fund's Register. Investor Shares shall carry no voting rights and no pre-emptive subscription rights. In the event of the liquidation of the Fund, each Investor Share is entitled to its proportionate share of the Fund's assets after payment of the Fund's debts and expenses, taking into account the Fund's rules for the allocation of assets and liabilities as these are set out in the Articles. The Fund, qualifying as a Variable Capital Investment Company/V.C.I.C., has its share capital being always equal to the Fund NAV. The Fund's share capital is automatically adjusted when additional Investor Shares are issued or outstanding Investor Shares are redeemed and no special announcements or publicity or other publicity formalities under the Companies Law are required in relation thereto.

The Board of Directors and the External Manager shall ensure at all times that the Investor Shareholders qualify as Professional Investors or Well-Informed Investors at all times.

## **4. INVESTMENT OBJECTIVE AND POLICY**

### **INVESTMENT PHILISOPHY**



The primary investment objective is to provide investors with attractive risk-adjusted returns taking into account the opportunities and the risks of the Healthcare system in Cyprus, by investing in a portfolio of equities, fixed income, non-traditional investments in the healthcare sector as well as healthcare and senior housing real estate that the External Manager of the Fund believes have special investment value. The Fund focuses its investment strategy mainly to investments in healthcare services including medical clinics and day case centres as well as investments in diagnostic centres (medical imaging).

## **INVESTMENT STRATEGY AND OBJECTIVE**

The External Manager aims to pursue the Investment Strategy of the Fund by constructing a portfolio of equities, fixed income, non-traditional investments, and Healthcare and senior housing real estate.

The senior housing and healthcare real estate consists of:

- Skilled nursing Facilities (SNF)
- Assisted Living Facilities (ALF)
- Independent Living Facilities (ILF)
- Memory Care Facilities (MCF)
- and combinations thereof.

The Fund's opportunistic strategy primarily seeks to create value by:

- paying consistent current income through cash distributions to the investors;
- maintaining the investors' capital contribution; and
- realizing capital appreciation through the potential sale of the assets of the Fund by optimizing the timing of the sale.

The Fund is expected to be exposed to Single name concentration risk.

## **INVESTMENT PROCESS**

The External Manager has the authority to make investment decisions at its discretion according to the investment policies as approved by the board of directors.

The basic thesis of the External Manager is to buy primarily in income producing Healthcare and Senior Housing Real Estate with an overlay of capital appreciation, taking into account the real estate investment opportunities and the risks.

## TARGET MARKETS

The Investment Manager intends to target assets which it believes exhibit some or all of the following characteristics:

- Skilled nursing Facilities (SNF): They provide nursing care for patients not requiring sophisticated treatment available at acute care clinics. Many SNFs provide a number of ancillary services such as IV therapies.
- Assisted Living Facilities (ALF): They provide assistance to elderly people who need some medical care in their daily living.
- Independent Living Facilities (ILF): They provide assistance to elderly people who need little or no medical care in their daily living
- Memory Care Facilities (MCF): They provide assistance to people with Alzheimer's disease and other forms of dementia.
- and combinations thereof.

The Fund may invest up to 30% of its assets in other equities, fixed income and other non-traditional investments issued by companies in the healthcare sector. The healthcare sector comprises, but is not limited to, corporations involved in bio tech, medical technology and pharmaceuticals.

The Fund may also invest in equity based derivative contracts such as convertibles and rights.

## USE OF LEVERAGE

The Fund is expected to leverage its market exposure by up to 60%.

Depending on market conditions, the leverage may be greater.

## TAX EFFICIENT STRUCTURING

The Fund will seek to structure its investments in a manner that is tax efficient for the Fund with respect to generated income. Prospective Investors should consult with their own tax advisors as to the consequences of making an investment in the Fund.

# 5. THE ISSUE

## SUMMARY OF THE SUBSCRIPTION AND ISSUE OF INVESTOR SHARES

The rights deriving from the Investor Shares shall be exercised in accordance with the percentage they represent in respect of Portfolio of the Fund; except for the voting rights, which are exercised only with a whole Investors Share, if such rights are attached thereto.

Investor Shares shall always be issued in registered form in the name of the Investor Shareholder of record and may be sub-divided into various Classes as these may be further described in this Prospectus (if applicable). Subscriptions and Redemptions shall take place in accordance with the provisions of the AIF Law, the Articles, this Information Memorandum and the Subscription Agreement.

The valid acquisition of Investor Shares requires the submission of a duly completed and signed Subscription Application addressed to the External Manager either in writing or electronic form, the acceptance of the Articles as well as full upfront payment of the applicable price, which is either the Initial Subscription Price or the Subscription Price (as the case may be). For the avoidance of doubt, the signing of the Subscription Agreement is tantamount to the acceptance of the Articles.

The Directors or the External Manager acting on behalf of the Fund reserve the right to reject any Subscription Application at their discretion. The latest point in time for the submission of Subscription Applications as well as the calculation of the applicable price in relation thereto, are provided for in the Articles and further described below herein. Prior to the signing of the Subscription Application, the External Manager or any of the Eligible Distributors acting on its behalf, shall provide the relevant applicant, free of charge, with the Information Memorandum, the Articles, the Subscription Application and the latest annual and half-yearly reports, where available. In addition, the External Manager or any of the Eligible Distributors acting on its behalf shall disclose to the relevant applicant the latest applicable NAV, including the latest applicable NAV per Investor Share. Where the prospective Investor Shareholder qualifies as a Well-Informed Investor, the External Manager or any of the Eligible Distributors acting on its behalf shall also make available to such investor the relevant KID.

Each Investor Share is being linked to the common investment objective of the Fund and may be divided into one or more Classes. Investor Shares may be issued for free, if and under the conditions provided for in the Articles.

Where an IOP applies with respect to Investor Shares offered, such period will be further specified in this Prospectus.

The issue and allotment of Investor Shares follows the submission of a Subscription Application, which also includes the relevant agreement, the full upfront payment of the Initial Subscription Price or Subscription Price (as applicable) and the acceptance of the relevant application by the Fund or the External Manager acting on behalf of the Fund.

During the IOP (where applicable), Investor Shares are issued at the Initial Subscription Price and can be subscribed for at such price from the Initial Subscription Day until the Last Subscription Day. Following the expiration of the IOP, Investor Shares may be subscribed for on any Dealing Day at the applicable Subscription Price, consisting of the applicable NAV per Investor Share plus the applicable Subscription Fee (if any). The applicable NAV per Investor Share is the NAV per Investor Share or Class of the Fund, calculated on the Dealing Day immediately following the relevant Cut-Off Date and it is always unknown to the subscribing Investor at the moment of submitting the relevant application. The relevant NAV is expressed in the **EURO currency**, as specified in this Offering Document. Where the Directors decide to divide the relevant Investor Shares into one or more Classes, the **Reference Currency of the Class** may be different than the Reference Currency of the Fund and will be further disclosed in this **Prospectus**.

The launch of a new Class, takes place on the Initial Subscription Day as specified below in this Offering Document (the "**Launch Date**"). If no Subscriptions are submitted or accepted on this date until the Last Subscription Day, then a new Launch Date will be

determined by the Directors on which Subscriptions for the relevant Class (as the case may be) will be accepted at the Initial Subscription Price.

The Fund is under the obligation provided under the AIF Law to attain, within twelve (12) months from the date its registration was granted, at least five hundred thousand euros (€500.000) worth of capital from Investor Shareholders. The CySEC may, upon the submission of a written request by the External Manager to extend the said twelve (12) months' period for another twelve months, if this is deemed necessary due to the specific circumstances of the case. Without prejudice to the powers of the Directors to decide the dissolution of the Fund pursuant to the provisions of the Articles, where the Fund fails to raise the aforesaid minimum amount within the prescribed time period, the Fund will be dissolved and liquidated.

Consideration for Subscriptions must be in cash. The payment of the said price may take place either in cash, by depositing the applicable amount in a bank account opened with a credit institution in the name of the Fund or in the name of the External Manager acting on behalf of the Fund or in the name of the Depositary acting on behalf of the Fund.

## **SHARE CHARACTERISTICS**

Below is a summary of the rights and characteristics of the Shares issued by the Fund, subject to the provisions of the Articles.

### **The Management Shares**

The Management Shares shall:

- Carry voting rights in respect of all matters to be resolved in a general meeting of the Fund;
- Not be entitled to participate in any dividends and/or other Distributions to be made out of the profits of the Fund;
- Not be redeemable, and
- On a return of capital, on a winding up or otherwise:
  - have the right to repayment of capital after the return of capital paid up on the Investor Shares; and
  - after the return of capital, not be entitled to the surplus of assets of the Fund.

### **The Investor Shares**

The Investor Shares:

- Shall not confer upon the holders thereof the right to receive notices of or to attend and vote at any general meeting of the Fund unless as otherwise stipulated in the Articles;
- Shall be transferable and redeemable, in accordance with the provisions of the Articles and the Information Memorandum;
- Shall be entitled to participate in dividends of the Fund and/or other Distributions to be made out of the profits thereof;

- Shall at the request of any of the holders thereof, but subject to restrictions contained in the Articles and the Information Memorandum, be redeemed by the Company directly or indirectly out of the Fund's assets.

Investor Shares, including Classes thereof, may be denominated in any currency and different Classes within the Fund may be denominated in different currencies.

Investor Shares, including Classes thereof, participate in the profits of the Fund and upon liquidation, in any Distributions of the Fund with the provisions of the Articles.

For the avoidance of doubt, the Fund will not grant to any Investor preferential treatment by means of side-letters or any other instrument whatsoever. Where such treatment is granted, relevant disclosure will be made by the External Manager and the Information Memorandum, will be amended accordingly.

#### **PLEDGING OF INVESTOR SHARES**

No Investor Shares, including Classes thereof, can be pledged.

## **6. SUBSCRIPTION OF INVESTOR SHARES**

#### **ELIGIBLE INVESTORS**

Investor Shares are made available to and may at all times be acquired or held, be it by means of Subscription, transfer, succession or any other manner whatsoever by Professional or Well-Informed Investors only. Where Investor Shares are, for any reason whatsoever, held or end-up to be held, individually or jointly, wholly or partly, for a limited or unlimited period of time, by a person not qualifying as a Professional Investor or Well-Informed Investor, such shares will be, following a notice period of not less than 30-calendar days, subject to a compulsory Redemption at the applicable Redemption Price minus any applicable fees, costs and relevant expenses. Where the said compulsory Redemption takes place during the IOP, the applicable price for such Redemption will be the Initial Subscription Price minus any applicable fees, costs and expenses.

#### **FUND SUITABILITY**

The Fund is only suitable for the risk-tolerant investor who, while seeking investments that offer targeted opportunities to maximize return, can tolerate the unavoidable, and occasionally substantial, fluctuations in the values of its investments. The high risks associated with the operations of this Fund make it probable that the Fund will lose value from time to time, and expectations of high returns and risk tolerance will be offset by the possibility of incurring significant losses of the capital invested.

#### **SUBSCRIPTION PROCEDURE**

A valid Subscription requires a duly submitted Subscription Application, which also includes the relevant agreement, the acceptance of the Articles by the Investor, the full upfront payment of the applicable price and the acceptance of the said application by the

Directors or the External Manager acting on behalf of the Fund. Prior to the signing and the submission of the Subscription Application, either during the IOP or onwards, the External Manager or any of the Eligible Distributors acting on its behalf, shall provide the Investor, free of charge, with the:

- (a) Information Memorandum;
- (b) Articles;
- (c) Latest NAV of the Fund, including the relevant NAV per Investor Share or Class(es) thereof as applicable;
- (d) Latest historical performance of the Fund, including the NAV per Investor Share or Class(es) thereof as applicable;
- (e) Subscription Application, which also includes the relevant agreement; and
- (f) Latest annual and half-yearly reports, where available.

In addition to the above, the External Manager or any of the Eligible Distributors acting on its behalf shall disclose to the relevant applicant the latest applicable NAV, including the latest applicable NAV per Investor Share. Where the prospective Investor Shareholder qualifies as a Well-Informed Investor, the External Manager or any of the Eligible Distributors acting on its behalf shall also make available to such investor the relevant KID.

The Fund or the External Manager acting on behalf of the Fund reserves the right to reject any Subscription Application at their discretion.

The payment of the Initial Subscription Price or the Subscription Price (as the case may be) may take place either in cash, by depositing the applicable amount in a bank account opened with a credit institution in the name of the Fund or in the name of the External Manager acting on behalf of the Fund or in the name of the Depositary acting on behalf of the Fund.

### **Initial Offering of Investor Shares**

Investor Shares in Fund may be subscribed for during the Initial Offering Period at the Initial Subscription Price and thereafter, on each Dealing Day at the Subscription Price calculated with reference to the Net Asset Value per Investor Share of the Fund on the applicable Dealing Day.

Throughout the Initial Offering Period, the Fund is expected to raise sufficient proceeds for initiating investments, excluding commissions, set up fees and other fees and expenses. The Fund intends to use the net raised capital as consideration for its future investments. Investor Shares, including Classes thereof, where applicable, may be purchased during the Initial Offering Period, if any, at the Initial Subscription Price as set out in this Prospectus. The latest point in time for the submission of a valid Subscription Application for purchasing Investor Shares at the Initial Subscription Price during the IOP is the Last Subscription Day. Investor Shares so purchased, shall be issued on the Last Subscription Day.

The initiation of investment operations is conditional upon a minimum capital raise of EUR 500.000 before expenses, being raised no later than the Last Subscription Date, otherwise

becoming unconditional. In the event of not completing the minimum capital raise by the Last Subscription Date, the amount collected will be returned to the Investors.

If no Subscription Applications are submitted or accepted (as the case may be) during the Launch Date until the Last Subscription Day, then a new Launch Date will be determined by the Directors; during which Subscription Applications for the Fund or Class (as the case may be) will be accepted at the Initial Subscription Price relating to this new Launch Date. The Fund intends to use the net proceeds from the Initial Subscription Price received during the Launch Date or the New Launch Date (as the case may be) as consideration for the future investments of the Fund in the Target Market. The Fund or the External Manager acting on behalf of the Fund reserves the right to reject any Subscription Application at their discretion.

Subscription Applications received after the expiry of the IOP, such period taking place either during the Launch Date or the New Launch Date (as applicable), will be processed at the immediately next following Dealing Day and priced at the Subscription Price applicable to the said Dealing Day.

### **Subsequent Subscriptions of Investor Shares following the IOP**

Following the Initial Offering Period, if any, subsequent applications for Subscription, can be made on any Dealing Day at the applicable Subscription Price, subject to observance of the Cut-off Date, applicable to such day, which is laid down in this Prospectus. The said price is calculated with reference to the applicable Net Asset Value per Investor Share, calculated for the relevant Dealing Day plus any Subscription Fee. The applicable NAV, is unknown at the moment of submission of the relevant Subscription Application.

Investors should settle payment of the subscription monies, one (1) Business Day prior to the Dealing Day. Payment of subscription monies should be made to the bank account whose details are provided in the subscription Agreement. During the IOP, Investor Shares will be issued on the Last Subscription Date and thereafter one (1) Business Day after the Dealing Day.

Subscription Applications received after the applicable Cut-Off Date will not be processed on the Dealing Day immediately following it but will be transferred for processing on the next Dealing Day.

Unless otherwise determined by the Directors, Investor Shares will be issued one (1) Business Day after the applicable Dealing Day, at the Subscription Price of the relevant Investor Share, including Classes thereof, and will be denominated in the Reference Currency of the Fund or Class (as the case may be).

No Investor Shares, including Classes thereof, shall be issued by the Fund during any period in which the determination of the Net Asset Value per Investor Share, including Classes thereof, of the Fund is suspended.

### **Minimum Subscription and Minimum Additional Subscription**

The Minimum Subscription and Minimum Additional Subscription for the Fund are EUR 125.000 and EUR 50.000, respectively. The Directors may, in their discretion, or as

otherwise may be delegated to the External Manager, waive or modify such minimum limits.

### **Subscription Application and Subscription Agreement**

The Subscription Application also includes the agreement that will be signed between the Fund and each Investor subscribing for Investor Shares, individually or jointly with others (“Subscription Agreement”); provided any (co)Investors qualifies at all times as Professional Investor or a Well-Informed Investor. The Subscription Agreement lays down the terms which the Investors should have knowledge of and accept, in order to subscribe for Investor Shares, in particular the acceptance of the Articles.

The (co)Investor(s) will have to fill out the Subscription Agreement which evaluates his/their suitability for the investment in the Fund. The Subscription Agreement contains all the information required in order for the Investor to be subscribed in the Fund. Information includes among others personal information of the Investor, subscription amount, adherence to the terms of the Articles, additional holders if any, details of the beneficial owners of the Investor Shares in question, bank details etc.

In addition, the Subscription agreement includes all the required documents that need to be submitted from the prospective or existing (in case of subsequent Subscription) Investor in order for the Board of Directors, or otherwise as may be delegated to the External Manager, to be able to evaluate whether the Investor is proper and fit in accordance with the requirements of the Law on the Prevention and Suppression of Money Laundering and Terrorist Financing of 2007 as amended from time to time (L. 188(I)/207) (the “**AML Law**”) and CySEC’s AML Directive. The documentation requested to be obtained is also needed for the “Know Your Customer” (“**KYC**”) and Anti-Money Laundering (“**AML**”) procedures to be followed by the Fund subject to the requirements of the AML Law. The Subscription Agreement also includes the representation and warranties that each party will make to each other as part of the agreement. These “reps and warranties” are statements that one party gives certain assurances to the other, and on which the other party can rely.

The Investor can be either an Individual, which in this case all the below documentation are mandatory to be collected, or a legal entity, provided that the regulatory criterion of a person being at all times a Professional Investor or a Well-Informed Investor is complied with.

#### ***Identification of Individuals***

An Individual must provide the following documentation:

- Certified true copy of the identity card or passport (valid with photograph and signature specimen included);
- Recent proof of address in the person’s name. Examples of documents accepted are recent utility bills (up to 6 months), local authority tax bill or a bank statement or any other document same with the aforesaid, to verify permanent address;
- Source of funds to be invested in the Fund;
- Evidence that such individual is a Professional Investor or a Well-Informed Investor (as the case may be).



### ***Identification of legal entities or arrangements***

A legal entity must provide the following certified documentation, as a minimum, before a Subscription Agreement will be processed:

- Legal Structure chart showing all intermediate entities up to the UBO;
- Memorandum and Articles of Association (Certified);
- Certificate of Incorporation (Certified);
- Certificate of Directors and Secretary (Certified);
- Certificate of Registered Address (Certified);
- Certificate of Shareholders (Certified);
- Certificate of Good Standing (Certified), where applicable;
- Personal Information on Directors and UBOs as required by section “Identification of natural persons”
- Source of funds to be invested in the Fund;
- Evidence that such entity or arrangement is a Professional Investor or a Well-Informed Investor (as the case may be).

### ***Identification of Credit or Financial Institutions or Collective Investment Schemes/Funds, mutual funds and firms providing financial or Investment Services.***

- Practicing License;
- Prospectus/Offering Documents.

The Board of Directors, or as may be delegated to the External Manager or the Administrator (being currently the External Manager) reserves the right to request additional information on an Investor’s background or expect more information regarding source and origin of funds to be invested in the Company, if deemed necessary.

### **Application Procedure**

During the IOP, Investor Shares may be subscribed for directly through the Administrator or the External Manager at the Initial Subscription Price starting from the Initial Subscription Day until the Last Subscription Day between 09:00 – 17:00 Cyprus time, GMT +2). Completed Subscription Applications, including Subscription Agreements, must be provided to the Administrator or the External Manager in writing by electronic mail or facsimile or by such other means as may be prescribed by the Directors. Original completed Subscription Applications, including the relevant Subscription Agreements, must follow promptly by post and no later than the Last subscription Day, along with any supporting documentation required to prevent money laundering.

Following the IOP, Subscription Applications, including Subscription Agreements, can be submitted until Close of Business (17:00 hours Cyprus time, GMT +2) at the relevant Cut-Off Date). Completed Subscription Applications, including Subscription Agreements, must be provided to the Administrator or the External Manager in writing by electronic mail or facsimile or by such other means as may be prescribed by the Directors. Original completed Subscription Applications, including the relevant Subscription Agreements, must follow promptly by post and no later than the applicable Cut-Off Date along with any supporting documentation required to prevent money laundering.

Following the expiration of the IOP, all completed Subscription Applications, including Subscription Agreements, received by the Administrator prior to the applicable Cut-Off Date shall be processed and effected on the basis of the Net Asset Value per Investor Share determined on the immediately next following Dealing Day. The said Dealing Day is also a Valuation Day, whereas the relevant NAV, including NAV per Investor Share, is unknown to the Investors at the moment of the submission of the relevant application. Any completed Subscription Applications, including the relevant Subscription Agreement, received by the Administrator after the applicable Cut-Off Date, will not be processed on the immediately next following Dealing Day but on the Dealing Day following the latter. Investor Shares will be issued one (1) Business Day after the applicable Dealing Day, being also a Valuation Day.

Any application for Subscription following the Initial Offering Period shall be irrevocable.

The Directors are authorised to close or restrict the Fund to new Subscriptions, either for a specified period or until they otherwise determine and either in respect of all Investors or new Investors only.

### **Payment Procedure**

Payment for all the Investor Shares must be received by the Depositary in the Reference Currency of the Fund or the Class as applicable no later than Close of Business of the Last Subscription Day, in case of Subscriptions during the IOP; or one (1) Business Day prior to the applicable Cut-off Date, in case of Subscriptions following the expiration of the IOP (as applicable). The normal currency of payment for Investor Shares will be the Reference Currency of the Fund or Class. If any issue or sales taxes become payable to the relevant tax administration, the Initial Subscription Price or Subscription Price (as applicable) will increase by that amount.

### **Notification of Transaction**

Provided the proceeds from Subscription in clear funds and all documentation required have been received, in accordance with the procedure described above herein, a confirmation letter will be sent by the Administrator to the subscribing Investor (or its nominated agent if so requested by the Investor) by ordinary post, electronic mail or facsimile as soon as reasonably practicable after the relevant Dealing Day, providing full details of the transaction.

### **Rejection of Subscriptions**

The Directors or the External Manager acting on behalf of the Fund, may reject any Subscription Application in whole or in part, and they may, at any time and from time to time and in their absolute discretion without liability and without notice, discontinue the issue and sale of Investor Shares, including Classes (where applicable) in the Fund.

If any application for Subscription is not accepted in whole or in part, the subscription monies or the balance outstanding will be returned without delay to the subscriber by post or bank transfer at the subscriber's risk without any interest.

## Subscription Through Nominees

Any Investor will only be able to fully exercise his rights directly against the Fund, if the investor is registered himself and in his own name in the Register of the Fund. In cases where an investor invests in the Fund through an intermediary investing into the Company in his own name but on behalf of the investor (a "**Nominee**"), it may not be possible for the investor, unless the Articles otherwise provide, to exercise certain rights directly against the Fund.

For the avoidance of doubt, in cases where a Nominee invests into the Fund in his own name but on behalf of several other persons any applicable minimum Subscription and/or holding amounts will be assessed at the level of the Nominee, without applying any look-through to the level of the individual, underlying investors. The same test applies at the level of the Nominee, in order to determine whether such nominee qualifies as a Professional Investor or a Well-Informed Investor.

## Money Laundering Prevention

Investors should note that the Directors may refuse to accept a subscription request if it is not accompanied by such additional information as they may reasonably require, including without limitation information required for money laundering verification purposes.

Pursuant to applicable Cyprus laws and regulations comprising but not limited to the **AML Law** and the **CySEC's Directive as amended from time to time** and any relevant **CySEC Directives and circulars** issued from time to time, the Fund must comply with anti-money laundering and financing of terrorism procedures.

As a result, the Administrator must principally ascertain the identity of the subscriber and beneficial owners in accordance with Cyprus laws and regulations. The Administrator may require subscribers to provide any document it deems necessary to effect such identification. In any case of delay or failure by an applicant to provide the required documents, the application for subscription will not be accepted.

Neither the Administrator nor the Company shall have any liability for delays or failure to process deals as a result of the applicant providing no or incomplete documentation.

Investors may be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations as well as internal requirements.

# 7. FUND STRUCTURE

## THE STRUCTURE

The Fund is registered to operate as a RAIF with one Investment Compartment (single scheme) in accordance with Article 134 of the AIF Law.

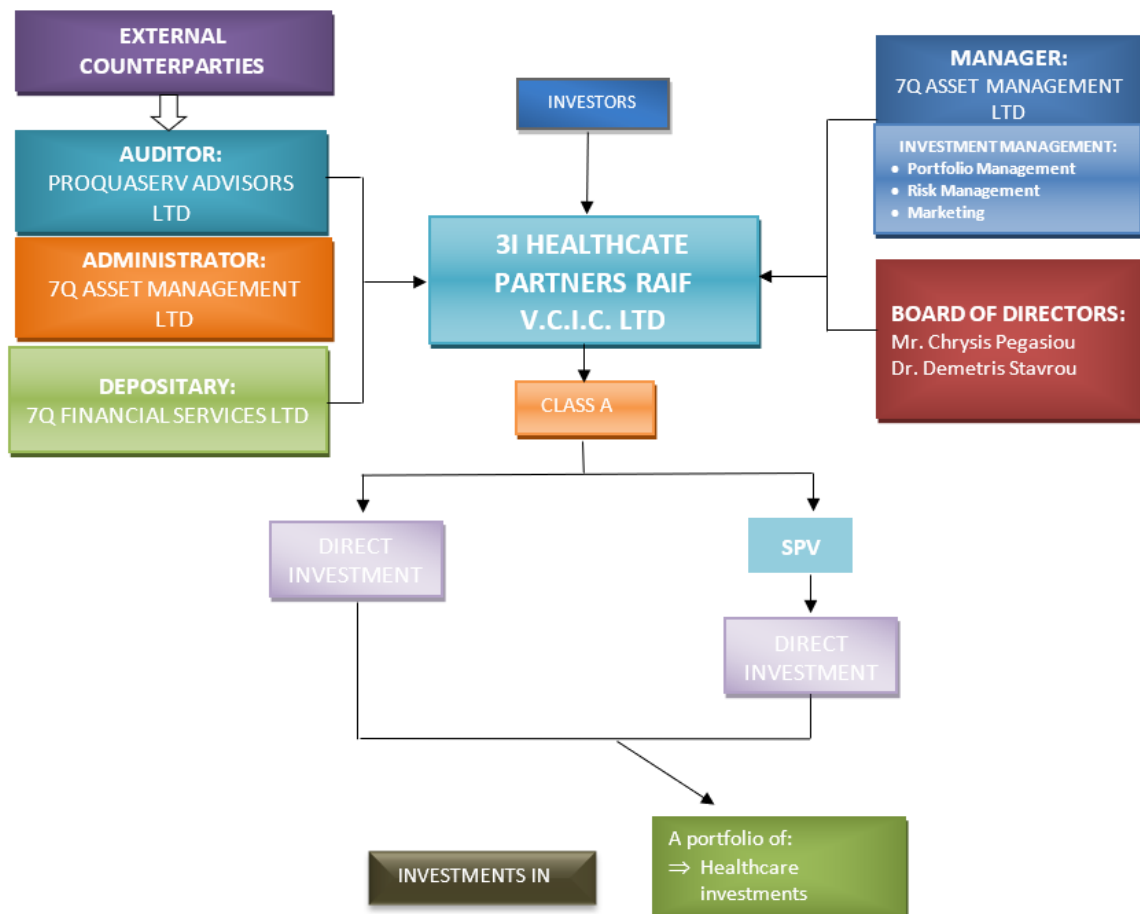
The Fund offers one (1) class of Investor Shares.

The Fund will invest either directly or by committing to Project Companies (SPVs) the minimum level of capital required to formulate its investment strategies.

The chart below shows the structure and procedures followed by the Fund.

For tax purposes, the Fund may hold its investments in projects through wholly-owned intermediate entities or joint ventures, which in turn will own wholly-owned local subsidiaries or joint ventures incorporated under the applicable legislation of the Target Markets.

### CHART OF ORGANISATIONAL STRUCTURE



### INITIAL CAPITAL

The Fund is under the obligation provided under the AIF Law to attain, within twelve (12) months from the date its registration was granted, at least five hundred thousand euros (€500.000) worth of capital from Investors. The CySEC may, upon the submission of a written request by the External Manager to extend the said period to another twelve months, if this is deemed necessary due to the specific circumstances of the case. Without prejudice to the powers of the Directors to decide the dissolution of the Fund pursuant to

the provisions of the Articles, where the Fund fails to raise the aforesaid minimum amount within the prescribed time period, the Fund will be dissolved and liquidated.

## **JOINT VENTURES**

If the Fund intends to enter into any joint venture entity, the participation of the Fund, in such joint venture entity will be either through Project Companies or through local entities wholly owned by the Project Companies.

## **8. FINANCIAL YEAR**

The Company's financial year ends on 31st December of each year and the first financial year of the Company shall begin on the incorporation of the Company and shall end on 31st December 2021.

The accounts of the Company shall be presented in EURO, being the Reference Currency.

The Company is a RAIF whose External Manager is an AIFM. As a result, the Company is under the obligation to produce its annual report, in accordance with the provisions of Article 29 of the AIFM Law. The content of the annual report has to comply with content requirements of Article 29(3) of the AIFM Law, as such Article is further substantiated under Chapter V of the AIFM Regulation. As at the date of production of this Information Memorandum, the Company has not produced its first annual report yet. The said report can be obtained upon request from the Administrator.

## **9. FUND'S LIFE-AMENDMENTS TO THE ARTICLES AND GOVERNING LAW AND JURISDICTION**

### **FUND'S LIFE**

In accordance with the provisions of the Subscription Agreement and the Articles, the existence of the Fund shall have unlimited duration. In case of changes thereto, approval from CySEC will be sought and the Articles and the Information Memorandum, will be amended accordingly.

### **AMENDMENTS TO THE ARTICLES**

The Articles can be amended pursuant to a decision of the holder of Management Shares, and any such amendment must also be approved by the CySEC. It is stressed that any amendment to the Articles is valid only if it is approved by the CySEC, such approval ensuring the lawfulness of the relevant amendment and whether sufficient consideration has been made to protect Investor Shareholders affected therefrom. The valid amendments shall be communicated immediately by the External Manager to the Investor

Shareholders and shall be binding upon them. The Investor Shareholders affected, shall have the right to request Redemption, in accordance with the provisions of the Articles prior to their amendment:

- (a) within ten (10) calendar days from the notification of the amendment to them, where the Redemption or repurchase of Investor Shares (as the case may be) takes place on a daily basis;
- (b) within one (1) month from the notification of the amendment to them, where the Redemption or repurchase of Investor Shares (as the case may be) takes place, at least, weekly;
- (c) by the date at which the one after the next scheduled date of Redemption or repurchase of Investor Share (as the case may be) shall take place, where the Redemption or repurchase of Investor Shares takes place on a monthly basis; and
- (d) by the next scheduled Redemption or repurchase date, in every other case, on the condition that between the notification of the amendment to the Investor Shareholders affected by the change so notified and the expiry of the right of Redemption or repurchase of their Investor Shares according to the provisions of the Articles prior the change, there is a time period of, at least, thirty (30) days.

## **LAW AND JURISDICTION**

The Fund shall be governed by its Articles the Laws of Cyprus and any dispute arising between Investor Shareholders and the Fund shall be subject to the exclusive jurisdiction of the Cyprus Courts. The legally binding documents in the relationship between the Investor Shareholders and the Fund are the Articles and the Subscription Application, including the relevant Subscription Agreement, whereas the Information Memorandum, shall have legal effect only to the extent relevant reference is made in the Articles hereto. The Fund complies with the provisions of the AIF Law and of the CySEC Directives issued in its implementation. The recognition and enforcement of any judgments against the Fund, the External Manager or the Depositary delivered by a Cyprus court does not require further legal instruments, since the respective registered office of the Fund, the External Manager and the Depositary is located in Cyprus. Should a non-Cyprus court deliver a judgment against the Fund, the External Manager or the Depositary on the basis of local applicable law, the Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and Page 47 of 73 enforcement of judgments in civil and commercial matters, the Lugano Convention of 30 October 2007 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters or Cyprus private international law, as the case may be, is applicable.

## **10. CONFLICTS OF INTEREST**

The Directors, the External Manager, the Depositary, the Administrator, and the Auditor in the course of their respective businesses, may have potential conflicts of interest with the Fund and/or the investors. Each of the Directors, the External Manager and Administrator and their affiliates may manage in the future the trading or may provide other services for investment funds or accounts in addition to those of the Fund. In the event that any of the

above named persons elect to undertake such activities and other business activities in the future, such persons and or their respective principals or affiliates may be subject to conflicting demands in respect of allocating management time, services and other functions.

The Directors, the External Manager, the Depositary or the Administrator and their affiliates may engage in such business activities in the future, provided that their performance in relation to the Fund is not impaired. The Directors, the External Manager or the Administrator and their respective principals and affiliates will endeavour to treat each investment pool and managed account fairly and not to favour one account or pool over another. Any such person will not be prevented from dealing with the Fund, as principal or as agent, provided that any such dealings are on terms no less favourable to the Fund than could reasonably have been obtained had the dealing been effected with an independent third party. Any such person may charge and retain a commission or fee in respect of any such dealing provided such fee or commission is not in excess of rates commonly payable in respect of such dealings.

For the avoidance of any conflicts of interest between the depositary, the AIFM, the RAIF and/or its investors and for ensuring compliance with Article 23(6) of the AIFM Law the External Manager shall not act as depositary and a prime broker acting as a counterparty to a RAIF, shall not act as depositary for that RAIF, unless it has functionally and hierarchically separated the performance of its depositary functions from its tasks as prime broker and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the Fund. Delegation by the depositary to such prime broker of its custody tasks in accordance with section 26 of the AIFM Law is allowed if the relevant conditions are met.

In the event that the Directors, the External Manager, the Depositary or the Administrator and their principals or affiliates consider that a particular situation may result in any relevant person having a conflict between its obligations to the Fund and other interests, they must disclose any such interest financial, fiduciary or otherwise in any proposal, contract or other matter in respect of which the Fund will make a decision. The Directors, the External Manager, the Depositary and the Administrator are expected to act honestly, fairly, professionally, independently and in the interest of the Fund and the investors of the Fund.

In accordance with section 25(2) of the AIFM Law, the depositary shall not carry out activities with regard to the Fund or the External Manager on behalf of the Fund that may create conflicts of interest between the Fund, the investors in the Fund, the External Manager and itself, unless the depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the Fund.

In evaluating these potential conflicts of interest, an Investor should be aware that the Directors have a responsibility to the Investors to exercise good faith and fairness in all dealings affecting the Company. The Management of the fund shall abstain from investments into entities where any of the Fund's management team is currently holding

an executive role. The Fund shall be able to assess investment opportunities that have past record of involvement from any of the Fund's management team members.

By acquiring Investor Shares in the Fund hereby offered, an Investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived, to the fullest extent permitted by applicable law, any claim with respect to the existence of any such conflicts.

## **GDPR**

The General Data Protection Regulation ("GDPR"), is a new EU data privacy law that came into force on 25 May 2018. The GDPR provides a single harmonised data privacy law that applies across the EU and is appropriate for the use of Personal Data in the 21st century. The GDPR imposes many new data protection requirements on the collection, use and disclosure of Personal Data which will be relevant to firms (including investment Funds). The Fund has considerable amounts of personal data in its day to-day operations, whether relating to employees, investors or other individuals, for example, borrowers and debtors, the GDPR will be very relevant to AIFs that have European based businesses and European investors. More specifically, when an individual chooses to invest in the Fund, they will be required to provide personal data in accordance with 1 Article 4(2) of the GDPR in the form of their: name; address; date of birth; contact information; payment details; and tax residence information (for US FATCA and CRS purposes). For identification purposes and to fulfil contractual and regulatory obligations (such as for anti-money laundering obligations), individual investors may also be asked to provide personal data in the form of their: photograph identification; information regarding their source of funds and wealth; employment and income information; information on dependents; and investment objectives. Where a corporate entity is the investor in the Fund, such entity will also provide personal data in relation to its directors, members, shareholders, other beneficial owners or other individuals working for the corporate investor. This personal data may include name, address, date of birth, nationality and identity verification documents.

**Disclosure of your personal data to third parties:** The External Manager may from time to time, in accordance with the purposes described above, disclose your personal data to other parties, including a) the applicable Fund's administrator (in case is different from the External Manager) and its affiliates; b) the applicable Fund's portfolio manager (where portfolio management function is delegated by the External Manager to another entity) and its affiliates; c) professional advisers such as law firms and accountancy firms; d) other service providers of the External Manager, including technology service providers, counterparties; and e) courts and regulatory, tax and governmental authorities. Some of these persons will process your personal data in accordance with the External Manager's instructions and others will themselves be responsible for their use of your personal data. These persons may be permitted to further disclose the personal data to other parties.

**Retention of personal data** How long the External Manager holds investors' personal data for will vary. The retention period will be determined by various criteria, including the purposes for which the Investment Manager is using it (as it will need to be kept for as long as is necessary for any of those purposes) and legal obligations (as laws or regulations may set a minimum period for which the External Manager has to keep investors' personal data).



## 11. THE DIRECTORS

The Directors shall be responsible for determining the general investment objectives and investment policies of the Fund in compliance with the applicable laws and the Articles. The operations of the Fund are to be reviewed at regularly scheduled meetings of the Board of Directors.

Each Director is entitled to remuneration for his services at a rate determined by the Fund at the general meeting of holders of Management Shares from time to time. In addition, each Director may be paid reasonable expenses incurred while attending meetings of the Board of Directors or general meetings of the Fund. Directors who are also directors/employees of the External Manager will waive their Directors' remuneration.

The Directors of the Company as at the date of this Prospectus are the following:

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### **Mr. Chrysis Pegasiou – Independent – Non - Executive Director**

Mr. Pegasiou is Director at Crowe Cyprus Limited leading the financial advisory department of the company and Cydris Funds Services Limited. He holds BA in Accounting, Finance & Economics (First Class) and MSc in Financial & Business Economics from Essex University in the UK. He is also Fellow member of the Institute of Chartered Accountants in England and Wales (ICAEW). Mr. Pegasiou has 20 years of audit and corporate finance experience including business valuations and due diligence projects. He has also experience in fund related services including fund set up and fund administration.

He provided audit and assurance services in a diverse cross section of industries including travel and tourism, banking and financial institutions, media and commercial companies. He has performed due diligence investigations for acquisitions and listings on the Stock Exchange and carried out numerous business valuations for M&A transactions and potential business sales. He is currently internal auditor of several investment firms and Alternative Investment Funds in Cyprus.

Mr. Pegasiou is member of the Institute of Certified Public Accountants in Cyprus (ICPAC) and the Cyprus Institute of Internal Auditors (IIA). He is also certified by the Cyprus Securities and Exchange Commission (CySEC) for the provision of investment services (Advance Certificate).

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### **Dr. Demetris Stavrou – Non - Executive Director**

Dr. Demetris Stavrou was born in Nicosia, Cyprus. He graduated from the University of Athens Medical School and finished his residency in Plastic Surgery at the Chaim Sheba Medical Center at Tel-Hashomer, Israel. There he was trained in the latest techniques of cosmetic and reconstructive plastic surgery from world known scientists. He continued his training with a fellowship in “Advanced Aesthetic Surgery” at the prestigious Melbourne Institute of Plastic Surgery.

Since 2012 he holds the position of Assistant Professor at the St George's, University of London / Medical School at the University of Nicosia. He is also a member of the European Board of Plastic, Reconstructive & Aesthetic Surgery (EBOPRAS) and the American Society of Plastic Surgeons (ASPS).

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Dr. Stavrou established the European Institute of Plastic Surgery in 2015 of which he is a director. He runs private practices in Cyprus, Malta and Greece.

Dr. Stavrou is constantly updated with the most modern techniques in plastic surgery and is in cooperation with big medical centers abroad where he is still working as a visiting surgeon. He has a constant interest in research and has published a number of scientific articles.

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As at the date of this Information Memorandum, no Director has:

- (i) Any unspent convictions in relation to indictable offences; or
- (ii) Been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (iii) Been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration, or company voluntary arrangements or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (iv) Been a partner of any partnership which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnerships voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) Had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) Been disqualified by a court from acting as a director or from acting management or conduct of affairs of any company.

The Directors of the Fund shall not change without the prior approval of CySEC.

## 12. EXTERNAL MANAGER

Pursuant to the Investment Management Agreement, 7Q Asset Management Ltd will have the responsibility of the investment management of the Fund and will purchase and sell the Eligible Assets and otherwise manage the portfolio of assets of the Fund which subject to the relevant agreement are assigned to it.

### KEY INFORMATION OF THE MANAGER

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<b>Name</b>	7Q Asset Management Ltd
<b>Legal Form</b>	Limited Liability Company
<b>Registered Office</b>	9, Archiepiskopou Makariou III Avenue, Severis Building, 3rd Floor, 1065 Nicosia, Cyprus.

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<b>Regulatory Status</b>	AIFM authorized by the CySEC, in accordance with the provisions of the AIFM Law.
<b>Date of Incorporation</b>	10/09/2019
<b>License Number</b>	AIFM36/56/2013

The External Manager is a boutique AIFM specialising in management of AIFs and RAIFs, regulated by the CySEC, holding license number AIFM36/56/2013, which has been obtained in compliance with the provisions of the AIFM Law, which has transposed into Cypriot Law the EU's Alternative Investment Fund Managers Directive 2011/61/EU (“**AIFMD**”). The External Manager brings together a team of highly skilled financial professionals from various backgrounds, with a wealth of international experience. The AIFM license held by the External Manager covers all investment strategies and asset classes (to be) pursued by the Fund launched from time to time.

As an AIFM the External Manager is obliged, pursuant to Article 9(7) of the AIFM Law to maintain either additional own funds or to conclude a professional liability insurance, in order to cover relevant professional liability risks. The External Manager has chosen to provide for additional Own Funds and represents hereby that the required amount of own funds held by the External Manager to this end, complies with the amount required under the AIFM Law.

Unless otherwise stated in this Prospectus, the External Manager is responsible for, among other matters, identifying and acquiring the investments of the Fund based on the advice/ instructions of the Expert Advisors. The External Manager is granted full power and authority and all rights necessary to enable it to manage the investments of the Fund and provide other investment management services to assist the Company to achieve the investment objectives and policy and any specific investment objective and policy set out in this Prospectus. The authority of the External Manager is subject always to the Investment Management Agreement, the AIFM Law, the AIF Law and the relevant CySEC Directives issued in its implementation, this Information Memorandum, the Articles and the overall policies, direction, control and responsibility of the External Manager. In case where a change to investment strategy and/or investment policy of the Fund is intended, then the:

- (a) Scope of the investment mandate relating to the Fund as laid down in the Investment Management Agreement will be amended accordingly;
- (b) The relevant change(s) will be uploaded and highlighted on the External Manager’s website;
- (c) The existing Investor Shareholders will be notified accordingly in order for them to exercise any rights, including rights of Redemption, in case of occurrence of such a change;
- (d) The Information Memorandum, as well as the KID (where applicable) and any other marketing communications will be amended accordingly.

In addition to the tasks described directly above, the External Manager is also responsible for making available through its website following disclosures on, at least a quarterly basis, and whenever a relevant event justifying such disclosure occurs:

- (a) The percentage of the assets of the Fund which are subject to special arrangements arising from their illiquid nature. In such a case the External Manager will also ensure that relevant references and amendments are made in the Articles and the Information Memorandum, in particular references to the legal implications arising out of such arrangements;
- (b) Any new arrangements for managing the liquidity of the Fund. In such a case the External Manager will also ensure that relevant references and amendments are made in the Articles and the Information Memorandum, in particular references to the legal implications arising out of such arrangements;
- (c) The current risk profile of the RAIF and the risk management systems employed by the AIFM to manage those risks. In such a case the External Manager will also ensure that relevant references and amendments are made in the Information Memorandum, in particular amendments to the risk factors and other risk-related disclaimers.
- (d) Any changes to the maximum level of leverage which the External Manager may employ on behalf of the Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement. In such a case the External Manager will also ensure that relevant references and amendments are made in the Information Memorandum;
- (e) The total amount of leverage employed by the Fund.

Notwithstanding the relevant disclosures on its website, the External Manager shall further ensure that the relevant notifications are sent by the Administrator to existing Investor Shareholders by the Administrator.

The Investment Management Agreement gives the External Manager the discretion to employ and/or appoint, at its own cost, specialist asset management experts, in order to benefit from their expertise and experience in particular markets.

The External Manager may expressly delegate to a third party the discretion to purchase and sell the investment assets and otherwise to manage the Fund which subject to the relevant agreement is assigned to it (“Delegated Fund”), subject to the signing of an Investment Management Delegation Agreement. In such case, the overall control and ultimate responsibility shall remain with the External Manager. The identity of any appointed External Manager is specified in this Prospectus relating to the Delegated Fund.

The External Manager in implementing the investment strategy, if it deems it necessary in the best interest of the Investors, on their own responsibility, may appoint one or more advisors for the Fund. Their mission will be to advise them on investment opportunities for the Fund whose assets they manage. The expert advisor(s) appointed by the External Manager are paid by the External Manager.

## **EXPERT ADVISOR**

The Expert Advisor plays a key role in the investment management decisions of the Fund. Its key role is to advise the External Manager in carrying out its duties. More specifically, the Expert Advisor will

- (a) Identify attractive asset opportunities for acquisition that match the Fund’s investment policy and strategy.

- (b) Monitor the progress of the investments.
- (c) Monitor the markets for timely identifying any opportunities for disposal of the investments.
- (d) Perform periodical review of compliance with investment policy, objectives, guidelines and standards, and provide where necessary recommendations for changes and other required actions.
- (e) Prepare analyses and reports on the suggested and actual Target Markets.
- (f) Assist the preparation of investment valuations for the preparation of the NAV reports and audited and non-audited interim financial statements as at 31 December and 30 June, respectively.

The Expert Advisor will update the External Manager and the Board of Director of the Company on the progress of each investment on a quarterly basis with additional updates where significant events have occurred.

The Expert Advisor of the Fund as at the date of this Prospectus is the following:

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**Dr. Demetris Stavrou**

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Please see CV in Section 11.

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## 13. ADMINISTRATOR

Currently, the External Manager acts also as the Administrator providing to the Fund all those functions constituting RAIF administration, within the meaning of the AIF Law. In case another entity is to be appointed to act as Administrator, an Administration Agreement will be signed between the External Manager and such entity, pursuant to which the relevant functions will be delegated to such entity and the Information Memorandum will be amended accordingly.

The External Manager has made significant investments in technology and has joined in partnerships with global players of the financial services industry. The External Manager is using, in its additional capacity as Administrator, AXIA Investment Management system, a superior software solution that can support various fund structures and offer complete fund administration. Prospero has introduced full transaction automation in the firms' operations, so as to enable the professionals to fully address all risks and checks pertaining to each Fund.

The External Manager, in its capacity as Administrator, also uses the services of Bloomberg Terminal and Bloomberg Data License, two integrated platforms that stream together, among others, price data, financials, news, and trading data.

The External Manager, in its capacity as Administrator carries out all the administration duties and tasks in relation to the Fund, including, among others, the processing applications for subscription, redemption and transfer of Investor Shares, the keeping of the Register of Members, record keeping and the calculation and publication of the Net Asset Value of the Shares in accordance with this Prospectus. The Administrator is also responsible for verifying the performance data calculated by the Directors.

The Administrator carries out all the administration duties and tasks in relation to the Fund in accordance with section 6(1)(b)(i) of the AIF Law. The administration services include the following services:

- a. Legal and accounting management services;
- b. Disclosure of information services and services to the Unit-holders;
- c. Valuation and pricing, including tax returns;
- d. Regulatory compliance monitoring;
- e. Maintenance of unit/shareholder register;
- f. Distribution of profits
- g. Issues and redemptions of Shares;
- h. Contract settlements, including certificate dispatch; and
- i. Record keeping.

The Administrator will not be liable for actions taken in good faith and in the absence of fraud, willful default or gross negligence while performing its duties hereunder. The External Manager reserves the right to change the administration arrangements and/or, in its discretion to appoint additional or alternative administrator(s).

The fee payable to the Administrator is 0,06% of the RAIF assets under management, with a Minimum Fee of EURO 5.000 annually.

## 14. DEPOSITARY

By virtue of the Depositary Agreement, 7Q Financial Services Ltd has been appointed to act as Depositary and paying agent of the Fund. The Depositary has been entrusted with the safe-keeping of the assets of the Fund, which are currently held directly by the Depositary. However, the Depositary retains the right to appoint safekeeping delegates in the future, in which case the Information Memorandum will be amended accordingly.

The Depositary has been appointed under Article 23 of the AIFM Law. The Depositary shall in general ensure that the Fund's cash flows are properly monitored and shall, ensure that:

- (i) All payments made by or on behalf of Investors upon the subscription of Investor Shares have been received; and
- (ii) All cash of the Fund has been booked in cash accounts opened in the name of the Fund or on the name of the External Manager acting on behalf of the Fund.

Where the cash accounts, if any, are opened in the name of the Depositary acting on behalf of the Fund, no cash of the entity referred to in paragraph (b) of subsection (1) of section 24 of the AIFM Law and none of the Depositary's own cash shall be booked on such accounts.

For those assets of the Fund that are considered as Financial Instruments subject to custody, within the meaning of the AIFM Law:

- (i) The Depositary shall hold in custody all such financial instruments that can be registered in a Financial Instruments account opened in the Depositary's books

and all Financial Instruments that can be physically delivered to the Depositary;  
and

- (ii) For that purpose, the Depositary shall ensure that all those Financial Instruments that can be registered in a Financial Instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the Fund or the External Manager acting on behalf of the Fund, so that they can be clearly identified as belonging to the Fund, in accordance with the applicable law at all times.

For those assets of the Fund that are not considered as Financial Instruments subject to custody, within the meaning of the AIFM Law, their safe-keeping shall take place by the Depositary as follows:

- (i) The Depositary shall verify the ownership of the Fund of such assets and shall maintain a record of those assets for which it is satisfied that the Fund holds the ownership of such assets;
- (ii) The assessment whether the Fund holds the ownership shall be based on information or documents provided by the Fund, the External Manager and, where available, on external evidence; and
- (iii) The Depositary shall keep the record referred to in the immediately foregoing point (i) up-to-date.

In addition to the aforesaid tasks, the Depositary shall:

- (i) Ensure that the sale, issue, re-purchase, redemption and cancellation of Investor Shares are carried out in accordance with the applicable national law and the Fund rules or instruments of incorporation; and
- (ii) Ensure that the value of the Investor Shares is calculated in accordance with the applicable national law, the Fund Articles and the procedures laid down in section 19 of the AIFM Law; and
- (iii) Carry out the instructions of the External Manager, unless they conflict with the applicable national law or the Articles; and
- (iv) Ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits; and
- (v) Ensure that the Fund's income is applied in accordance with the applicable national law and the Fund rules or instruments of incorporation.

In case the Fund owns assets that are considered to be Financial Instruments subject to custody under the AIFM Law, these shall not be reused by the Depositary without the prior consent of the Fund or the External Manager acting on behalf of the Fund.

Should the Depositary decide to resign from its duties, it will provide the External Manager with a sixty (60) day notice to allow for a suitable replacement to be found. Should the Depositary submit its resignation, it shall continue to exercise its duties until the complete taking over of duties by the new Depositary, whose appointment would necessitate the prior approval of CySEC. Should CySEC not approve of a proposed new Depositary, the External Manager or the departing Depositary would be legally required to propose a new Depositary for consideration.



In its capacity as principal paying agent of the Company, the Depositary is in charge of the payment of the dividends and/or redemption proceeds to the Investors of the Company or of the payment of the dividends and/or redemption proceeds to the various paying agents that can be appointed from time to time by the Principal Paying Agent with the approval of the Directors of the Company.

The Depositary has no decision-making discretion relating to the Fund's investments.

The fee payable to the Depositary is 0,10% of the RAIF assets under management, with a Minimum Fee of EURO 5.000 annually.

## **15. FEES AND OTHER EXPENSES**

Set up fees for the establishment of the Fund as well as operating expenses of the Company, including costs associated with the acquisition and disposal of investments by the Fund, fees and expenses payable to the External Manager, Expert Advisors, Administrator, Auditor, Depositary and the Company's Directors and employees, if any, marketing and advertising expenses as well as extraordinary and unexpected expenses incurred from time to time, such as e.g. any expenses in connection with litigation will be covered by the Fund out of the Fund's assets.

### **SET UP FEES**

Any set-up expenses paid on behalf of the Fund or by the Fund shall be repaid back to the individuals burdened with the cost. Such expenses shall be deducted from the Fund's NAV. Thereafter, the respective Class will only bear the set up fees relating to its launching or in case the set up fees relate to the Fund as a whole the fees shall be apportioned equally among the Classes and be deducted from their NAV.

### **MANAGEMENT FEES**

The External Manager shall be entitled to receive a Management Fee of 1,00% per annum of the Net Asset Value of the Fund. The Management Fee shall be calculated and accrued on each Valuation Day and shall be payable quarterly in arrears.

### **SUBSCRIPTION FEES**

Upon subscription of Investor Shares, the External Manager reserves the right to charge a Subscription Fee of up to 1% of the subscription monies, payable by the Investors to the benefit of intermediaries in the distribution network (including business partners).

The External Manager reserves the right to reduce or waive any Subscription Fee. Any taxes, commissions and other fees incurred in the respective countries or jurisdictions in which Shares are sold will also be charged if any to the Investors.

### **EXPERT ADVISORS FEE**

The Expert Advisors will receive from the External Manager a quarterly Expert Advisor fee.



## **PERFORMANCE FEES**

The External Manager (and/or the Expert Advisors) shall in addition to the Management Fee, be entitled to receive a performance fee relating to the performance of the Net Asset Value of the Fund, respectively of 15.00% of the increase in the Net Asset Value above a Hurdle Rate of 5.00% annually subject to high water mark above the high water mark.

The Performance Fee shall be calculated and paid annually within 30 days after the approval of the annual financial statements by the Board of Directors.

The Performance Fee is calculated on the basis of the Net Asset Value per Investor Share, after deduction of all expenses, liabilities, and Management Fees (but not Performance Fee), and is adjusted to take account of all subscriptions and redemptions, and is equal to the outperformance multiplied by the outstanding number of Investor Shares in the Fund at the relevant Valuation Day.

The High Water Mark is the last Net Asset Value per Share of the Fund on which a Performance Fee has been paid in respect of the Fund. The first High Water Mark is the Issue Price. If applicable, the dividend per share paid to the shareholders will be deducted from the High Water Mark.

## **SERVICES PROVIDER FEES**

Fees to be paid to the various other service providers of the Fund shall be accrued, calculated and payable in accordance with the provisions set out in the Prospectus. The Directors reserve the right to negotiate and amend any fees payable to the said service providers, to the extent possible that such negotiation and amendment is in the best interests of the Fund, and the Investors.

## **OTHER EXPENSES**

The Fund will also bear all other expenses incurred in relation with the operation of the Company.

# **16. RISK FACTORS**

## **RISK MANAGEMENT**

The External Manager will use a risk-management process that enables monitoring and measuring at any time the value of the Fund's portfolio positions and their contribution to the overall risk profile of the Fund. The risk-management process is performed by the External Manager with a frequency and methodology appropriate to the risk profile of the Fund.

The risk-management process shall include the calculation of all relevant risks of the Fund which may be material. Such calculation may be performed using advanced risk measurement methodologies as may be appropriate and which shall be applied in accordance with the most recent applicable guidelines of the European Securities and

Markets Authority (“ESMA”). The External Manager shall ensure that the method selected to measure the global exposure is appropriate, taking into account the investment strategy pursued by the Fund, the types and complexities of the financial derivative instruments used, and the proportion of the Fund’s portfolio which comprises financial derivative instruments.

## **RISK FACTORS**

Before making an investment decision with respect to Investor Shares, including Classes thereof, in the Fund, prospective Investors should carefully consider all of the information set out in this Prospectus relating to the Fund, as well as their own personal circumstances. The risk factors referred to therein, and in this document, alone or collectively, may reduce the return on the Shares of the Fund and could result in the loss of all or a proportion of an Investor’s investment in the Shares of the Fund. The price of the Shares of the Fund can go down as well as up and their value is not guaranteed. Investors may not receive, at redemption or liquidation, the amount that they originally invested in any Class of Shares or any amount at all.

The risks may include or relate to operational risk, counterparty credit risk, regulatory risk, market risk, business risk, concentration risk and political risk. The risk factors set out in this Prospectus are not exhaustive.

### ***Historical Performance***

The past performance of the Fund or any other investment vehicle managed by the External Manager is not meant to be an indication of their potential future performance. The nature of and risks associated with the Fund may differ substantially from those investments and strategies undertaken historically by the External Manager or the Fund itself. There can be no assurance that the Fund’s assets will perform as well as the past investments managed by the External Manager. It is possible that significant disruptions in, or historically unprecedented effects on, the financial markets and/or the businesses in which the Fund invest could diminish any relevance the historical performance data of the Fund may have to the future performance of the Fund.

### ***Availability of Investment Strategies***

The success of the investment activities of the Fund will depend on the ability of the External Manager and Expert Advisors to identify suitable investment opportunities. Identification and exploitation of investment strategies to be pursued by the Fund involves a considerable degree of uncertainty. No assurance can be given that the External Manager or the Expert Advisors will be able to locate suitable investment opportunities in which to deploy all of the Fund’s assets or to exploit opportunities in the relevant markets.

### ***Business Risk***

There can be no assurance that the Fund will achieve its investment objectives in respect of any of the strategies employed. The investment results of the Fund managed by the External Manager are reliant upon the success of the strategies implemented by the External Manager.

### ***Single Name Concentration Risk***

An Investment Fund that is expected to hold a material position in a single name investment could be subject to significant losses when the single name investment declines in value or is otherwise adversely affected, including default of the issuer.

### ***Concentration of Investments Risk***

The Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

### ***Effect of Substantial Redemptions and Reduced Size Risk***

Substantial Redemptions by Investors within a short period of time could require the Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the External Manager's investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decrease in its ratio of income to expenses.

### ***Reliance on The External Manager and Dependence on Key Personnel***

The External Manager will have the responsibility for the Fund's investment activities. Investors must rely on the judgment of the External Manager in exercising this responsibility. The principals of the External Manager are not required to, and will not devote substantially all of their business time to the investment activities of the Fund managed by the External Manager. In addition, since the performance of the Fund is wholly dependent on the skills of the principals of the External Manager were to become unavailable; such unavailability might have a detrimental effect on the Fund and its performance. The principals of the External Manager are also engaged in other similar business activities to which they devote substantial time.

### ***Fee Incentive Risk***

In addition to receiving a Management Fee, the External Manager may also receive a Performance Fee based on the appreciation in the value of the Fund's assets. Accordingly, the Performance Fee will increase with regard to unrealized appreciation as well as realized gains. A Performance Fee may be paid on unrealized gains which may subsequently never be realized. The Performance Fee may create an incentive for the External Manager to make investments for the Fund which are riskier than would be the case in the absence of such a fee.

### ***Accounting Treatment Risk***

The External Manager may amortize certain expenses over a period, as it considers such treatment to be more equitable to the investor. This treatment, in case it is deemed to be not in accordance with International Financial Reporting Standards, may result in showing a different Net Asset Value per Share. If the difference between the Net Asset Value per Prospectus and the Net Asset Value per International Financial Reporting Standards is considered material, a modification may be included in the Auditor's Report.

### ***Operational Risk***

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

### ***Valuation Risk***

The risk of loss from an asset being overvalued and is worth less than expected when it is sold/liquidated.

## **MARKET RISKS**

### **Factors Impacting the Value of the Fund's Assets**

Existing or prospective Investors should be aware that an investment in the Investor Shares involves assessing the risk of an investment linked to the Fund's assets. The value of the Fund's assets may vary over time and may increase or decrease by reference to a variety of factors. The value of the assets owned by the Fund (for instance the Healthcare real estate assets) may go up or down, sometimes rapidly and/or unpredictably. Securities may decline in value due to factors affecting securities markets generally or in particular industries represented in the securities markets. The value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, corporate actions, offer and demand, speculation or adverse investor sentiment generally. The value of a security may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously.

### **Exchange Rates**

The Reference Currency of the Fund is the EURO, while each Class may have a different reference currency as detailed in this Prospectus.

An investment in the Fund may involve exchange rate risks. For example (i) the Fund's assets may be denominated in a currency other than the Reference Currency of the Fund; (ii) the Investor Shares may be denominated in a currency other than the currency of the Investor's home jurisdiction; (iii) the Investor has invested in a Class denominated in a currency other than the Reference Currency of the Fund concerned and/or (iv) the Investor Shares may be denominated in a currency other than the currency in which an investor wishes to receive his monies. Exchange rates between currencies are determined by factors of supply and demand factors in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Investors should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

### ***Interest Rates***

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Investor Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which the Fund's assets are denominated may affect the value of the Investor Shares.

### ***Market Volatility***

Market volatility reflects the degree of instability and expected instability of the performance of the Fund's assets. The level of market volatility is not purely a measurement of the actual volatility but is largely determined by the prices of instruments which offer protection against such market volatility. The prices of these instruments are generally determined by forces of supply and demand in the options and derivatives markets. These forces are themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

### ***Liquidity and Market Characteristics***

In some circumstances, investments may become relatively illiquid making it difficult to dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

### ***Credit Risk***

An investment in bonds or other debt securities involves counterparty risk of the issuer of such bonds or debt securities which may be evidenced by the issuer's credit rating. An investment in bonds or other debt securities issued by issuers with a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than that of more highly rated issuers. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties this may affect the value of the bonds or other debt securities (which may be zero) and any amounts paid on such bonds or other debt securities (which may be zero). This may in turn affect the Net Asset Value per Share of the Fund.

### ***Below Investment Grade Debt Securities***

The Fund may invest in fixed-income instruments which are or are deemed to be the equivalent in terms of quality to securities rated below investment grade by rating agencies and accordingly involve greater risk. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk to adverse conditions. These securities offer higher returns than bonds with higher ratings as compensation for holding an obligation of an issuer perceived to be less creditworthy. While all security investments have some degree of risk, these types of securities may be subject to greater

market fluctuations and risk of loss of income and principal than are investments in lower yielding fixed-income securities with higher ratings.

#### ***Access to Non-Public Information***

The Fund may from time to time have access to non-public information, through the principals and/or employees or agents of the External Manager, as applicable, following execution of a non-disclosure agreement or under any other circumstances. Such access to non-public information may have the effect of impairing the External Manager's ability to sell or buy the related investments when, and upon the terms, it might otherwise had desired, including as a result of applicable securities laws.

#### ***Private Placement Risk***

The Fund may invest in private placements. Investments in private placements may be difficult to sell at the time and at the price desired by the Fund; companies making private placements may make less information available than publicly offered companies; and privately placed securities are more difficult to value than publicly traded securities. These factors may have a negative effect on the performance of the Fund.

Securities acquired through private placements are not registered for resale in the general securities market and may be classified as illiquid.

#### ***Risk of Use of Leverage***

The Fund may achieve some leverage through the use of financial derivatives instruments for the purpose of making investments/hedging purposes. The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of the Fund to capital risk. For instance, the Real Estate underlying certain of the debt investments may not currently be generating sufficient operating cash flow to support debt service payments which may pose a heightened risk of loss.

#### ***Debt Securities***

The Fund may invest in derivatives of debt securities which will expose the Fund to credit, liquidity and interest rate risks. Evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.

#### ***Market Liquidity and Leverage***

Changes in overall market leverage, deleveraging as a consequence of a decision by the counterparties with which the Fund enters into repurchase/reverse repurchase agreements or derivative transactions in an effort to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may adversely affect the Fund's portfolio.

#### ***Liquidity Risk***

Liquidity risk exists when a particular instrument is difficult to purchase or sell.

### ***Sustainability risks***

They comprise

(a) short-term and/or long-term risks to the return of a financial product that arise from its exposure to economic activities that can have adverse environmental or social impact, or from the product's exposure to investee entities that exhibit poor governance;

(b) the short-term and/or long-term risk that the economic activities to which a financial product is exposed have negative impacts on the natural environment, on workforces and communities, or on the governance of investee entities, including but not limited to when linked to financial risk referred to in point (a).

### ***Sectoral Risk***

The Fund will be heavily allocated to a single industry, making its return more vulnerable to a downturn or slowdown in that sector than if we were targeting investments in multiple industries.

## **MARKET DISRUPTION EVENTS AND SETTLEMENT DISRUPTION EVENTS**

A determination of a market disruption event in connection with the Fund's assets may have an effect on the value of the Shares and may delay settlement in respect of the Fund's assets and/or the Shares.

### **Political Factors**

The performance of the Shares or the possibility to purchase, sell, or redeem may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements.

### **Risks of Volatile Economic Conditions**

The economic conditions in the markets where the Fund properties are located may be adversely impacted by factors which include:

- General global economic conditions;
- A weak market in generally and/or in specific locations;
- Availability of financing;
- An oversupply of, or a reduced demand for, certain types of assets;
- Business closings, industry slowdowns, employment losses and related factors;
- Natural disasters, terrorist attacks and/or other man-made events; and
- Decline in population or shifting demographics.

## **OTHER RISKS**

### **Licensing and certification requirements, fraud and abuse regulations or new legislative developments**

The failure of the Healthcare Real Estate Investments to comply with licensing and certification requirements, fraud and abuse regulations or new legislative developments may materially adversely affect the business, financial condition and results of negative impact on the return of the Investments.

## **Healthcare Industry**

The healthcare industry is highly competitive and we expect it to become more competitive.

## **Reputational risk**

If our operators fail to maintain a positive reputation and cultivate new or maintain existing relationships with residents in the markets in which they operate, our operators' occupancy percentage, payor mix and resident rates may deteriorate which could also have a negative impact on the return of the Investments.

## **Due diligence Risk**

If the due diligence does not reveal all material issues relating to our acquisition or origination of a particular investment. In making an assessment of the strength and skills of the management of the borrower or the tenant of a property and other factors that we believe are material to the performance of the investment and otherwise conducting customary due diligence, we will rely on the resources available to us and, in some cases, an investigation by third parties. This process is particularly important and subjective because there may be little or no information publicly available about the entity. This due diligence may not uncover all material issues relating to such investment and factors outside of our control may later arise. If the due diligence fails to identify issues specific to certain investments, we may be forced to write-down or write-off assets, restructure our operations or incur impairment or other charges that could result in our reporting losses.

## **Investment Through Nominees**

Investors wishing to invest in the Fund through a nominee that invests in the Fund in its name but on behalf of the Investors should ensure to have an accurate understanding of their rights and of the means available to exercise these rights against the Fund, when using the services of such nominee or in the case of registration through such nominee. To this end, investors should seek external advice if necessary.

## **Specific Restrictions in Connection with the Investor Shares**

There may be restrictions in connection with the subscription, holding and trading in the Investor Shares as specified in this Prospectus. Such restrictions may have the effect of preventing the Investor from freely subscribing, holding or transferring the Investor Shares. In addition to the features described below, such restrictions may also be caused by specific requirements such as a Minimum Subscription amount or due to the fact that the Fund may be closed to additional subscriptions after the Initial Offering Period.

## **Insurance Risk**

Insurance may not cover all possible losses on the Real Estate investments which may impair the value of our assets.

## **Operators' Credibility**

Lease defaults, terminations or landlord-operator disputes may decline the income from the healthcare real estate investments. The bankruptcy, insolvency or financial



deterioration of any of the operators could significantly delay our ability to collect unpaid rents or require us to find new operators.

### **Maximum Redemption Amount**

The Fund will have the option to limit the number of Investor Shares redeemable on any date (other than at the maturity date, where applicable) to the maximum number so specified and, in conjunction with such limitation, to limit the number of Shares redeemable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Shares being redeemed on any date (other than the maturity date, where applicable) exceeds such maximum number and the Company has elected to limit the number of the Investor Shares redeemable on such date, an Investor may not be able to redeem on such date all the Investor Shares that it desires to redeem. Investors should review this Prospectus to ascertain whether and how such provisions apply.

### **Environmental Compliance**

Environmental compliance costs and liabilities that the real estate-related investments might be exposed to may materially impair the value of the investments.

## **17. NET ASSET VALUE**

The Net Asset Value (“NAV”) of the Fund and the corresponding Net Asset Value per Investor Share, including Classes thereof, will be calculated by the Administrator (being currently the External Manager), following the IOP, on each Dealing Day and on each other Valuation Day. Additional information relevant to the relevant Net Asset Value calculation will be provided to the External Manager by the Administrator, where different than the External Manager, for approval.

The Fund NAV will be expressed in the Reference Currency of the Fund. The NAV calculated in the Reference Currency of the Fund, is the equivalent of the NAV in the Reference Currency of the Fund converted at the Prevailing Exchange Rate. The Dealing Day, which is also a Valuation Day of the Fund **will be performed on the last business day** of each quarter, unless otherwise determined by the Directors.

The latest NAV of the Fund, including the relevant NAV per Investor Share or Class(es) (as the case may be) as well as the historical performance thereof, will be made available to prospective Investors prior to investing by the External Manager or the Eligible Distributors acting on its behalf and will be also available on the website of the External Manager.

### **VALUATION SPECIFICS**

#### **NAV per Investor Share**

The NAV per Investor Share, including Classes thereof, shall be determined by dividing the NAV of the Fund by the total number of Investor Shares, including Classes thereof, in

issue in the Fund at the relevant Valuation Day, and rounding the resulting total to the nearest cent (0,01).

## VALUATION PROCEDURES

The assets of the Fund, shall be deemed to include:

- (i) All cash in hand or on deposit, including any interest accrued thereon;
- (ii) All bills and demand notes receivable and accounts receivable (including proceeds of transferable securities and money market instruments sold but not delivered);
- (iii) All bonds, time notes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other transferable securities and money market instruments, financial instruments and similar assets owned by the Company or contracted for by the External Manager on behalf of the Fund, provided that the External Manager may make adjustments in a manner not inconsistent with paragraph (a) below with regards to fluctuations in the market value of transferable securities and money market instruments caused by trading ex-dividends, ex-rights, or by similar practices;
- (iv) All stock, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) All interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) The set-up expenses of the Fund, including the cost of issuing and distributing Investor Shares of the Company, insofar as the same have not been written off;
- (vii) All other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- a) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends, interest declared or accrued and not yet received, all of which are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- b) Transferable securities and money market instruments listed on a recognised stock exchange or dealt on any other regulated market will be valued at their closing prices. In the event that there should be several such markets, transferable securities and money market instruments will be valued based on the market with the highest frequency, regularity and volume of transactions. If no stock exchange transaction was made on the Valuation Date, account shall be taken of the price of the previous day when the regulated market was in session and, if no stock exchange transaction was made on that day either, account shall be taken of the last bid or ask price;
- c) The value of non-Euro transferable securities is generally determined based upon the last transaction price on the foreign exchange or market on which it is primarily traded and in the currency of that market as of the close of the appropriate exchange or, if there have been no transactions during that day, at the closing price. The External Manager has determined that when the period of time between

- when the foreign exchanges or markets close and when the Fund compute its respective NAV's could cause the value of foreign transferable securities to no longer be representative or accurate, and as a result, may necessitate that such transferable securities be valued on the grounds of fair value. Accordingly, for foreign transferable securities, the Fund may use an independent pricing service, which shall be monitored and reviewed on regular intervals, to fair value price the transferable security as of the close of regular trading on the relevant Stock Exchange;
- d) Exceptionally, in the event that the latest available price does not, in the opinion of the External Manager, truly reflect the fair value of the relevant transferable securities and money market instruments, the value of such transferable securities and money market instruments will be defined by the External Manager based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the External Manager;
  - e) Transferable securities and money market instruments which are listed and traded on a regulated stock exchange but for which no stock exchange transactions have been made in a period exceeding fifteen (15) Business Days from the Valuation Day, will be deemed not listed in a regulated market and will be valued in accordance with (f) below;
  - f) Transferable securities and money market instruments not listed or traded on a stock exchange or not dealt on another regulated market will be valued on the first Business Day of every half month using all relevant information about the issuer, the prevailing market conditions at the Valuation Day and the possible price realizable for the assets. The External Manager will adopt and apply criteria which are based on the issuers' call offers, or, if this is not feasible, the mid-value of the put and call offers of the issuer published by specialized and independent from the External Manager entities. In case the application of the previous sentence is not possible, the External Manager may use widely recognised and accepted methods of valuation used in international capital markets and ensure that the criteria used are in accordance with market values. This valuation may be undertaken by the External Manager's counterparty as long as it is provided for in the Company's constitutional documents and the External Manager periodically determines, reviews and evaluates the valuation methodologies used. Furthermore, the method and criteria of valuation shall be consistently applied and may be amended only if necessary, by the current circumstances and after approval from CySEC, and it shall be justified in the following semi-annual or annual report;
  - g) Transferable securities and money market instruments which are in the process of being listed in a regulated stock exchange will be valued based on criteria used for similar assets traded on a regulated market and issued by the same legal entity, taking into consideration the characteristics of exchangeability and liquidity of the issues of each of these two assets. All other transferable securities and money market instruments and other assets will be valued at fair value as determined in good faith pursuant to procedures established by the External Manager; and
  - h) All private equity assets will be valued by at least one independent (external) Valuer hired by the External Manager, whereas all other valuations will be performed by the External Manager internally in accordance with Article 19 of the AIFM Law by assigning such task to an employee functionally and hierarchically

independent of the portfolio management department of the External Manager. The external Valuer will value the private equity assets based on International Private Equity and Venture Capital Valuation guidelines consisting of Price of recent transactions, Milestones; and Market Multiples /Transactions Multiples. The Directors may, at their discretion, adjust the value of an asset downwards (but not upwards) if they feel that the valuation of the asset is overly optimistic. In case an asset is sold, then its value will be the sale price achieved in the sale regardless of any valuations for that asset.

The liabilities of the Fund shall be deemed to include:

- a) All temporarily contract loans in a proportion not exceeding 10% of the assets of the Fund, bills and accounts payable;
- b) All accrued interest on loans of the Fund (including accrued fees for commitment for such loans);
- c) All accrued or payable expenses including the Management Fees, Depositary Fees and any other third party service provider fees, that have been appointed pursuant to a written agreement;
- d) All known liabilities, present and future, including all matured contractual obligations for payment of money or property;
- e) An appropriate provision for future taxes based on income to the relevant Valuation Day, as determined from time to time by the External Manager, and other reserves, if any, authorised and approved by the External Manager; and
- f) All other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Shares. In determining the amount of such liabilities, all expenses payable and all costs incurred by the Fund will be taken into account. Such fees and expenses shall comprise among other the fees payable to the Directors (including all reasonable out-of-pocket expenses), investment advisors (if any), Investment or Sub-managers, accountants, Depositary, External Manager, permanent representatives in places of registration, fees for legal and auditing services, costs of any proposed listings and of maintaining such listings, promotion, printing, reporting and publishing expenses including reasonable marketing and advertising expenses and costs of preparing, translating and printing in different languages of Prospectuses, addenda, explanatory memoranda, registration statements, Annual Reports and Half-Yearly Reports, all taxes levied on the assets and the income of the Fund and any stamp duties payable, registration fees and other expenses payable to governmental and supervisory authorities in any relevant jurisdictions, insurance costs, costs of extraordinary measures carried out in the interests of Investors in particular, but not limited to, arranging expert opinions and dealing with legal proceedings (for the avoidance of doubt this does not include costs of legal proceedings brought against the External Manager and/or Depositary) and all other operating expenses, including the cost of buying and selling assets, customary transaction fees, and fees charged by custodian banks or their agents (including free payments and receipts and any reasonable out-of-pocket expenses, i.e. stamp taxes, registration costs, scrip fees, special transportation costs, etc), customary brokerage fees and commissions charged by banks and brokers for transferable securities and money market instrument transactions and similar transactions, interest and postage,

telephone, and facsimile charges. The External Manager may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period. However, as far as costs for publications and production of documents are concerned, only such costs for publications and production of documents are incumbent on the Company.

If after the calculation of the NAV of the Fund, there has been a material change in the quotations on the markets on which a substantial portion of the investments attributable to the Fund are dealt or quoted, the External Manager may, in order to safeguard the interests of Investors and the Fund, cancel the first NAV calculation and carry out a second NAV calculation, for all the Investor Shares, including Classes thereof, prudently and in good faith.

### **TEMPORARY SUSPENSION OF THE DETERMINATION OF THE NET ASSET VALUE**

The Board of Directors of the Fund may, following a relevant decision taken by the External Manager and prior approval by the CySEC, and subject to the provisions of the Articles and the interests of Investor Shareholders of the Fund concerned, declare a temporary suspension of the determination on any Valuation Day of the Net Asset Value of the Fund (and hence the corresponding Net Asset Value per Investor Share, including Classes thereof) during:

- (i) Any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund, from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund;
- (ii) The existence of any state of affairs which constitutes an emergency in the opinion of the External Manager as a result of which disposal or valuation of assets of the Fund would be impracticable;
- (iii) Any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Fund, including Classes thereof, or the current price or value on any stock exchange or other market in respect of the assets of the Fund or Class;
- (iv) Any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Investor Shares, including Classes thereof, or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Investor Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- (v) When for any other reason the prices of any investments of the Fund cannot promptly or accurately be ascertained; or
- (vi) When such suspension is required or decided by the CySEC as being in the best interest of the Investors.

## 18. DISTRIBUTION POLICY

The Fund may issue Investor Shares divided into Accumulating Classes and/or Distributing Classes of Investor Shares (as the case may be).

In relation to the Investor Shares, including Classes thereof, the Fund may declare annual or other interim Distributions out of the net investment income and net realized capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for Distribution.

The part of the year's net income that has been decided to be distributed will be distributed to the holders of the Distributing Classes of Shares.

The part of the year's net income corresponding to re-investing categories will be capitalised in the Fund for the benefit of the Accumulating Classes (if applicable) into which relevant Investor Shares are divided.

Dividends will be declared in the Reference Currency of the Fund or Class.

The exchange rates used to calculate payments will be determined by the Administrator by reference to normal banking rates. Such currency transaction will be effected with the Depositary at the relevant Investor's cost. In the absence of written instructions, dividends will be paid in the Reference Currency of Fund.

Dividends remaining unclaimed for five years after their declaration will be forfeited and revert to the Fund/ relevant Class.

## 19. REDEMPTION OF INVESTOR SHARES

### PROCEDURE OF REDEMPTION

Investor Shares may be redeemed either in whole or in part on any Dealing Day at a Redemption Price calculated on the basis of the applicable Net Asset Value per Investor Share of the Fund as determined on the applicable Dealing Day. Investor Shares so redeemed will be cancelled one (1) Business Day after the Dealing Day.

Redemptions in kind are allowed, to the extent so provided in the Articles.

Payment for Investor Shares redeemed will be paid in cash in the Reference Currency of the Class concerned not later than thirty (30) Business Days following the relevant Dealing Day. Redeemable Shares will be cancelled one (1) Business Day after the Valuation Day, being the Dealing Day. In case of Redemptions in kind, where applicable, the relevant assets will be selected in good faith by the Directors, following consultation with the Manager. The transfer of the assets so redeemed will take place, within the time limits that are applicable for the transaction in question.

On payment of the Redemption Price, the corresponding Investor Shares will be cancelled immediately in the Fund's Register. Any taxes, commissions and other fees incurred in the respective countries in which the Shares are redeemed will be charged. The Fund shall at all times maintain sufficient liquidity to satisfy any redemption requests for Shares, unless a lawful temporary suspension of redemption applies.

## **REDEMPTION DATES**

Investor Shares in the Fund may be redeemed after 4 years lock up period, on the last business day of each quarter until the Liquidation Date of the Fund e.g. redemption dates include 31<sup>st</sup> December 2025, 31<sup>st</sup> March 2026, 30<sup>th</sup> June 2026, and so on until the Liquidation Date of the Fund.

## **APPLICATION PROCEDURE**

Investors wishing to have all or some of their Investor Shares redeemed by the Fund, may apply to do so by completing and sending a Redemption Request Form to the Administrator by electronic mail or facsimile. The original Completed Redemption Request Form must follow promptly by post. The application for redemption of any Investor Shares must include the number of Investor Shares, including Classes thereof, the Investor wishes to redeem and the redeeming Investor Shareholder's election, whether the Redemption Price shall be paid out in cash or in kind, if and to the extent so provided for in the Articles. In addition, the application for Redemption must include the redeeming Investor's personal details. Failure to provide any of the aforementioned information may result in delay of such application for Redemption. No payment of proceeds from Redemption may be made to an Investor until the Redemption Request Form and all documentation required by the Administrator has been received, including the original Redemption Request Form and any documents in connection with anti-money laundering, and the anti-money laundering procedures have been completed.

Any application for Redemption received by the Administrator prior to the Cut-Off Date shall be effected on the basis of the applicable Net Asset Value per Investor Share determined on the relevant Dealing Day of the Fund. For the avoidance of doubt the applicable NAV and the applicable NAV per Investor Share, will be unknown to the redeeming Investor at the moment of the submission of the request for Redemption. Any application for Redemption received by the Administrator after the Cut-Off Date will be processed on the next following Dealing Day on the basis of the NAV and of the Net Asset Value per Investor Share as determined on such immediately following Dealing Day. Investor Shares redeemed will be cancelled one (1) Business Day after the relevant Dealing Day.

In case where the Redemption Price will be paid out in kind, if applicable, the assets so payable will be selected by the Directors, at their discretion, in good faith and following consultation with the External Manager.

Any application for Redemption shall be irrevocable except in the case of a suspension and must be duly signed by the External Manager or Directors.

## **Suspension of Redemptions**

The Board of Directors of the Fund may, following a relevant decision taken by the External Manager and prior approval by the CySEC, and subject to the provisions of the Articles and the interests of Investor Shareholders of the Fund, declare a temporary suspension of Redemptions during:

- (i) Any period when any of the principal stock exchanges or other markets on which a substantial portion of the investments of the Fund, from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation of the investments of the Fund;
- (ii) The existence of any state of affairs which constitutes an emergency in the opinion of the External Manager as a result of which disposal or valuation of assets of the Fund would be impracticable;
- (iii) Any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Fund, including Classes thereof, or the current price or value on any stock exchange or other market in respect of the assets of the Fund or Class;
- (iv) Any period when the Company is unable to repatriate funds for the purpose of making payments on the Redemption of Investor Shares of the Fund, including Classes thereof, or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Investor Shares cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- (v) When for any other reason the prices of any investments of the Fund cannot promptly or accurately be ascertained; or
- (vi) When such suspension is required or decided by the CySEC as being in the best interest of the Investors.

**IT IS STRESSED THAT SUSPENSION OF REDEMPTIONS MAY BE DECIDED BY CYSEC AT ITS OWN INITIATIVE FOR CERTAIN REASONS PROVIDED FOR IN THE AIF LAW.**

**DURING THE PERIOD OF SUSPENSION OF REDEMPTIONS, NO REQUESTS FOR REDEMPTIONS ARE ALLOWED TO BE SUBMITTED AND/OR EFFECTED.**

## **NOTIFICATION OF TRANSACTION**

A confirmation statement will be sent by the Administrator to the relevant Investor (or its nominated agent if so, requested by the Investor) by ordinary post, electronic mail or facsimile as soon as reasonably practicable after the relevant Dealing Day, detailing the proceeds due from the Redemption.

In calculating the proceeds from Redemption, the amount will be rounded to the nearest cent (0,01), with the Company being entitled to receive the adjustment.



The Redemption Price per Investor Share, including Classes thereof, in the Fund may be higher or lower than the Subscription Price paid by the Investor, depending on the applicable Net Asset Value per Investor Share, including Classes thereof, of the Fund or at the time the Redemption has been effected.

Payment for Investor Shares, including Classes thereof, redeemed in accordance with the Articles, as further specified in the Information Memorandum, will be paid in cash in the Reference Currency of the Fund or Class concerned not later than ninety (90) Business Days after the relevant Dealing Day, unless lock-up period with respect to the assets held by the Fund has expired or any other legal constraints, such as foreign exchange controls or restrictions on capital movements, or other circumstances beyond the reasonable control of the Depository, make it impossible or impracticable to transfer the redemption amount to the country in which the application for redemption was submitted.

### LIMITATION OF REDEMPTION

Investors shall be entitled to submit a request for the redemption of up to 100% of their total investment. The Manager shall ensure that the Fund has at all times enough liquidity to satisfy any redemption request. If the redemption requests in aggregate exceed 15% of the Net Asset Value of the Fund at any time, the Directors may decide to defer, without any unnecessary delay, the execution of such applications until the corresponding amount of assets of the Fund have been realized.

### REDEMPTION FEE

The Directors reserve the right to reduce or waive any Redemption Fee.

Before the expiry of the Lock-Up Period, the Investor may, with the consent of the External Manager which cannot be unreasonably withheld and subject to the provisions of this Information Memorandum, and the Articles, after giving notice of at least (30) Business Days, apply to redeem its Investor Shares in whole (the “**Early Redemption**”), provided that:

- (i) On the Early Redemption, an Early Redemption Fee will be calculated and payable as described in this Prospectus;
- (ii) For purposes of this Information Memorandum, the “Redemption Fee” means the amount payable on the Early Redemption of Investor Shares which may be deducted and retained from the redemption proceeds and which shall be equal to Twenty (20) percent of the Redemption Price;
- (iii) Subject to the provisions set out herein, the distributions in respect of an Early Redemption shall be made in the same manner and under the same terms as a regular redemption.

### LIMITATION ON REDEMPTIONS

Redemptions, shall be limited with respect to all Investors seeking to redeem Investor Shares as of the same Dealing Day, so that each such Investor shall have the percentage of its redemption request honored; the balance of such Requests for Redemption shall be processed by the Fund on the next Dealing Day on which requests for Redemption are accepted, subject to the same limitation. On such day, such requests for Redemption of Investor Shares will be complied with in priority to subsequent requests.

## COMPULSORY REDEMPTION

The Directors in their sole and absolute discretion may, after giving notice of at least thirty (30) days, compulsorily redeem under certain circumstances, including but not limited to the following:

- (i) the Investor Shares are held by or for the benefit (directly or indirectly) of any Ineligible Person;
- (ii) a holder of Investor Shares has become an Ineligible Person;
- (iii) such Investor Shares have been acquired in breach of any laws of any country or the decision, order or determination of any governmental agency;
- (iv) such redemption would eliminate or reduce the exposure of the Fund or of the holders of Investor Shares concerned, to adverse tax or regulatory consequences;
- (v) any of the representations given by the Investor Shareholder in its subscription agreement were not true or have ceased to be true;
- (vi) upon liquidation of all underlying assets of the Fund or a Class; or;
- (vii) when the Fund is being liquidated;
- (viii) under any other circumstances that may be determined by the External Manager as being in the best interests of the Fund including the circumstances set out to this Information Memorandum.

For avoidance of any doubt, before or after the expiry of the Lock-Up Period, the External Manager may, with the consent of the Investor, which cannot be unreasonably withheld, and subject to the provisions of the Information Memorandum and the Articles, after giving notice of at least thirty (30) Business Days, compulsorily redeem Investor Shares under the following conditions:

- (i) the Redemption Price accrued and calculated in accordance with the provisions of this Information Memorandum, or the Articles, exceeds the Initial Subscription Price and the Subscription Price (if any) paid by the Investor in respect of its Investment into the Fund for One Hundred (100) percent.

The Directors may charge any legal, accounting or administrative costs associated with such compulsory redemption.

Distributions in respect of a compulsory redemption shall be made in the same manner and under the same terms as a regular redemption.

## 20. TAX CONSIDERATIONS

The following section is a short summary of certain important taxation principles that may be or become relevant with respect to the Company in Cyprus, though it does not purport to be a complete summary of tax law and practice currently applicable in Cyprus and does not contain any statement with respect to the tax treatment of an investment in the Fund in any other jurisdiction. Furthermore, this Section does not address the taxation of the Company in any other jurisdiction or the taxation of any subsidiaries or intermediary companies (SPVs) of the Company in any jurisdiction. Therefore, prospective Investors are advised to consult their own professional tax advisers in respect of the possible tax consequences of subscribing for, buying, holding, redeeming, converting or selling Shares under the laws of their country of citizenship, residence, domicile or incorporation.

The following summary is based on laws, regulations and practice currently applicable in the Cyprus at the date of this Prospectus and is subject to changes therein.

### TAX RESIDENCY

In accordance with the Income Tax Law, a company is tax resident in Cyprus if the management and control is exercised in Cyprus. There is no definition in the Cyprus Income Tax law as to what constitutes management and control. However, as a minimum, management and control may be taken to mean the place where the majority of Directors reside, where the board meetings of the Company are held and where the general policy of the Company is formulated.

### TAXATION OF THE FUND

#### ***Corporate Income Tax***

Corporate tax for resident companies is imposed at the rate of twelve and a half percent (12.5%) for each year of assessment upon the taxable income derived from sources both within and outside Cyprus. The year of assessment starts on the 1<sup>st</sup> of January and ends on the 31<sup>st</sup> of December. In arriving at the taxable income, deductions on such income and exemptions must be taken into account. All relevant expenses for the production of the taxable income are deductible expenses whereas dividends, capital gains or profit from the sale of securities (including shares and units) constitute income which is exempt from Income Tax. Expenses that directly or indirectly relate to tax exempt income are not tax deductible.

- ***Profits arising for the Fund from the sale of “Securities”***

Profits from the sale of securities are completely exempt from taxation, irrespective of the trading nature of the gain, the number of shares held or the holding period. The sale of securities falls also outside the scope of capital gains tax as well.

- ***Definition of “Securities”***

The Cyprus tax authorities have issued circular 2008/13 of 17 December 2008 interpreting the definition of the term “securities”, as currently defined under Article 2 of the Income Tax Law N118(I)/2002. Under Article 2 of the Income Tax Law N118(I)/2002, the term “securities” includes shares, bonds (both government and corporate bonds), debentures,

founder's shares and other securities of companies or other legal persons, incorporated under the laws of Cyprus or abroad and options thereon.

Under the circular, the following are now defined as securities:

- i. Ordinary shares;
- ii. Founder's shares;
- iii. Preference shares;
- iv. Options on titles;
- v. Debentures;
- vi. Bonds;
- vii. Short positions on titles;
- viii. Futures/forwards on titles;
- ix. Swaps on titles;
- x. Depositary receipts on titles such as American Depositary Receipts and Global Depositary Receipts;
- xi. Rights of claim on bonds and debentures without including the rights on the interest of those products;
- xii. Index participations (only if they result in titles);
- xiii. Repurchase agreements or repurchase agreements on titles;
- xiv. Participations in companies such as the Russian OOO and ZAO, US LLC (provided that they are subject to taxation on their profits), Romania SA and SRL and Bulgarian AD and OOD; and
- xv. Units in open-ended or closed-ended collective investment schemes (provided that they are registered and operate in accordance with the provisions of the laws in the country of their registration).

Examples of units in open-ended and closed-ended collective schemes include the following:

- a. Investment and mutual funds (investment trusts, investment funds, mutual funds, unit trusts, and real estate investment trusts)
- b. International Collective Investment Schemes;
- c. UCITS; and
- d. Other similar investment schemes (i.e., SICAVs, SICAFs, Luxemburg FCPs, etc.).

### ***Dividend income***

Cyprus tax resident companies apply a seventeen percent (17%) withholding tax on dividend distributions to Cyprus tax resident individuals. Distributions to Cyprus tax resident companies are exempt from any withholding taxes in Cyprus.

Any dividend income received by a Cyprus Company should be exempt from corporate income tax in Cyprus.

Dividend income from abroad may also be exempt from the levy of the Special Defence Contribution tax if the dividend paying company derives 50% or more of its income directly or indirectly from activities which lead to active trading income ("active versus passive test") or the foreign tax burden on the profits to be distributed as a dividend is not substantially lower than the Cypriot corporate income tax rate (i.e. a rate of at least 6.25%) on the level of the dividend paying company ("effective tax test").

Dividends from abroad received in Cyprus which do not qualify for the exemption are taxed at 17%.

Any tax withheld in respect of dividends received from abroad will be credited against the tax chargeable in respect of the same income in Cyprus. The amount of the credit shall not exceed the amount which would be ascertained if the amount of the income were computed in accordance with the provisions of the Cyprus Income Tax and Special Defence contribution Laws.

### ***Interest Income***

To the extent that interest is received by or credited to a Cyprus tax resident company, which is considered to arise in the ordinary course of the business or closely connected thereto, is considered as business income and will be subject to corporation tax in Cyprus at the rate of 12.5%. Interest income of companies which act as vehicles for the purpose of financing group companies is considered to be connected with the ordinary carrying on of a business. Interest received and considered as passive income will be subject to a 30% Special Defence Contribution tax.

### ***Cyprus withholding taxes***

No Cyprus withholding taxes will apply in respect to the distribution of dividends or interest to investors that are non-tax residents of Cyprus (companies or individuals) and Cyprus tax resident companies.

### ***Deemed dividend distribution rules***

In relation to dividend distributions from Cypriot companies to Cypriot tax resident Investors, it should be noted that any profits attributable to Investors (companies or individuals) who are Cyprus tax residents are subject to the deemed dividend distribution rules. These rules provide that if a company, which does not distribute at least 70 per cent of its accounting profits after tax, as defined by the relevant law, within two years after the end of the tax year to which the profits relate, will be deemed to have distributed as a dividend 70 per cent of such profits. Special Defence Contribution tax at a rate of three (3) per cent will be imposed at the end of the two years on the amount deemed to be distributed to tax residents of Cyprus.

Further, the redemption of a unit holding in a collective investment scheme does not constitute a reduction of capital under the deemed dividend distribution provisions of the legislation and therefore, there will be no tax implications on the distribution arising from the redemption.

The deemed dividend distribution provisions do not apply to profits attributable to non-Cyprus tax resident shareholders (companies or individuals).

### ***Stamp Duty***

The establishment of the Fund and the subscription, redemption or transfer of its Investor Shares are exempt from stamp duty.

### ***Losses***

Any trading tax losses that may arise in a Cyprus company can be set off against taxable profits incurred in the year and any excess can be carried forward over the next 5 (five) years from the end of the tax year in which they were incurred, to be offset against taxable income.

### ***Exit through liquidation***

In the instance the Company is liquidated, the profits that have not been distributed prior to the liquidation will be considered as dividends “distributed” to the investors and will be subject to tax at 3% only for the proportion attributable to Cyprus tax resident investors (individuals). The proportion of the profits attributable to the non-tax resident investors will be exempt from any tax in Cyprus.

## **TAXATION OF INVESTORS**

Potential Investors are advised to consult their own professional tax advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the units/certificates under the Laws of their country of incorporation, citizenship, residence or domicile.

### ***Dividend income***

Dividends received from a Cyprus company by Investors who are (i) non tax residents of Cyprus (both corporate and individual) or (ii) Cyprus tax resident companies will not be subject to any taxation in Cyprus.

Dividends received from the Company by individual investors who are tax residents of Cyprus will be subject to Special Defence Contribution at a rate of 17%, which will be withheld at source by the Company. Dividend income is exempt from personal income tax.

### ***Sale or redemption of investor Shares***

The sale or redemption of Investor Shares will be exempt from any taxation in Cyprus.