

# **STRATEGY ONE FUND**

*A Netherlands fund for joint account (“Fonds voor Gemene Rekening” or “FGR”)*

ISIN CODE CLASS A PARTICIPATIONS: NL0010187993

ISIN CODE CLASS B PARTICIPATIONS: NL0010556536

PROSPECTUS

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## DIRECTORY STRATEGY ONE FUND

Office:	<p>Gustav Mahlerplein 3, 26<sup>th</sup> floor, Financial Offices 1082 MS Amsterdam The Netherlands</p> <p>Attn: Mark Baak Tel: +31 (0)20 4626644 E-mail: <a href="mailto:info@priviumfund.com">info@priviumfund.com</a></p>
Fund Manager:	<p><b>Privium Fund Management B.V.</b> Gustav Mahlerplein 3, 26<sup>th</sup> floor, Financial Offices 1082 MS Amsterdam The Netherlands</p> <p>Attn: Mark Baak Tel: +31 (0)20 4626644 E-mail: <a href="mailto:info@priviumfund.com">info@priviumfund.com</a></p>
Administrator:	<p><b>Custom House Fund Services (Netherlands) B.V.</b> Westblaak 89 3012KG Rotterdam The Netherlands</p> <p>Tel: +31 (0)10 2711370 E-mail: <a href="mailto:ssg@customhousegroup.com">ssg@customhousegroup.com</a></p>
Legal Owner:	<p><b>Stichting Bewaarder Strategy One Fund</b> Woudenbergseweg 11 3953 ME Maarsbergen the Netherlands</p> <p>Tel: +31 (0) 343 430303</p>
Depositary:	<p><b>Darwin Depositary Services B.V.</b> Barbara Strozziilaan 101 1083HN Amsterdam The Netherlands</p> <p>Tel: +31 (0)20 2402576 E-mail: <a href="mailto:info@darwindepositary.com">info@darwindepositary.com</a></p>

External Auditor:	<b>Ernst &amp; Young Accountants LLP</b> Antonio Vivaldistraat 150 1083 HP Amsterdam The Netherlands
Custodian:	<b>ABN AMRO Clearing Bank N.V.</b> Gustav Mahlerlaan 10 1082 PP AMSTERDAM The Netherlands
Legal and Tax Counsel:	<b>Van Campen Liem</b> J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands

## IMPORTANT NOTICE

*Capitalized terms and expressions in this Prospectus have the meaning ascribed to them in Section 2 (Definitions) of this Prospectus.*

Potential participants should review this Prospectus and its ancillary documents carefully and consult their legal and financial advisers to ascertain possible legal, financial, tax or other issues related to the acquisition, holding, transfer or redemption of Participations.

The contents of this Prospectus are not to be construed as an invitation to invest or as investment, legal or tax advice. The Participations are an appropriate investment only for professional and other investors who are capable themselves of evaluating the merits and risks of an investment in the Fund.

Potential participants should review in particular the risk factors set out in Section 4 (*Risk factors*) of this Prospectus. The Fund carries a high degree of risk and is suitable only for persons who can assume the risk of losing their entire investment. There is no guarantee that the Fund will achieve its Fund Objective. The value of your investments may fluctuate. Returns on past investments are no guarantee as to the returns on future investments.

The Fund Manager accepts responsibility for the information contained in this Prospectus. To the best knowledge and belief of the Fund Manager (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The information herein is subject to change at any time. Neither the delivery of this Prospectus nor the offer, issue or sale of Participations will, under any circumstances, constitute a representation that the information contained in this Prospectus and its ancillary documents is correct at any time subsequent to the date of this Prospectus as printed on the cover of this Prospectus.

No person has been authorised to provide any information or make any representation in connection with the Fund, other than the information and representations contained in this Prospectus and its ancillary documents. Any such other information or representations, if given or made, should not be relied upon as having been authorised by the Fund Manager.

The Fund Manager is in possession of an AFM license as referred to in article 2:65(a) FSA, and as a consequence may offer the Fund to professional and non-professional investors within the Netherlands. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.

The distribution of this Prospectus and the offer, sale and delivery of the Participations in certain jurisdictions may be restricted by law. No action has been or will be taken to permit the distribution of this Prospectus in any jurisdiction where any action would be required for such purpose or where distribution of this Prospectus would be unlawful.

This Prospectus does not constitute an offer for, or an invitation to subscribe to or purchase, any Participations in any jurisdiction to any person to whom it is unlawful to make such offer or

invitation in such jurisdiction. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions.

This Prospectus will be published in the English language only. This Prospectus will be governed by and construed in accordance with the laws of the Netherlands. Translations into English of Dutch legal terms used in this Prospectus are for convenience only and shall not influence the interpretation thereof.

## **1 EXECUTIVE SUMMARY**

### **1.1 Introduction**

The following is a brief summary only and is qualified in its entirety by the more detailed information appearing in the body of this Prospectus. Information in this executive summary is not intended to be exhaustive and should always be read in conjunction with the full text of this Prospectus. The information provided in this summary has been updated until and reflects the situation as per the date mentioned on the cover page of this Prospectus.

### **1.2 The Fund, Fund Manager and Legal Owner**

The Fund will invest in diversified portfolio of Investment Funds worldwide.

Privium Fund Management B.V. will act as the manager (*beheerder*) of the Fund and Stichting Bewaarder Strategy One Fund will act as the legal owner of the assets and liabilities of the Fund. In managing the assets and liabilities of the Fund, the Fund Manager will act solely in the best interests of the Participants. The Legal Owner will be the legal owner of all assets of the Fund and liabilities of the Fund. The Legal Owner will acquire and hold the assets of the Fund and assume the obligations on behalf and for the account of the Participants. The Legal Owner will act solely in the best interests of the Participants.

### **1.3 Investment Objective and Strategy**

The Fund's investment objective is to generate investment returns of on average 5% to 10% per annum on a three to five-year investment horizon. No guarantee is given as to the Fund actually achieving this objective. The aim is to capture a decent part of the upside in rising markets and to limit the exposure during periods where the markets are falling. To achieve this, investments will be made in a mixture of Investee Funds (including hedge funds or other (alternative) collective investment vehicles), stocks, and bonds, in pursuit of a portfolio of investments that are well-diversified.

### **1.4 Legal, Tax and Regulatory Aspects**

#### **1.4.1 Legal Structure**

The Fund is not a legal entity (*rechtspersoon*) but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the Participants. The Fund has an open-ended structure. The Fund is governed by the Terms and Conditions. By executing the Subscription Form, a Participant represents and warrants to have reviewed the Terms and Conditions and agrees to be bound thereby. A Participant is admitted to the Fund by the issuance of Participations to the Participant.

The Fund shall have two (2) classes of Participations. All Classes provide exposure to the same Investment Objective and Investment Strategy. Class A Participations and Class B Participations. Class A Participations can be held by investors residing in the Netherlands or other countries. Class B Participations can be held by investors residing in the United Kingdom. The sole difference between

the different Classes is that (i) the Fund Manager will seek registration of the Class B Participations (but not of the Class A Participations) as a Reporting Fund for United Kingdom tax purposes, and (ii) the costs concerned with such registration and further Reporting Fund requirements, if any, may be charged by the Fund Manager to the holders of the Class B Participations.

Participations are redeemable on certain conditions as set forth in this Prospectus and the Terms and Conditions.

#### **1.4.2 Tax Aspects**

The Fund qualifies as a transparent or “closed” fund for joint account Dutch tax purposes, since Participations can only be transferred to the Fund itself, as a transfer of Participations is not possible. Consequently, the Fund does not qualify as a taxable entity. Tax is therefore levied on the results and revenue of the investment at the level of the Participants and not at the level of the Fund itself. This implies that for Dutch tax purposes the Fund’s results are directly allocated to the individual Participants in accordance with the size (and, if applicable, the duration) of their pro rata investment.

#### **1.4.3 Regulatory Position**

Fund Manager is in possession of an AFM license as referred to in article 2:65(a) FSA, and as a consequence may offer the Fund to professional and non-professional investors within the Netherlands. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.

The AFM license of the Fund Manager has been issued prior to the implementation of the AIFMD in the Netherlands, and was automatically converted into an AIFMD license by the AFM on 22 July 2014, in accordance with the Netherlands AIFMD implementation schedule. This Prospectus is prepared in conformity with the FSA as in force on the date of this Prospectus. Participations will not be listed or admitted to trading on a stock exchange or other regulated markets.

Further information with respect to the regulatory position of the Fund is set forth in Section 5.2 of this Prospectus.

### **1.5 Fund Governance**

The Participants will hold meetings when called by the Fund Manager. The Fund Manager shall call a meeting of Participants (i) as often as the Fund Manager deems necessary in the interest of Participants and (ii) in case of one (1) or more Participants holding, in aggregate, at least 25% of the outstanding Participations request the Fund Manager to call such meeting.

### **1.6 Distribution Policy**

All investment gains, paid out dividends or other distributions from investments will be reinvested by the Fund. However, in case investment opportunities which meet the requirements are limited, the Fund Manager has the option to make cash distributions to Participants pro-rata the number of Participations held by each of them. Any distribution to Participants shall be published on the Fund Manager’s website.

Participants investing in the Class B Participations should note that income may be reported to them under the United Kingdom Reporting Fund rules. Such reported income may be subject to tax even when it is not distributed to them.

### **1.7 Minimum Investment, Subscriptions and Redemptions**

The minimum subscription amount is EUR 100,000 per Participant. This minimum subscription amount may be waived by the Fund Manager in its sole discretion.

Section 7 of this Prospectus contains the subscription procedures. The Fund Manager reserves the right to reject an application in whole or in part.

A Participant cannot transfer its Participations, but will be able to redeem its Participations upon its request. The Fund Manager may suspend a redemption under certain conditions. Section 8 of this Prospectus contains the redemption procedures.

### **1.8 Valuations**

The Net Asset Value per Participation will be calculated in accordance with the Terms and Conditions on the last Business Day of each calendar month and will be provided by the Administrator.

### **1.9 Fee Structure**

The Fund Manager is entitled to receive a fixed annual Management Fee equal to 1% of the Net Asset Value, payable monthly. The Fund Manager is also entitled to receive an Incentive Fee in respect of the outstanding Participations of the relevant Series at the end of the financial year which is equal to 5% of any gain in Net Asset Value subject to a perpetual High Water Mark. The Incentive Fee is calculated monthly and payable annually.

### **1.10 Fund Currency**

The base currency of the Fund is Euro.

### **1.11 Debt Financing**

The Fund Manager may not borrow for the account, and at the expense, of the Fund to finance Fund Assets, Fund Obligations or Fund Expenses or to leverage investments in Fund Assets.

### **1.12 Website**

The Fund Manager's website address is [www.priviumfund.com](http://www.priviumfund.com). All references to the Fund Manager's website in this Prospectus are references to the above website.

## 2 DEFINITIONS

Unless the context otherwise requires, the following capitalised terms used in this Prospectus shall bear the following meanings:

<b>“Administrator”</b>	means Custom House Fund Services (Netherlands) B.V., a limited liability company (besloten vennootschap met beperkte aansprakelijkheid) incorporated and existing under the laws of the Netherlands, or such other administrator as may be appointed from time to time.
<b>“Affiliate”</b>	means a person directly or indirectly controlling or controlled by or under common control with the party at issue; the term "control" (and any derivative thereof) means - for the purpose of the definition of Affiliate - in respect of an entity the right (i) to exercise the majority of the voting rights in the meeting of shareholders (or similar meeting of investors, partners or other owners) of such entity, or (ii) to appoint the majority of the members of the body in charge of the day-to-day business of such entity, or (iii) to determine the policy and strategy of such entity.
<b>“AFM”</b>	means the Netherlands Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> ).
<b>“AIFM”</b>	means alternative investment fund manager (beheerder van een beleggingsinstelling).
<b>“AIFMD”</b>	means Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and amending directives 2003/41/EC and 2009/65/EC.
<b>“Business Day”</b>	means any day on which banks are generally open for business in the Netherlands.
<b>“Cash”</b>	means cash in any currency held in interest bearing call accounts or bank deposits.
<b>“Cash Equivalents”</b>	means money market instruments in any currency which are regularly negotiated and which have a residual maturity of twelve (12) months or less.
<b>“CITA”</b>	means the Dutch 1969 Corporate Income Tax Act ( <i>Wet op de vennootschapsbelasting 1969</i> ).
<b>“Class”</b>	means a class of Participations, being Class A or Class B.
<b>“Closing Date”</b>	means a date to be determined by the Fund Manager after the

AFM has registered the Fund with the AFM register, being the first Commencement Date.

<b>“Commencement Date”</b>	means, in relation to any Series, a Subscription Day upon which Participations in that Series are first issued.
<b>“Custodian”</b>	means ABN AMRO Clearing Bank N.V., a company ( <i>naamloze vennootschap</i> ) incorporated and existing under the laws of the Netherlands, or such other custodian as may be appointed from time to time.
<b>“Depository”</b>	means Darwin Depository Services B.V., a limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated and existing under the laws of the Netherlands, or such other depository of the Fund as may be appointed from time to time in accordance with the Terms and Conditions.
<b>“DNB”</b>	means De Nederlandsche Bank N.V., the central bank of the Netherlands.
<b>“DTA”</b>	means the Dutch 1965 Dividend Tax Act ( <i>Wet op de dividendbelasting 1965</i> ).
<b>“Dutch GAAP”</b>	means generally accepted accounting principles in the Netherlands.
<b>“EUR” or “Euro”</b>	means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
<b>“FSA”</b>	means the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ).
<b>“Fund”</b>	means the contractual arrangements between the Fund Manager, the Legal Owner and each of the Participants in relation to the participation, management, custody and administration of the fund as described in this Prospectus and the Terms and Conditions, also referred to as Strategy One Fund.
<b>“Fund Assets”</b>	means Investee Fund Interests, Cash and Cash Equivalents, Securities and/or other assets ( <i>goederen</i> ), that are held by the Legal Owner in accordance with the Fund Objective and Investment Restrictions in its own name for the account and

	risk of the Participants in connection with the Fund.
<b>“Fund Manager”</b>	means Privium Fund Management B.V., a limited liability company ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ) incorporated and existing under the laws of the Netherlands, or such other fund manager of the Fund as may be appointed from time to time in accordance with the Terms and Conditions.
<b>“Fund Objective”</b>	means the objectives of the Fund as set forth in Section 3 of this Prospectus.
<b>“GBP”</b>	means British pound sterling.
<b>“High Water Mark”</b>	means the higher of the Subscription Price at the date of issuance by the Fund of the relevant Participations (all the Participations of the relevant Series) and the Net Asset Value per Participation as at the last Valuation Date in the most recent financial year in which an Incentive Fee was earned with respect to such Series.
<b>“Fund Obligations”</b>	means the obligations which the Legal Owner assumes and/or incurs in its own name for the account and risk of the Participants in connection with the Fund.
<b>“Incentive Fee”</b>	means the fee payable to the Fund Manager as set forth in Section 10 of this Prospectus.
<b>“Interested Party”</b>	means the Fund Manager, its associates and its respective directors, officers or shareholders.
<b>“Investee Funds”</b>	means Investment Funds invested in by the Fund.
<b>“Investment Funds”</b>	means investment funds within the meaning of article 1:1 FSA (for the avoidance of doubt, including undertakings for collective investment in transferable securities).
<b>“Investee Funds Interests”</b>	means interests in Investee Funds held by the Fund.
<b>“Investment Restrictions”</b>	means the investment restrictions to be observed by the Fund Manager as set forth in Section 3 of this Prospectus.
<b>“Investment Strategy”</b>	means the investment strategy to be observed by the Fund Manager as set forth in Section 3 of this Prospectus.
<b>“Legal Owner”</b>	means Stichting Bewaarder Strategy One Fund, a foundation ( <i>stichting</i> ) incorporated and existing under the laws of the Netherlands, or such other legal owner of the Fund Assets as

may be appointed from time to time in accordance with the Terms and Conditions.

<b>"Management Fee"</b>	means the fee due by the Fund to the Fund Manager as remuneration for its management of the Fund as set forth in Section 10 of this Prospectus.
<b>"Net Asset Value"</b>	means the balance, expressed in Euros, of the fair value of the Fund Assets minus the value of the Fund Obligations, as determined based on the accounting and valuation principles of the Fund as set forth in Section 10.1 of this Prospectus.
<b>"Net Proceeds"</b>	means all dividends and interest and all divestment, redemption and other income and proceeds of the Fund, net of taxes, fees, costs and other charges to be borne by the Fund, and after payment of or making reasonable reservation for any obligations and expenses of the Fund.
<b>"Ordinary Resolution"</b>	means a resolution (i) in writing (which may consist of one or more documents in like form each signed by one or more Participants) signed by Participants whose Participations represent in excess of 50% of the issued and outstanding Participations; or (ii) passed at a meeting of Participants by Participants whose Participations represent in excess of 50% of the issued and outstanding Participations.
<b>"Organisational Expenses"</b>	means all costs incurred in connection with the formation of the Fund as further set forth in Section 10 of this Prospectus.
<b>"Participant"</b>	means a natural or legal person, which participates in the Fund in accordance with the Subscription Form and the Terms and Conditions.
<b>"Participation"</b>	means a unit representing the rights of a Participant to a certain percentage of the Net Asset Value; each Participation belonging to a specific Series represents an equal interest in the Net Asset Value without priority or preference one over the other.
<b>"Prospectus"</b>	means this prospectus including its schedules, as amended from time to time.
<b>"Redemption Date"</b>	means the first Business Day of each month and/or, under certain circumstances set out in the Terms and Conditions, such other day or days as the Fund Manager may from time to time determine at its sole discretion.

<b>“Redemption Charge”</b>	means a redemption charge of up to 0.5% of the Net Asset Value of the Participations at the Redemption Day on which a redemption is effected, payable to the Fund.
<b>“Redemption Notice”</b>	means the standard notice through which a request for redemption of Participations is made.
<b>“Redemption Price”</b>	means the Net Asset Value per Participation as at the Valuation Date immediately preceding the Redemption Date on which the relevant Participation is redeemed.
<b>“Register”</b>	means the register in which in respect of each Participant are entered its name, address and other contact details, the bank or securities account details on which the Participant wishes to receive payments, its tax status and the number of its Participations.
<b>“Reporting Fund”</b>	means a fund approved by HM Revenue & Customs pursuant to Part 3 of the Offshore Fund (Tax) Regulations 2009 of the United Kingdom.
<b>“Securities”</b>	means ordinary shares, preference shares, convertible securities or other securities or interests in a company or entity, including but not limited to any Investee Fund Interests.
<b>“Series”</b>	means a series of Participations (which may consist of one or more Class A Participations or one or more Class B Participations) issued on a particular day each having equal rights and obligations and the same Net Asset Value as all other Participations of the same Series.
<b>“Special Resolution”</b>	means a resolution (i) in writing (which may consist of one or more documents in like form each signed by one or more Participants) signed by Participants whose Participations represent at least 75% of the of the issued and outstanding Participations; or (ii) passed at a meeting of Participants by Participants whose Participations represent at least 75% of the issued and outstanding Participations.
<b>“Subscription Date”</b>	means the first Business Day of each month and/or such other day or days as the Fund Manager may from time to time determine at its sole discretion.

<b>“Subscription Form”</b>	means the subscription form, by means of which the Participants accept the Prospectus and the Terms and Conditions, a template of which is attached hereto as <b><u>Schedule 2</u></b> .
<b>“Subscription Price”</b>	means the Net Asset Value per Participation as at the Valuation Date immediately preceding the Subscription Date on which the relevant Participation is issued.
<b>“Terms and Conditions”</b>	means the terms and conditions of management and custody ( <i>voorwaarden van beheer en bewaring</i> ) of the Fund as attached hereto as <b><u>Schedule 1</u></b> .
<b>“Total Redemption Amount”</b>	means the Total Redemption Price reduced by the Redemption Charge.
<b>“Total Redemption Price”</b>	means the Redemption Price multiplied by the relevant number of redeemed Participations.
<b>“Total Subscription Price”</b>	means the Subscription Price multiplied by the relevant number of issued Participations.
<b>“Valuation Date”</b>	means the last Business Day of each month, or such other day or days as the Fund Manager may from time to time determine at its sole discretion, provided that there will never be more than two Valuation Dates in any calendar month.

### **3 THE INVESTMENT OPPORTUNITY**

#### **3.1 Fund Objective and Fund Strategy, Risk Management Framework and Risk control**

##### **3.1.1 Fund Objective**

The Fund Objective is to deliver attractive risk-adjusted returns to its Participants over a rolling investment horizon of three (3) to five (5) years with an investment vehicle which targets above average returns in the range of 5% to 10% per annum.

##### **3.1.2 Fund Strategy**

The Fund will attempt to accomplish the Fund Objective by investing in a diversified portfolio of stocks and bonds and other securities that may be traded in financial markets worldwide and are selected on the basis of their potential positive contribution to the Fund's investment objectives, e.g. Investee Funds established worldwide (including hedge funds or other (alternative) collective investment vehicles). The Fund Manager will select a number of complementary investment strategies in order to diversify risk.

The investment philosophy is based on the premise that asset allocation tends to determine investment results over changing investment cycles. The challenge is to identify investment strategies that are expected to deliver attractive returns taking into account the investment environment and to implement these selections either directly through a basket of securities or by selecting an investment vehicle of a well-qualified investment manager in the relevant field.

The investment allocation has two (2) main characteristics: firstly, allocation is fairly dynamic among asset classes in an attempt to capture opportunities that emerge periodically. The second feature is a clear preference for fund managers that have been known to the team for many years. In its investment process, the Fund Manager takes a predominantly top-down approach to capitalize on varying market conditions.

The portfolio will be managed subject to the Investment Strategy, the Fund Objective and the Investment Restrictions. The Fund Manager may only deviate from these provisions and change the Investment Strategy by amending this Prospectus and the Terms and Conditions in the way set forth in Section 5.1.6 of this Prospectus.

If the Fund holds investments denominated in currencies other than the Euro, this entails a foreign exchange risk. The Fund Manager therefore may, but is not under an obligation to, hedge foreign exchange risks if it considers this to be in the interest of the Participants. FX hedging will take place through the use FX forwards or currency swaps. Any new securities used for FX hedging first need to be approved by the Risk Committee of the Fund Manager.

The Fund may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or Affiliates of the Fund Manager or with related party funds, on the terms and conditions as applicable under the relevant funds' documentation. Valuations in relation to any such transaction may be performed by one or more parties involved in such transaction.

## 3.2 Fund Investment Restrictions

The below restrictions will apply to the Fund Assets.

### 3.2.1 *Investment Thresholds*

- a) The Fund will not invest more than 5% (at cost) of the Fund Assets in any one stock, except for a publicly quoted fund or publicly traded real estate securities.
- b) The Fund will not invest more than 15% (at cost) of the Fund Assets in any one Investee Fund.
- c) The Fund will not invest more than 20% (at cost) of the Fund Assets in any one bond.

### 3.2.2 *Borrowings*

The Fund Manager may not borrow for the account, and at the expense, of the Fund to finance Fund Assets or Fund Obligations or to leverage investments in Fund Assets.

### 3.2.3 *Securities Lending*

The Fund will not utilize any short positions in equities, bonds or funds. No securities lending by the Fund shall take place.

## 3.3 Risk Management Framework

Under the AIFMD, the Fund Manager is required to establish and maintain a permanent and independent risk management function. This function should have a primary role in shaping the risk policy of each Alternative Investment Fund ("**AIF**") under management by the Fund Manager, risk monitoring and risk measuring in order to ensure that the risk level complies on an ongoing basis with the AIF's risk profile.

The risk management function has the following scope:

- a) Implement effective risk management policies and procedures in order to identify, measure, manage and monitor risks;
- b) Ensure that the risk profile of an AIF is consistent with the risk limits set for the AIF;
- c) Monitor compliance with risk limits; and
- d) Provide regular updates to senior management concerning:
  - The consistency of stated profile versus risk limits;
  - The adequacy and effectiveness of the risk management process; and
  - The current level of risk of each AIF and any actual or foreseeable breaches of risk limits.

To identify the risk profile and main risks, and ensure the right measurement, management and monitoring of these risks, the Fund Manager has a rigid 'Risk Onboarding Process'. It ensures that the investment process is properly documented and the product itself is properly reviewed.

As described by the AIFMD, quantitative risk limits are, where possible, constructed for various risk categories: market risk, liquidity risk, credit risk, counterparty risk and operational risk. These risk limits should be in agreement with the risk profile of the AIF.

The risk management function is fully independent from the portfolio management function of the Fund Manager. The risk manager has full authority to close positions or the authorization to instruct the closing of positions on his behalf in case of a risk breach.

To ensure that all risk management tasks are executed correctly and timely, the Fund Manager uses an automated system that registers all risk tasks, keeps a list of all pending risk tasks, and escalates risk tasks that have not been executed or report a violation of a risk rule. The system produces an audit log that can be verified by the internal auditor, the external auditor, the management board, the regulator or other stake holders. Not all risk variables have limits but to identify any new relevant risks, every variable that is reported in the CM system flows through a sanity check. The sanity check will raise an exception if the variable falls outside its “normal” boundaries. Risk management is notified of these exceptions and will make an assessment whether the situation is stable or whether further escalation is needed.

The positions of the Fund are administered and reconciled using Arbor Financial Services and risk reports such as Value at Risk and Stress Scenarios are run using Bloomberg.

The Fund Manager uses an API-based system in which positions and/or risk exposures are synced from the Portfolio Manager’s Excel (or alternative software) to a central database.

The CM system is responsible for monitoring of the pre-defined risk limits. The limits can either be configured as notification limits, soft limits or hard limits. In case of a breach of any of the limits, the escalation procedures are followed as described in the Risk Management Procedures of the Handbook of the Fund Manager.

The reoccurring risk tasks are:

- a) Weekly risk report by risk management, including Value at Risk;
- b) Monthly reporting by portfolio management;
- c) Quarterly Operational risk management;
- d) Monthly stress scenarios. On ad hoc basis extra stress scenarios can be done; and
- e) Due Diligence on Service Providers.

On a monthly basis the Risk Committee of the Fund Manager meets to discuss the performances and risks of the Fund. Any breaches are discussed. On a yearly basis a Risk Evaluation and Product Review is conducted.

### **3.4 Risk control**

The portfolio of companies is expected to consist of a limited number of approximately 18 companies. It is this ‘cherry picking’ from a basket of over 600 listed companies in this sector which should drive the outperformance of the different biotech indexes / trackers. In order to reduce the risks of investing in this sector the Fund will diversify its portfolio over several disease areas, different phases of product development as well as geographical areas.

A Value at Risk limit (VaR) is used to ensure that the risk profile of the Fund is maintained.

The Fund Manager employs an appropriate liquidity risk policy and has adopted procedures which enable it to monitor the liquidity risk of the Fund. In particular, the Fund Manager can restrict redemptions on certain conditions as further described in Section 8.3 of this Prospectus and Section 15.10 of the Terms and Conditions.

As and when relevant, the Fund Manager shall quarterly disclose the following to the Participants:

- a) The percentage of the Fund Assets which are subject to special arrangements arising from their illiquid nature;
- b) Any new arrangements for managing the liquidity of the Fund; and
- c) The risk profile of the Fund and the risk management systems employed by the Fund Manager to manage those risks.

The Fund Manager has established a Risk Management Committee. During the monthly Risk Committee meetings all relevant developments regarding risk management at the level of the investment funds under management by the Fund Manager, including the Fund, and the Fund Manager itself are being discussed.

## **4 RISK FACTORS**

### **4.1 Introduction**

An investment in the Fund carries a high degree of risk. There can be no assurance that the Fund will achieve its Fund Objective or that Investee Funds' investment policy or activities will be successful. The value of the Fund's investments and the Participations may fall as well as rise and returns on past investments are no guarantee as to the returns on future investments. Accordingly, Participants may lose all or part of their investment in the Fund. An investment in the Fund requires the financial ability and willingness to accept for an indefinite period of time the risk and lack of liquidity inherent in the Fund. Due to the Investment Strategy, the value of Fund Assets can strongly fluctuate. The aim is to spread investment risk by diversification over a wide range of asset classes, regions, markets and investment styles. Further diversification comes from the fact that the active exposures in the portfolio will be driven by a diversified set of drivers.

Potential participants should consider, among others, the non-exhaustive list of risks mentioned below, review this Prospectus and its ancillary documents carefully and in their entirety, consult with their professional advisors and conduct and subsequently rely upon their own investigation of risk factors associated with the proposed investment. Participants should realize that the existence and occurrence of certain risks may contribute to the existence and occurrence of other risks.

### **4.2 Risks Relating to the Fund and the Investee Funds**

#### *Performance*

The Fund's results will partly depend upon the performance of Investee Funds. The Fund and the Participants will not have the ability to direct the management of the Investee Funds or their underlying portfolio investments. As a result, the returns of the Fund partially depend on the performance of independent fund managers and could suffer substantial adverse effects by the unfavourable performance of such fund managers.

#### *Market Risks*

Markets may rise and fall and the prices of financial instruments and other assets on the financial markets in general, and more specifically the prices of assets of the nature and type the Fund may invest in and hold, can rise and fall. A careful selection and spread of investments does not provide any guarantee of positive results.

#### *Lack of Liquidity*

Some of the Fund Assets may be in assets which are illiquid or may become illiquid under certain market conditions. Accordingly, it may not always be possible to purchase or sell those assets for their expected value or, if applicable, the prices quoted on the various exchanges. The Fund's ability to respond to market movements may be impaired and the Fund may experience severe adverse price movements upon liquidation of its Fund Assets.

#### *Investments*

Investment in the Fund is speculative and entails significant risks. Participants should only invest in the Fund if the Participant can withstand a total loss of its investment. No guarantee or representation is given that the Fund will achieve its investment objectives.

The Fund expects that certain investments (made by the Investee Funds) may experience financial difficulties, which may never be overcome. The Investee Funds may utilize highly speculative investment techniques, including but not limited to leverage and highly concentrated portfolios.

There are no assurances that the Fund will be able to invest its capital fully, or that sufficient suitable investment opportunities will be identified. For example as a result of market fluctuations, the Fund may at any time invest a substantial amount in a single class of instruments (stocks or bonds) or a single Investee Fund so that investment concentration occurs. If the Fund receives distributions in kind from any investment, it may incur additional costs and risks to dispose of such assets.

#### *(Foreign) Currency Risk*

The Net Asset Value of the Participations may be affected by exchange rate fluctuations. As certain of the Fund Assets may be denominated in currencies other than EUR while the Fund's accounts will be denominated in EUR, returns on certain Fund Assets may be significantly influenced by currency risk. The Fund Manager may hedge against a decline in the value of the Fund's non-EU denominated Fund Assets. Should the Fund Manager decide to hedge the risk of currency devaluations or fluctuations, the Fund Manager may not always succeed in realizing hedges under acceptable conditions and consequently the Fund may be subject to the risk of changes in relation to the EUR of the value of the currencies in which any of its assets are denominated.

#### *Restrictions on Transfers and Potential Illiquidity of Participations*

Participations may not be registered under any securities laws and, therefore, cannot be resold unless they are subsequently registered under such laws or regulations there under. Participations are also subject to restrictions on their transferability under the Terms and Conditions. There is no public market for the Participations and none is expected to develop. Participations will be subject to an initial lock-up of six (6) months as of the date of issue. The redemption of Participations may be limited to 50% of the Participations outstanding on any Redemption Day and the right to redeem may be suspended in the event of market disruption or a breakdown in the means employed to value the Fund Assets. Under certain circumstances as set out in Section 8 of this Prospectus, the Fund Manager may further suspend the redemption of Participations.

#### *Concentration Risk*

The Fund may have significant exposure to a limited number of investments which, in turn, may have significant exposure to certain risk factors or concentrated performance drivers. The value of the Fund may display a high sensitivity to adverse developments in particular investments or asset classes.

### *Valuation*

To the extent that the investments may in certain circumstances be difficult to realise and may be subject to restrictions on transfer, the sale of any investments may sometimes be possible only at substantial discounts. Further, such investments may be extremely difficult to value. It should be noted that in preparing the monthly and annual reports, the Fund Manager is partially dependent on the underlying Investee Fund's fund managers and their administrators, both in respect of timing and the contents of the reports. Provisional valuations may sometimes have to be applied. The underlying investments of the Fund may engage in privately placed less-liquid investment for which no proper valuation may exist until a transaction is executed.

### *Various Legal Forms of Investee Funds*

The Investee Funds may be organised in various legal forms, including but not limited to, partnerships, companies and managed accounts. These differences in legal forms may have differing impacts on the liabilities the Fund may incur in relation to investment in these Investee Funds.

### *Competition*

Gaining access to pooled investment vehicles can be problematic given the high level of investor demand some vehicles receive. The business of investing in investment funds is highly competitive.

### *Segregation of Portfolios*

It is not intended to segregate the assets and liabilities relating to any Series or Classes.

### *Economic Environment*

In the current economic environment, there are increased risks of financial institutions on which the Fund is dependent for its operation or investment returns to fail, be bankrupted or subject to government seizure or nationalization.

### *Incentive Fee Compensation*

The Fund Manager will be entitled to incentive compensation from the Fund. In case of Investee Funds, the managers of such funds are likely to also receive incentive compensation from those Investee Funds. Consequently, the fees imposed by the Fund may be higher than if a Participant directly invested in the Investee Fund. Incentive compensation may create an inducement for the Fund Manager or the managers of the Investee Funds to make investments that are riskier or more speculative than would be in case if such fees were not in effect.

### *Achievement of Returns*

The success of the Fund will depend on the ability of the Fund Manager to identify appropriate investments. There is no guarantee that the Fund's investments will be successful or that the target rates of return will be achieved and investment results may vary substantially over time and from period to period.

### *Multiple Layers of Expense*

The Fund and the underlying Investee Funds each have expenses and management costs that will be borne, directly or indirectly, by the Fund.

### *Counterparty Risk*

The Fund will be subject to the risk of the inability or refusal of payment or clearing institutions, principals or other service providers or other counterparties to its transactions, to perform or to perform in time under such services or transactions. Any such failure, refusal or delay, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. It is expected that the Fund Manager will seek to mitigate these risks by reviewing the creditworthiness and reliability of all service providers and counterparties and only entering into transactions with those parties that the Fund believes to be creditworthy and reliable.

### *Inflation*

Due to inflation, the relative value of Participations may decline. The Fund will not specifically hedge inflation risk or take other measures to mitigate this specific risk.

### *Changing Legislation*

The regulatory and tax environment for investment funds in general as well as certain financial instruments and other types of investments are evolving and changes therein may adversely affect both the Fund's ability to pursue its investment strategies and the value of its Fund Assets. The effect of any future regulatory or tax change on the Fund is impossible to predict. The fiscal status of the Fund may change during the term of the Fund. The Participants are urged to seek fiscal advice before participating in the Fund.

### *Unclear Legislation*

Unclear rules and regulations and conflicting advice may result in a breach of rules and regulations applicable to the Fund. Resulting fines and other sanctions and possible damage to the reputation of the Fund, the Fund Manager and other connected persons may result in a negative impact on the Net Asset Value of the Fund and the Participations.

### *Limited Rights of Participants*

The Fund Manager has exclusive authority for managing all operations of the Fund. Participants cannot exercise any management or control functions with respect to the Fund's operations, although they have limited voting rights in certain organisational respects as set forth in the Terms and Conditions.

### *Indemnification*

Under the Terms and Conditions, the Fund Manager and the Legal Owner are entitled to be indemnified out of Fund assets against costs, losses and expenses which they may incur or become liable in connection with the execution of their duties. In addition, the Depositary, the Administrator

and other service providers also are entitled to indemnity under the terms of their respective agreements for services. These obligations could require substantial indemnification payments out of the Fund Assets, provided however that the Depositary shall not be so indemnified with respect to any matter resulting from its negligent or intentional failure to properly fulfil its obligations in accordance with article 21(12) of the AIFMD, and no other person shall be so indemnified with respect to any matter resulting from its attributable breach (*toerekenbare tekortkoming in de nakoming*).

#### *Redemption Risk and Restrictions*

The Fund is an open-ended fund and Participations may be redeemed at the request of a Participant in accordance with the restrictions of Section 8 of this Prospectus and the applicable terms of the Terms and Conditions. Accordingly, there can be no guarantee that the actual Redemption Price reflects the Net Asset Value per Participation as at the date of submitting the Redemption Notice. The Fund Manager may further suspend the redemption of Participations if: (i) a state of affairs exists which constitutes a state of emergency as a result of which the sale of Fund Assets would, in the sole opinion of the Fund Manager, not be practical or would negatively affect the rights of other Participants; (ii) the Participant did not act in compliance with applicable legislation or the Terms and Conditions; (iii) for whatever reason, the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained; or (iv) relevant exchanges are not open for business or the sale of Fund Assets is otherwise restricted or suspended. Investment in the Fund should therefore only be considered by persons financially able to maintain their investment for an extended period of time and who can afford a loss of all or a substantial part of their investment. Redemptions may cause the Fund to dispose of assets in order to meet its redemption obligations earlier than anticipated or under less favourable market conditions than the Fund would otherwise have disposed of such assets. This may result in a lower Net Asset Value of the Fund generating lower or negative returns for the non-redeeming Participants. Significant redemptions may lead to significant losses to Participants, which remain invested in the Fund.

#### *General Political Factors*

Investment results may be adversely affected by developments in countries in which the Fund Assets or counterparties are located. This may result in a partial or complete loss by the Fund as a result of the breakdown of the country's financial system. Such developments include, without limitation: war; civil unrest, ranging from protests to civil war; changes in the political situation and/or government of a country; acts of terrorism; expropriation and creeping expropriation; and inability to transfer moneys cross-border or convert moneys to hard currency.

#### **4.3 Risks Relating to the Fund Manager**

Due to the insolvency, negligence or fraudulent actions of the Fund Manager, its officers or employees or third parties used for the custody of assets of the Fund, the value of Participations may decline.

#### 4.4 Risks Relating to the Legal Owner

Due to the insolvency, negligence or fraudulent actions of the Legal Owner, its officers or employees or third parties used for the custody of assets of the Fund, the value of Participations may decline and the Fund Assets may be lost.

#### 4.5 Risks Relating to Conflicts of Interests

##### *Other Clients*

The Fund Manager and/or Affiliates of the Fund Manager may or will manage or advise clients other than the Fund. There can be no assurance that such services do not conflict with the interests of the Fund. Although the Fund Manager and the Legal Owner intend to manage potential and actual conflicts of interest issues in good faith in compliance with the Fund's conflicts of interests policy, there can be no assurance that such conflicts of interest may be resolved in the best interests of the Fund should they arise.

##### *Transactions with the Fund Manager and its Affiliates*

The Fund Manager and its Affiliates may engage in certain related party transactions with the Fund. The Fund Manager and/or the Affiliates of the Fund Manager concerned will in such cases expect to receive a certain transaction consideration. Although the Fund Manager intends to manage potential and actual conflicts of interest issues in good faith in compliance with the Fund's conflicts of interests policy, such arrangements could present incentives for the Fund Manager and its Affiliates adverse to the interests of the Fund.

##### *Diverse Participants*

Participants may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests may relate to, among other things, the nature of Fund Assets, the structuring of Fund Assets and the timing of disposition of Fund Assets. As a consequence, conflicts of interest may arise in connection with decisions made by the Fund Manager that may be more beneficial for one Participant than for another Participant, especially with respect to Participant's individual tax situations. The Fund Manager will consider the investment, tax and other interests of the Fund and its Participants as a whole, not the investment, tax or other interests of any Participant individually.

*The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the Fund. In particular, the Fund's performance may be affected by changes in market conditions, and legal, regulatory and tax requirements. The Fund will be responsible for paying the fees, charges and expenses referred to in this document regardless of the level of profitability.*

*Potential Participants who are in any doubt as to the risks involved in investing in the Fund are recommended to obtain independent financial advice before making an investment.*

## **5 LEGAL AND REGULATORY STRUCTURE OF THE FUND**

### **5.1 Legal Structure of the Fund**

#### **5.1.1 Legal Form**

The Fund is an open end investment fund (*beleggingsfonds*) as referred to in article 1:1 FSA and a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands.

Under Dutch law, the Fund is neither a legal entity (*rechtspersoon*) nor a partnership, commercial partnership or limited partnership (*maatschap, vennootschap onder firma or commanditaire vennootschap*), but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Legal Owner for the account and risk of the Participants. In view of its legal form of fund for joint account the Fund is not eligible for registration in the Trade Register (*handelsregister*) of the Netherlands.

The Fund's office address is that of the Fund Manager, being Gustav Mahlerplein 3, 26<sup>th</sup> floor, Financial Offices, 1082 MS Amsterdam, the Netherlands.

The Fund will be managed by the Fund Manager. The Participants have no proprietary rights with respect to the assets of the Fund. The Legal Owner is the legal owner of all assets of the Fund. The Legal Owner will acquire and hold the assets for the purpose of management and custody (*ten titel van beheer en bewaring*) on behalf of and for the account of the Participants. Such interest of the Participants is represented by the Participations held by each of them.

The Legal Owner will grant a power of attorney to the Fund Manager under the Terms and Conditions to manage (*beheren*) the Fund Assets in accordance with the Terms and Conditions.

#### **5.1.2 Establishment, Term and Termination of the Fund**

The Fund is established as of the first issue of a Participation and shall continue to exist for an indeterminate period of time. The Fund Manager may terminate the Fund at any time, subject to a three (3) months' notice to the Participants (as described in further detail in article 24.1 of the Terms and Conditions). Upon dissolution of the Fund, the cash proceeds from liquidation of the Fund's positions will be distributed to the Participants in cash or in kind.

#### **5.1.3 Series and Classes of Participations**

All Participants shall be treated fairly by the Fund Manager. The Fund Manager may, on each monthly Subscription Date, arrange for the issuance of new Participations to existing Participants or new Participants. A new, separate Series is issued, whenever Participations are issued, on separate Subscription Dates. The Commencement Date of a Series, is the first Subscription Date that participations of the relevant Series are issued.

All Series shall have exposure to the same investments, risks and Investment Objectives. Participations in different Series relate to the same portfolio of assets and liabilities and differ only in the Net Asset Value, the Incentive Fee potentially to be paid and the remaining lock-up period. During a financial year of the Fund the Net Asset Value and the distributions allocated to Participants may vary between different Series, but will be the same for Participations of the same Series.

At the end of every financial year of the Fund, the Fund Manager may decide to “roll up” the Series and designate all Participations outstanding at such time to be the same Series, with a Net Asset Value allocated to each of them that are the same, based on the Net Asset Value as of the last Valuation Date prior to the roll up date.

The Fund shall have two (2) Classes of Participations. Class A Participations and Class B Participations. Class A Participations can be held by investors residing in the Netherlands or other countries. Class B Participations are created specifically for investors residing in the United Kingdom. Each Series may consist of one or more Class A Participations and/or one or more Class B Participations. The sole difference between the different Classes is that (i) the Fund Manager will seek registration of the Class B Participations (but not of the Class A Participations) as a Reporting Fund for United Kingdom tax purposes, and (ii) the costs concerned with such registration and further Reporting Fund requirements, if any, may be charged by the Fund Manager to the holders of the Class B Participations.

There are no legal or economic links between the Fund or the Fund Manager on the one hand, and Participants subscribing for any particular Class or Series on the other hand.

Each Participation belonging to a specific Series, with respect to the other Participations of such Series, represents an equal interest in the Net Asset Value without priority or preference of one over the other.

#### **5.1.4 Liquidation**

Upon termination of the Fund, no further business shall be conducted except for such action necessary for the winding up of the affairs of the Fund. The balance left after the liquidation shall be paid in cash to the Participants (pro rata to the numbers of Participations held by them, against cancellation of these Participations).

#### **5.1.5 Key Fund Documents, Governing Law and Jurisdiction**

The key documents governing the Fund (the “**Fund Documents**”) will be:

- a) the Terms and Conditions. The Terms and Conditions represent the key organisational document of the Fund and inter alia set forth the agreement between the Fund Manager and the Legal Owner concerning the management and custody on behalf of the Fund;
- b) this Prospectus; and
- c) the Subscription Form.

The Fund Documents will be governed by Dutch law. The competent court in Amsterdam, the Netherlands will have exclusive jurisdiction to settle any claims, actions or disputes arising out or in connection with the Fund Documents (subject to appeal as provided by law).

A final judgment obtained in a court of any Member State of the European Union and which is enforceable in such Member State will be recognized and enforced by the courts of the Netherlands without re-trial or re-examination of the merits:

- a) on the basis of and subject to the limitations imposed by the Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (as amended); and
- b) subject to limitations imposed by Regulation (EC) No. 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims (as amended) and the rules and regulations promulgated pursuant thereto.

#### **5.1.6 Amendment of the Prospectus and the Terms and Conditions**

The Terms and Conditions and this Prospectus may be amended pursuant to a joint resolution of the Legal Owner and the Fund Manager.

A proposed amendment to the Terms and Conditions or this Prospectus shall be published on the website of the Fund Manager. In addition, an explanation to the proposed amendments will be published on the website of the Fund Manager.

Notice of amendments made will also be made on the website of the Fund Manager. In addition, an explanation to the amendments will be published on the website of the Fund Manager.

An amendment of the Prospectus or the Terms and Conditions causing a reduction in Participants' rights or security, imposing costs on the Participants or causing a change to the Investment Strategy does not become effective in relation to the Participants until one (1) month following the date on which such notification has been published on the Fund Manager's website. Participants have the right to redeem their Participations under the normal redemption conditions described herein within this period following the date on which such notification has been disclosed.

## **5.2 Regulatory Position of the Fund and Supervision**

### **5.2.1 Existing position**

The Fund Manager is in possession of an AFM license as referred to in article 2:65(1)(a) FSA, and as a consequence may offer the Fund to professional and non-professional investors within the Netherlands. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.

The AFM license of the Fund Manager has been issued prior to the implementation of the AIFMD in the Netherlands, and was automatically converted into an AIFMD license by the AFM on 22 July 2014, in accordance with the Netherlands AIFMD implementation schedule. This Prospectus is prepared in conformity with the FSA as in force on the date of this Prospectus.

### **5.2.2 Regulatory changes**

The regulatory environment for investment funds is currently evolving as new legislation aimed at increasing transparency of the space of alternative investment funds is being introduced. In the light hereof, during the existence of the Fund, additional and/or amended legislation and regulations

affecting the Fund, the Fund Manager, the Legal Owner, the Depositary and the Administrator may come into force.

The Legal Owner and the Fund Manager may amend the Fund Documents if the Legal Owner and the Fund Manager reasonably determine that a regulatory change has a material adverse effect on the Fund and/or the Legal Owner and/or the Fund Manager, such that (i) the material adverse effect of the applicable change is removed or mitigated, and (ii) the Fund shall bear its reasonable allocable portion of the costs in relation to the implementation of and compliance with the change (it being understood such allocation is in principle determined on the basis of the number of funds managed by the Fund Manager that fall within the scope of such change).

### **5.2.3 *Professional liability risks***

To cover potential professional liability risks resulting from activities the Fund Manager carries out with respect to the Fund, the Fund Manager holds a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

## 6 FUND MANAGEMENT AND GOVERNANCE

### 6.1 The Fund Manager

#### 6.1.1 *Introduction and Key Duties*

Privium Fund Management B.V. has been engaged to manage the investment of all of the assets of the Fund. Privium Fund Management B.V. was founded in 2012 and its predecessor was founded in 2007. Privium Fund Management is an asset manager with offices in Amsterdam, London and Hong Kong which focuses on alternative investments and employs several very experienced industry professionals.

The Fund Manager is responsible for the determination of the investment policy of the Fund. The Fund Manager is obliged to perform its investment activities in accordance with the Investment Strategy. The Fund Manager is also responsible for maintaining records and furnishing or causing to be furnished all required records or other information of the Fund to the extent such records, reports and other information are not maintained or furnished by the Administrator, the Legal Owner, the Depositary or other service providers.

The Fund Manager performs its services in accordance with the Terms and Conditions. Pursuant to the Terms and Conditions the Fund Manager has the full and exclusive power, discretion and authority to invest and manage the assets of the Fund.

The (daily) policy makers of the Fund Manager are on the date hereof:

- a) Clemens Hendrik Antonius Heijman; and
- b) Mark Baak.

#### 6.1.2 *Investment Team*

Short biographies of the key persons involved with the management of the Fund are provided below.

**Hein Jurgens** was Partner at Cazenove, an investment bank in the UK where he joined in 1992. After the takeover by JP Morgan he retired in 2007 as head of sales for Continental European clients. He joined Theta Capital in 2008 where he was heading the marketing effort into Germany and Austria. He studied at the European Business school in London and graduated in 1991 with a Major in Finance. Jurgens joined Privium Fund Management in 2012. Hein Jurgens is a Dutch national.

**Mark Baak** obtained a master degree in economics from the Vrije Universiteit in Amsterdam and is registered at the Dutch Securities Institute. Baak has over ten years of experience in the asset management industry, with a focus on hedge fund selection. At Finles Capital Management (FCM), he set up and headed the fund management team. In his role as Head of Portfolio Management, he was responsible for external manager selection and portfolio management. He initiated the Dutch hedge fund index and is a regular columnist and presenter at industry seminars. Baak joined Privium Fund Management in 2012. Mark Baak is a Dutch national.

### 6.1.3 **Delegation of Duties**

The Fund Manager will delegate certain financial, accounting, administrative and other services to the Administrator and one or more other external service providers. No conflicts of interest is expected to arise from such delegation. The Fund Manager will not delegate its portfolio management function and risk management function with respect to the Fund.

### 6.1.4 **Resignation and removal of the Fund Manager**

The Fund Manager shall resign and may be removed as fund manager (*beheerder*) of the Fund on certain grounds set forth in the Terms and Conditions. In case of resignation of the Fund Manager, the Participants shall by Ordinary Consent appoint a substitute fund manager.

### 6.1.5 **Liability of the Fund Manager and Indemnification**

The Fund Manager shall only be liable towards the Participants for a loss suffered by them in connection with a breach of Fund Manager's duties and responsibilities under the Fund Documents that is attributable to it (*toerekenbare tekortkoming in de nakoming*).

Subject to certain restrictions set forth in the Terms and Conditions, the Fund Manager will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and services to the Fund.

### 6.1.6 **Funds Managed by the Fund Manager**

As at the date of this Prospectus, the Fund Manager manages the following investment funds, other than the Fund:

- a) Amsterdams Klimaat & Energiefonds, a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands, making investments aimed at reducing CO2 emissions;
- b) FMO Privium Impact Fund, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, co-investing alongside the Dutch Development Bank (FMO);
- c) Principia Fund N.V., a company (*naamloze vennootschap*) organised and established under the laws of the Netherlands, predominantly investing in global equities;
- d) Windmill Trend Evolution Fund, a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands, a fund of funds investing in investment funds mainly focussed on innovative systematic strategies that invest outside the mainstream markets;
- e) Privium Sustainable Alternatives Fund, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, a fund of funds investing in investment funds and companies mainly focused on sustainable alternatives;

- f) Still Equity Fund, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, predominantly investing in European equities with a value bias;
- g) Multi Strategy Alternatives Fund, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, investing in a diversified portfolio of investment funds worldwide, predominantly hedge funds;
- h) Supermarkt Vastgoed FGR, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, investing in direct supermarket real estate;
- i) Dutch Mezzanine Fund I, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, investing in mezzanine debt opportunities such as capital for organic growth, acquisitions, recapitalizations or management buyouts;
- j) Dutch Mezzanine Fund II, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, investing in mezzanine debt opportunities such as capital for organic growth, acquisitions, recapitalizations or management buyouts;
- k) Global Allocation Fund, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, investing in a diversified portfolio of investment funds (including hedge funds or other (alternative) collective investment vehicles worldwide), listed investee companies, stocks, bonds, futures, currency forward contracts and in commodity related instruments;
- l) Canguaru Alternatives Fund, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, investing in a diversified portfolio of investment funds worldwide, predominantly hedge funds;
- m) Westermeerwind Aandelenfonds, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, investing in the equity shares of a wind park;
- n) Westermeerwind Leningenfonds, a fund for joint account (*fonds voor gemene rekening*) organized and established under the laws of the Netherlands, investing in a loan participation of a wind park; and

## 6.2 The Legal Owner

### 6.2.1 Introduction

The appointment of a legal owner of fund's assets is mandatory under article 4:37j FSA in the case of a fund that is not a legal person. The Legal Owner is appointed to segregate the legal ownership of the Fund Assets from the Fund Manager in the interest of the Participants.

The Legal Owner:

- a) is a legal person entrusted with the safekeeping of the Fund Assets;
- b) is separate from the Fund Manager; and

c) shall only act in the interest of the Participants.

Stichting Bewaarder Strategy One Fund, a foundation (*stichting*) incorporated and organized under the laws of the Netherlands, having its official seat (*zetel*) in Maarsbergen and its principal offices at Woudenbergseweg 11, 3953 ME, the Netherlands, and registered with the Trade Register of the Netherlands under registration number 851589492 will be the legal owner will be the legal owner (*houder van de juridische eigendom van de activa van een beleggingsfonds*) of the Fund Assets within the meaning of article 4:37j FSA.

TCS Governance B.V. will be the sole member of the board of managing directors of the Legal Owner.

### 6.2.2 **Key Duties**

The key responsibilities of the Legal Owner are:

- a) to hold, for the account and risk of the Participants, legal title to all assets and rights of the Fund;
- b) to, as debtor, assume obligations and liabilities of the Fund; and
- c) to be the contracting entity in respect of all agreements entered into on behalf of the Fund.

The Legal Owner will do so at the instruction of the Fund Manager, but will not engage itself actively in the management of the Fund.

In acting as a legal owner (*houder van de juridische eigendom van de activa van een beleggingsfonds*) of the Fund Assets within the meaning of article 4:37j FSA, the Legal Owner shall act solely in the interests of the Participants. The Legal Owner will be fully and exclusively dedicated to the Fund and will not perform any other activities for the Fund than those referred to above.

### 6.2.3 **Liability of the Legal Owner and Indemnification**

The Legal Owner shall only be liable towards the Participants for a loss suffered by them in connection with a breach of Legal Owner's duties and responsibilities under the Fund Documents that is attributable to it (*toerekenbare tekortkoming in de nakoming*).

Subject to certain restrictions set forth in the Terms and Conditions, the Legal Owner will be indemnified out of the Fund Assets against liabilities and charges incurred in connection with the performance of its duties and services to the Fund.

## 6.3 **The Depositary**

### 6.3.1 **Introduction**

The appointment of an independent AIFMD-depositary (*bewaarder*) within the meaning of article 4:37h FSA of a fund's assets is mandatory for a licensed Dutch fund manager. The Depositary is appointed to provide various duties with respect to compliance by the Fund Manager, the Fund and the Legal Owner in the interest of the Participants.

The Depositary:

- a) is a legal person entrusted with the depositary duties over of the Fund Assets;
- b) is separate from the Fund Manager;
- c) shall only act in the interest of the Participants; and

Darwin Depositary Services B.V., a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under the laws of the Netherlands, having its official seat (*zetel*) in Amsterdam and its registered office at Barbara Strozilaan 101, 1083HN Amsterdam, the Netherlands, and registered with the Trade Register of the Netherlands under registration number 59855622 will be the depositary (*bewaarder*) of the Fund within the meaning of article 4:37h FSA. Darwin Depositary Services B.V. maintains an Alternative Investment Fund Manager Directive (AIFMD) depositary license.

### 6.3.2 **Key Duties**

Pursuant to a depositary agreement entered into among the Fund Manager and the Depositary (the “**Depositary Agreement**”), the key responsibilities of the Depositary are:

- a) to monitor the cash flows of the Fund (ensuring in particular that all payments made by or on behalf of Participants upon the subscription for Participations have been received and that all cash of the Fund has been booked in cash accounts opened in the name of the Legal Owner on behalf of the Fund or in the name of the Fund Manager acting on behalf of the Fund or in the name of the Depositary acting on behalf of the Fund with the proper entity);
- b) to provide safe-keeping of the Fund Assets (i.e. custody for financial instruments that can be held in a financial instruments account or that can be physically delivered to the Depositary, and verification of the ownership by the Legal Owner of all other assets);
- c) to verify the compliance of the Fund Manager with the Fund Documents and the Law;
- d) to ensure that the value of the Participations is calculated in accordance with the Fund Documents and the Law;
- e) to verify that appropriate procedures are established and applied for the valuation of the Fund Assets; and
- f) to perform various oversight duties with regards to issue and redemption of Participations, remission of consideration for transactions by the Fund, application of income by the Fund.

The Depositary Agreement contains no option for the Depositary to transfer or re-use the Fund Assets.

The Depositary shall delegate the safekeeping of financial instruments that can be held in custody in accordance with art 21(11) of the AIFMD to the Custodian. No conflicts of interest is expected to arise from such delegation.

In acting as a depositary (*bewaarder*) of the Fund within the meaning of article 4:37h FSA, the Depositary shall act solely in the interests of the Participants. The Depositary will not be exclusively dedicated to the Fund and may perform any other activities for the Fund than those referred to above or depositary duties for other funds or fund managers.

### 6.3.3 *Liability of the Depositary and Indemnification, Termination*

The Depositary shall be liable towards the Fund or the Participants for a loss suffered by them resulting from the Depositary's negligent or intentional failure to properly fulfil its obligations in accordance with article 21(12) of the AIFMD. The Depositary shall be liable towards the Fund or the Participants for any loss by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated.

Pursuant to a written agreement between the Depositary and the Custodian, the Depositary may transfer the liability for the loss of financial instruments held in custody to the Custodian and therefore the Custodian may be held liable by the Fund Manager or by the Depositary on behalf of the Fund Manager for the loss of financial instruments held in custody, the custody of which has been delegated by the Depositary to the Custodian in accordance with article 21(11) AIFMD (the "**Losses**"). Notwithstanding the foregoing, the Custodian shall not be liable for any Losses arising out of or in connection with or caused directly or indirectly by any acts or omissions of the Depositary.

Subject to certain restrictions set forth in the Depositary Agreement, the Depositary will be indemnified out of the Fund Assets against liabilities and charges incurred in connection with the performance of its duties and services to the Fund.

The Fund Manager reserves the right to, at its own discretion, but with due observance of any applicable terms of the Terms and Conditions and the Depositary Agreement, terminate the Depositary Agreement provided that it appoints a substituting depositary.

## 6.4 **The Administrator**

### 6.4.1 *Introduction*

The Fund Manager has engaged the Administrator to provide, subject to the overall direction of the Fund Manager, certain financial, accounting, administrative and other services to the Fund.

### 6.4.2 *Key Duties*

Pursuant to an administration agreement entered into among the Fund Manager, the Legal Owner and the Administrator (the "**Administration Agreement**"), the Administrator will be responsible, inter alia, for the following matters under the general supervision of the Fund Manager:

- a) the general administration of the Fund Assets and the Fund Obligations;
- b) the calculation of the Net Asset Value and the Net Asset Value per Participation; and
- c) providing information to the Fund Manager enabling the Fund Manager to comply with financial and regulatory reporting obligations.

The Administrator will not provide any investment advisory or management services and therefore will not be in any way responsible for the Fund's performance.

### **6.4.3 Indemnification and Termination**

The Administrator will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and services to the Fund, except for those resulting from fraud, willful default (*opzet*), gross negligence (*grove schuld*) or breach of the Administration Agreement. The Fund Manager reserves the right to, at its own discretion, but with due observance of any applicable terms of the Terms and Conditions and the Administration Agreement, terminate the Administration Agreement and/or to appoint a substituting administrator.

### **6.5 The Custodian and the Prime Broker**

The Fund Manager has engaged ABN AMRO Clearing Bank N.V. to provide custody services to the Fund and to hold in custody the relevant Fund Assets pursuant to a custody agreement entered into among the Fund Manager, the Custodian and the Depositary.

The Fund Manager has not engaged a prime broker for the Fund.

### **6.6 Independent Auditor**

Ernst & Young Accountants LLP has been appointed as independent auditor of the Fund. Ernst & Young Accountants LLP is a member of the Netherlands Institute of Chartered Accountants and is under supervision of the AFM based on the Audit Profession Act (*Wet toezicht accountantsorganisaties*).

### **6.7 The Participants and Meetings of Participants**

#### **6.7.1 Introduction**

(Prospective) Participants should realize that they are not permitted to engage in the investment operations of the Fund. Participants have certain information rights vis-à-vis the Fund Manager and the Legal Owner and can participate in the decision making process related to certain key aspects of the organisation of the Fund set forth in this Prospectus and the Terms and Conditions.

#### **6.7.2 Meetings of Participants**

Meetings of Participants will only be held when called by the Fund Manager.

The Fund Manager must call a meeting of Participants (i) as often as the Fund Manager deems necessary in the interest of the Participants, and (ii) in case one (1) or more Participants holding, in total, at least 25% of the outstanding Participations request the Fund Manager in writing to call and hold such meeting, stating the matters to be placed on the agenda for such meeting.

Meetings of Participants will be held in Amsterdam, the Netherlands, or at such other place in the Netherlands as determined by the Fund Manager. Notice for a meeting of Participants will be published on the Fund Manager's website and sent to the (e-mail) addresses of the Participants at least fourteen (14) days prior to the date of the meeting of Participants. Such notice will state the date, time, place and location and the agenda for the meeting and enclose any documents relevant for the meeting.

Each Participant has the right to attend the meeting and to speak at the meeting. A Participant may attend the meeting by proxy, provided that the power of attorney is set forth in writing and prior to the meeting submitted for verification to the chairman of the meeting.

### **6.7.3 Voting by Participants**

To each Participation is attached the right to cast one (1) vote. Resolutions require, as set forth in the Terms and Conditions, either a simple or a qualified majority of the votes that can be cast on all outstanding Participations being exercised in favour of the proposal.

## **6.8 Conflicts of interest**

### **6.8.1 General**

In the business and operations of the Fund, conflicts of interest may arise in respect of investment and divestment transactions, the hiring of services providers as well as other transactions. The Fund's organisational documents will provide for provisions safeguarding the appropriate equitable solution of such conflict of interest situation.

A key role in the resolution of conflict of interest situations will be played by the meeting of Participants, it being understood that except with the prior approval of the Participants by Ordinary Consent the Fund will not directly:

- a) enter into any transaction with the Fund Manager, the Legal Owner, any Participant or any of its or their Affiliates; or
- b) enter into any transaction at non-arm's length terms and conditions.

For the avoidance of doubt, the Fund may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or Affiliates of the Fund Manager or with related party funds.

### **6.8.2 Involvement of the Fund Manager in Other Funds**

The Fund Manager and its Affiliates may advise and manage, and in the future may continue to advise and manage, other clients and/or investment funds having substantially similar fund objectives and investment strategy as those of the Fund.

The Fund Manager and its Affiliates will allocate investment opportunities among such clients and funds on an equitable basis in their good faith discretion, based on the applicable investment guidelines of such investors and funds, portfolio diversification requirements and other appropriate factors.

The Fund Manager may make arrangements with such clients and funds on such terms as it reasonably thinks fit to share income, costs, expenses and liabilities relating to such investments with such clients and funds in proportion to the amounts respectively invested, to equate the rate of return earned from any investment and make such other arrangements as it thinks fit.

## 6.9 **Complaints Procedure**

A Participant can address a complaint related to the Fund, the Fund Manager or any service provider of the Fund to the management board of the Fund Manager in writing (which includes correspondence by e-mail). The Fund Manager will confirm receipt of such complaint and indicate in which manner the complaint will be dealt with within five (5) Business Days of the receipt of such complaint.

## **7 ADMISSION TO THE FUND AND SUBSCRIPTIONS**

### **7.1 Subscriptions**

#### **7.1.1 Conditions**

On any Subscription Date, provided the requirements of the Terms and Conditions have been met, the Fund Manager may, at its sole discretion, issue Participations at the request of a new or existing Participant set forth in a Subscription Form. The Participations shall be issued in Amsterdam, the Netherlands.

#### **7.1.2 Subscription Price and Subscription Costs**

The Subscription Price of a Participation is equal to the Net Asset Value per Participation as at the Valuation Date immediately preceding the applicable Subscription Date. The Total Subscription Price is the applicable Subscription Price multiplied by the number of issued Participations. The minimum Total Subscription Price is EUR 100,000 per Participant. This minimum subscription requirement may be waived by the Fund Manager in its sole discretion.

Up to and including the Closing Date, Participations are offered at a price of EUR 1,000 per Participation. After the Closing Date, the Participations are offered at a price based on Net Asset Value per Participation as at the Valuation Date immediately preceding the applicable Subscription Date.

In case a Participant has paid an amount exceeding the Total Subscription Price, this amount will be repaid to the Participant.

#### **7.1.3 Procedure**

Applications for Participations must be made by submitting a duly signed and completed Subscription Form to the Administrator at least ten (10) days before the relevant Subscription Date as per which the applicant wishes to receive Participations.

Payment of the Total Subscription Price must be received in Euro in the bank account of the Legal Owner as specified in the Subscription Form at least ten (10) Business Days before the relevant Subscription Date as per which the applicant wishes to receive Participations (please refer to the Subscription Form for further payment details and instructions).

If either (i) the signed and completed Subscription Form, or (ii) the Total Subscription Price has not been received timely, no Participations will be issued and the application shall be retained until the next Subscription Date (for the avoidance of doubt, no interest shall be due). In that case, the Net Asset Value per Participation on the Valuation Date immediately preceding that Subscription Date shall be the basis for the determination of the Subscription Price for any Participations issued as per that Subscription Date, subject to receipt of (i) and (ii).

The Fund Manager may decide, at its sole discretion, to (i) accept Subscription Forms which are not received timely (but not later than on the Valuation Date immediately preceding the relevant Subscription Date) and (ii) accept an application for Participations in case of overdue payment,

provided that the Total Subscription Price has been received on the Business Day prior to the relevant Subscription Date.

The Fund Manager reserves the right to accept or reject any application in whole or in part at its absolute discretion. When an application is rejected, the amount paid on application or the balance thereof (as the case may be) will be returned (without interest) as soon as practicable.

Completed applications are irrevocable once the relevant Subscription Form has been received by the Administrator and the Total Subscription Price has been received in the bank account of the Legal Owner. Upon issuance of the Participations in satisfaction of an application, the Administrator will confirm the number and value of the Participations so issued. For the avoidance of doubt, the Participations subscribed to prior to the Closing Date, shall be issued on the Closing Date.

Should the Total Subscription Price not be paid to the bank account of the Legal Owner in Euro, the Fund will convert the relevant currency into Euro at the expense of the Participant. Payment for Participations may only be made from a bank account held in the name of the Participant at a bank with head office in a member state of the European Union or the European Economic Area.

An acknowledgement of receipt will be sent by the Administrator to the subscribing Participant within five (5) days upon receipt of the relevant executed Subscription Form. A detailed confirmation will be despatched within five (5) Business Days after the Net Asset Value calculation is finalised, containing details of the Subscription Price (estimated to the extent necessary) and the number of Participations. A revised confirmation will be issued, if necessary, once the subscription is confirmed. The confirmations are sent by the Administrator, on behalf of the Manager and the Depositary.

Example of a subscription:

<b>Date</b>	<b>Action / Moment</b>
18 June	The Administrator receives the fully executed Subscription Form from the Participant.
19 June	The Total Subscription Price is paid to the bank account of the Legal Owner.
24 June	The Administrator sends an acknowledgement of receipt to the Participant.
30 June	Valuation Date.
1 July	Subscription Date; the Participant is issued Participations as of this day.
24 July	The Administrator determines the Net Asset Value as of 30 June.
29 July	The Administrator sends the confirmation to the Participant.

Issue of Participations may under circumstances be suspended by the Fund Manager (as described in further detail in article 14.1 of the Terms and Conditions).

## 7.2 Participant Representations and Warranties and Prevention of Money Laundering

### 7.2.1 Representations and Warranties

The Subscription Form requires each applicant for Participations to make certain representations and warranties to the Legal Owner and the Fund Manager.

Persons subscribing on behalf of others, such as nominees, securities giro's and feeder and custody entities, will need to represent to the Fund Manager and the Legal Owner in an addendum to the Subscription Form certain additional representations, including but not limited to compliance with know your customer (KYC) and anti-money laundering (AML) rules.

### 7.2.2 Prevention of Money Laundering and Financing of Terrorism

Measures aimed at the prevention of money laundering and financing of terrorism will require each applicant for Participations to evidence its identity to the Administrator (“**KYC requirements**”). The procedure used by the Administrator is stated in the Subscription Form and is compliant with the Dutch Act on the prevention of money laundering and financing of terrorism (*Wet ter voorkoming van witwassen en financieren van terrorisme*) summarized in **Schedule 3** attached hereto.

The Administrator reserves the right to request such other information as is necessary to verify the identity of an applicant. Pending the provision of evidence satisfactory to the Administrator as to the identity, the evidence of title in respect of interests may be retained at the absolute discretion of the Administrator. If, within a reasonable period of time following a request for verification of identity, the Administrator has not received evidence satisfactory to it as mentioned above, the Fund Manager may, in its absolute discretion, refuse to allot the Participations applied for in which event the subscription proceeds will be returned without interest and/or less any other costs incurred by the Fund relating to the transaction of the applicant to the account from which such proceeds were originally debited.

In the event that changes in KYC requirements occur either in policy or in legislation after an investor's have been allotted, investors will be obliged to provide additional KYC documentation to satisfy such changed requirements within a reasonable period of time following a request for such additional documentation. Any investor who does not or cannot provide the additional KYC documentation may be forcibly redeemed from the Fund in accordance with the mandatory redemption provisions as set forth in the Terms and Conditions.

Investors should be aware that the Total Subscription Price will be at risk once it has been invested in the Fund. An investor's failure to comply with applicable KYC requirements may result in the return of an amount lower than the Total Subscription Price.

## **8 TRANSFER AND REDEMPTION OF PARTICIPATIONS**

### **8.1 Introduction**

Participations are not listed on a regulated stock exchange nor does the intention exist to apply for such listing in the foreseeable future. No developed unregulated market for Participations exists and no party has been instructed by the Fund or the Fund Manager to maintain a market for Participations. A transfer of Participations is not possible. Though the Fund is in principle, subject to a six (6) months lock-up period, obliged to redeem Participations at the request of a Participant, the Fund will under circumstances not be able and/or not obliged to do so.

Participations therefore might be a less liquid investment as expected by a Participant and (prospective) Participants should take into account that under circumstances they cannot liquidate such numbers of their Participations at such moments as they intend to.

### **8.2 Transfer of Participations**

A Participant cannot transfer its Participations.

### **8.3 Redemption of Participations at the Request of a Participant**

Subject to a six (6) months lock-up period, on any Redemption Date, provided the requirements of the Terms and Conditions have been met, the Fund Manager will redeem Participations at the request of a Participant sent in writing to the Administrator.

The Fund is not obliged to redeem more than 50% of the issued and outstanding Participations outstanding on any Redemption Date.

The minimum Net Asset Value to be redeemed subject to one redemption request should at least be equal to EUR 10,000 or ten (10) Participations, unless otherwise determined by the Fund Manager in its sole discretion.

The Fund Assets, including, for the avoidance of doubt, any bridge financing, will be sufficiently liquid to, under normal circumstances, allow the Fund to redeem Participations as requested by its Participants for at least 10% of the assets managed.

#### **8.3.1 *Redemption Price and Costs of Redemption***

Participations will be redeemed at a price equal to the Net Asset Value of the relevant Series on the Valuation Date immediately preceding the Redemption Day on which redemption is effected. Until the respective Redemption Day, the Participant remains beneficially entitled to the Fund Assets and Fund Obligations pro-rata to the number of its Participations.

The Redemption Price of a Participation is equal to the Net Asset Value per Participation as at the Valuation Date immediately preceding the applicable Redemption Date. The Total Redemption Price is the applicable redemption price multiplied by the number of redeemed Participations.

In order to determine the net amount due by the Fund to a Participant in consideration for the redemption of Participations (the Total Redemption Amount), the Total Redemption Price will be reduced by the Redemption Charge. The Redemption Charge is for the benefit of the Fund.

### 8.3.2 *Procedure*

Applications for the redemption of Participations should be submitted to the Administrator by means of a duly signed Redemption Notice specifying the details of the redemption at least thirty (30) calendar days before the relevant Redemption Date. Redemption Notices are irrevocable once received by the Administrator.

If the Redemption Notice has not been received timely, the application shall be retained until the next Redemption Date. In that case, the Net Asset Value per Participation as at the Valuation Date immediately preceding that next Redemption Date shall be the basis for the determination of the Redemption Price for any Participations redeemed as per that Redemption Date.

The Fund Manager may decide, at its sole discretion, to accept Redemption Notices which are not received timely (but not later than on the relevant Redemption Date).

The Total Redemption Amount will normally be paid to the redeeming Participant within five (5) Business Days after the release of the Net Asset Value of the applicable Redemption Date, unless exceptional circumstances occur, in which case the consideration will be paid at the earliest possible Business Day thereafter.

An acknowledgement of the receipt of the Redemption Notice will be sent by the Administrator to the redeeming Participant within five (5) Business Days upon receipt thereof. A detailed confirmation will be despatched within five (5) Business Days after the Net Asset Value calculation is finalised, containing details of the Total Redemption Price (estimated to the extent necessary), the Redemption Charge (estimated to the extent necessary) and the total Redemption Amount (whether estimated or otherwise). A revised confirmation will be issued, if necessary, when the redemption is confirmed.

Example of a redemption:

<b>Date</b>	<b>Action / moment</b>
20 May	The Administrator receives the Redemption Notice from a Participant.
25 May	The Administrator sends an acknowledgement to the Participant.
30 June	Valuation Date.
1 July	Redemption Date; the relevant Participations are redeemed as of this date.
24 July	The Administrator finalises the calculation of the Net Asset Value as of 30 June.
28 July	The Administrator sends the redemption confirmation to the Participant; the redemption proceeds are paid to the Participant.

### **8.3.3 *Suspension of Redemption***

The Fund Manager may suspend the redemption of Participations if:

- a) the determination of the Net Asset Value has been suspended (see Section 10.2);
- b) a state of affairs exists which constitutes a state of emergency as a result of which the sale of Fund Assets would, in the sole opinion of the Fund Manager, not be practical or would negatively affect the rights of other Participants;
- c) the Participant did not act in compliance with applicable legislation or these Terms and Conditions;
- d) for whatever reason, the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained; or
- e) relevant exchanges are not open for business or the sale of Fund Assets is otherwise restricted or suspended.

### **8.4 *Mandatory Redemption of Participations***

The Fund Manager and the Legal Owner shall under certain extraordinary circumstances as set forth in the Terms and Conditions and with due regard to the general provisions and conditions relating to redemption of Participations be entitled to redeem all (but not part of) the Participations of any Participant.

## **9 COSTS AND EXPENSES**

### **9.1 Introduction**

In this Section 9 all costs and expenses related to the organisation, management and transactions of the Fund which will be paid by or charged to the Fund and accordingly result in a reduction of the Fund's Net Asset Value are described.

This Section does not refer to costs and fees charged to the Participants by the Fund upon a redemption of Participations (for these costs and fees see Section 8) or by their own service providers in connection with an envisaged investment in or divestment from the Fund (like fees and costs charged to a Participant by its advisors, banks or brokers).

All costs referred to in this Section will be allocated to the period to which they relate. Unless indicated otherwise, all costs will be brought at the charge of the Fund's profit and loss account.

All amounts and percentages mentioned in this Section 9 are exclusive of Dutch or foreign value added tax (VAT), if due. Under present legislation, the Fund cannot deduct VAT charged to the Fund.

### **9.2 Cost Categories**

#### **9.2.1 *Transaction costs***

Transaction costs inter alia include all costs of sourcing, evaluating, making, holding or disposing of Fund Assets, including, but not limited to, brokerage fees, (other) transaction costs and expenses and interest on investment-related borrowings. All transaction costs shall be borne by the Fund and be brought at the charge of the Fund's profit and loss account.

The Fund Manager will select transactional service providers on the basis of various considerations, such as quality, promptness of performance of services and fee rates. Fee rates may not exceed market standard rates. The total amount of transaction costs from time to time is variable and depends on the number and size of transactions and applicable rates.

#### **9.2.2 *Fund Operational Costs***

Fund operational costs inter alia include, but are not limited to all costs of legal, tax, administrative, accounting, audit, reporting, legal ownership and similar services and advices provided to the Fund and all costs of communications with and meetings of the Participants. All operational costs shall be borne by the Fund and be brought at the charge of the Fund's profit and loss account.

The Fund will pay to the Legal Owner in remuneration of its service to the Fund, limited to the holding of the legal ownership of Fund Assets, an annual fee equal to EUR 6,500 if the Fund Assets are below EUR 10 million and an annual fee equal to EUR 12,500 if the Fund Assets are above EUR 10 million, payable as of the last calendar day of each month.

The Fund will pay to the Depositary in remuneration of its service to the Fund, limited to AIFMD depositary duties, an annual fee equal to 0.014% of the Net Asset Value (i.e. 1.4 basis points), subject to a minimum of EUR 16,500 (excluding VAT and office surcharge). The Fund will pay the

Administrator in remuneration for its services to the Fund, the following fee per annum (excluding VAT) with a minimum fixed fee of EUR 7,500:

<b>Fund Assets</b>	<b>Fee (in % NAV)</b>
< EUR 10 million	0,175%
EUR 10 – EUR 30 million	0,150%
EUR 30 – EUR 50 million	0,120%
> EUR 50 million	0,100%

The Administrator will charge additional fee of EUR 5,000 (excluding VAT) for the preparation of the annual report.

For FATCA related services the Administrator will charge the Fund an annual fixed fee of EUR 6,000 (Excluding VAT).

The Fund will pay to Ernst & Young Accountants LLP in remuneration of its service to the Fund, an estimated fee equal to EUR 11,000 (excluding VAT) for its first reporting period. This fee will increase depending on the volume and the growth of the Fund in the future. Prospectus updates will be charged at a fee of between EUR 2,000 and EUR 3,000.

### 9.2.3 **Management Fee**

The Fund Manager is entitled to an annual Management Fee equal to 1% of the Net Asset Value excluding (i.e. before deduction of) the Management Fee, as at the last Business Day of each calendar month, payable monthly in arrears out of the Fund Assets. Any changes to the Management Fee are subject to the prior approval of the Fund Manager and the Legal Owner.

For the avoidance of doubt the Fund shall not bear the cost of remunerating any employee of the Fund Manager or any of its Affiliates or any office rental, utilities or office equipment or other overhead or travel costs of any of their respective personnel, it being acknowledged that the Management Fee is intended to compensate the Fund Manager for such costs.

### 9.2.4 **Incentive Fee**

An Incentive Fee shall be payable by the Participants of the relevant Series to the Fund Manager calculated and out of each Series in respect of each financial year. The Incentive Fee shall be equal to 5% of the increase of the Net Asset Value per Participation over the High Water Mark per Participation of the relevant Series. The Incentive Fee is calculated and measured as at the last Business Day of each calendar month, and payable annually after the end of the financial year of the Fund or at redemption, as applicable.

In calculating the Incentive Fee in an absolute amount: (i) an equitable adjustment shall be made for Participations subscribed and redeemed during the financial year; and (ii) any distributions paid to Participants during the financial year shall be added. This is being done to treat all Participants

equally. It requires the Fund to issue a new Series of Shares ("Series") each time there is a subscription within the Fund. The Incentive Fee in respect of the relevant outstanding Participations of the Series shall be payable to the Fund Manager as to 90% of the estimated amount thereof one (1) month after the end of the relevant financial year. The balance shall be payable within fourteen (14) days following completion of the audit of the accounts for the relevant financial year. On redemption of Participations during a financial year an amount equal to any accrued Incentive Fee in respect of such Participations shall be deducted from the Redemption Price and due to the Fund Manager.

No Incentive Fee is charged when the Net Asset Value, including distributions, at the end of the calendar year is below the highest Net Asset Value at year-end of any of the previous financial years of the Fund.

For the avoidance of doubt, the Fund Manager shall not be required to return any amount of the Incentive Fee in the event of any decrease of the Net Asset Value subsequent to the end of the relevant financial year.

#### **9.2.5 Custody Fee**

The Custodian is entitled to an annual custody fee of 0.05% of the Net Asset Value (expressed as a percentage of the Fund's average Net Asset Value for the year concerned).

#### **9.2.6 Organisational Expenses**

The Fund Manager has charged the organisational and establishment costs (other than the costs otherwise described in this Prospectus) to the Fund Assets. Expenses in connection with the establishment of the Fund and organisational costs of the Fund, are paid out of the Fund Assets, including (but not limited to) legal, accounting and tax advisory fees, incorporation expenses and travel costs.

The establishment costs (set-up costs) have been activated and written off over a period of three (3) years from the establishment of the Fund and are no longer charged to the Fund.

#### **9.2.7 Reporting Fund Costs**

Additional costs concerned with the Reporting Fund requirements of the Class B Participations, including annual tax reporting costs for the purpose of acquiring and maintenance of the Reporting Fund status of the Class B Participations, estimated at GBP 5,000, may be charged by the Fund Manager to the holders of the Class B Participations (and, for the avoidance of doubt, shall never be charged to the holders of the Class A Participations).

#### **9.2.8 Costs Related to Investments in Investee Funds**

Costs related to investments in Investee Funds include the subscription price for Investee Funds Interests.

In respect of the Investee Funds, a management fee up to 2% per annum may be charged at the level of such Investee Funds and a performance fee up to 20%.

In addition, the following fixed and variable fees and costs may be charged at the level of the Investee Funds: custodian and administrative fees, advisory fees, organizational expenses, agency fees, transaction costs, operational costs, secretarial services fee, accounting fees, etc. In implementing the investment strategies, allocations may be made by a number of methods, including investment funds, managed accounts and other investment vehicles. Accordingly, further fees and expenses are likely to be incurred at the level of such investment funds, managed accounts and other investment vehicles.

Subscription price for Investee Funds Interests shall be borne by the Fund and be brought at the charge of the Fund's profit and loss account. Other costs related to investments in Investee Funds shall be paid out of such relevant Investee Fund's assets.

### 9.2.9 *Ongoing Charges Figure*

The ongoing charges figure (OCF) is the total amount of the costs of the Fund incurred in a year - except for transaction costs, interest costs and costs related to the issue and redemption of Participations that are chargeable to the net assets of the Fund - expressed as a percentage of the Fund's average Net Asset Value for the year concerned. The OCF will be calculated at the end of each financial year and published annually in the Fund's annual reports.

The below table illustrates the expected OCF of the Fund (based on EUR 14.5 million of assets under management):

<b>Ongoing Charges Figure estimation (based on Euro 14.5 million AUM)</b>	
Investment Management	1%
Administrator	0.20%
Legal Owner	0.13%
Audit	0.13%
Custody Fee	0.04%
Depositary Fee	0.14%
Other expenses	0.21%
<b>Strategy One Fund Level (ex performance fee)</b>	<b>1.86%</b>
<b>Investee Fund Level (ex performance fee)</b>	<b>1.17%</b>
<b>Total (ex performance fee)</b>	<b>3.03%</b>

## **10 VALUATION, REPORTING AND INFORMATION DISCLOSURE**

### **10.1 Valuation Principles**

The Fund Manager shall value the Fund Assets and Fund Obligations in accordance with Dutch GAAP and valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Funds, as further set forth in article 19 of the Terms and Conditions. The Fund Manager has delegated the calculation of the Net Asset Value to the Administrator.

To ensure valuations received from administrators of the Investee Funds are appropriate, valuations are reviewed by the Fund Manager (or the Administrator), based on the previous valuation received and other relevant information. Valuations that deviate materially from the previous valuation are further analysed and if needed discussed with the manager or administrator of the relevant Investee Fund.

### **10.2 Reporting to Participants**

#### **10.2.1 *Financial year***

The financial year of the Fund shall begin on the first day of January and end on the thirty first day of December of the next calendar year.

#### **10.2.2 *Reporting on Net Asset Value***

Subject to certain exception grounds set forth in the Terms and Conditions, the Fund Manager shall as per last calendar day of each month determine the Net Asset Value and the Net Asset Value per Participation. The Net Asset Value shall be expressed in Euro and be determined in accordance with the Fund's valuation principles referred to above.

The Fund Manager has delegated the determination of the Net Asset Value and the Net Asset Value per Participation to the Administrator. In determining the Net Asset Value of the Fund and the Net Asset Value per Participation, the Administrator will follow the valuation policies and procedures adopted by the Fund as set out above.

The Fund Manager may declare a suspension of the determination of the Net Asset Value and the Net Asset Value per Participation:

- a) if one or more stock exchanges on which Fund Assets are listed (or on which securities which belong to the assets of a collective investment scheme in which the Fund is invested are listed directly or indirectly), are closed on other days than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;
- b) if the communication means or calculation facilities normally used to determine the Net Asset Value no longer function or if, for any other reason, the value of a Fund Asset or Fund Obligation, cannot be determined with the speed or accuracy desired by the Fund Manager;
- c) if there are factors relating to the political, economic, military or monetary situation that make it impossible for the Fund Manager to determine the Net Asset Value; or
- d) if a resolution to liquidate the Fund is passed; or

- e) if the management board of an Investee Fund suspends the determination of the net asset value of the relevant Investee Funds Interests, as applicable.

When the Fund Manager is unable to determine the Net Asset Value and the Net Asset Value per Participation, the Participants will be informed hereof. The Fund Manager has established a Valuation Committee and has assigned a Valuation Officer as well. The Valuation Committee is responsible for valuations and issues regarding valuations.

In case of errors in the calculation of the Net Asset Value, the Fund Manager will as soon as possible prepare a report on the errors that were made and which correction will need to be made to the Net Asset Value. If a correction is required of more than 0.5% of the Net Asset Value, and a Participant incurred a loss by an allocation or redemption against the erroneously calculated Net Asset Value, the Fund will provide compensation (in cash or in Participations) for the relevant Participant for the actual loss incurred. The compensation will be paid out of the Fund Assets.

As soon as reasonably practicable following the calculation of the Net Asset Value, a statement on the Net Asset Value of the Fund as per last Business Day of each month shall be published on the Fund Manager's website.

The full valuation policy is described in the Handbook of the Fund Manager.

### **10.2.3 Annual Reporting**

Within six (6) months after the end of each financial year of the Fund, Fund Manager shall, in accordance with the applicable legal requirements, prepare and publish the Fund's annual accounts (consisting of at least a balance sheet, profit and loss account and explanatory notes), annual report and other information for such financial year.

The annual accounts shall be drawn up in accordance with the applicable provisions of Title 9 of Book 2 of the Dutch Civil Code and published on the Fund Manager's website.

The Fund Manager will provide the Participants upon request and free of charge with copies of the annual accounts and the annual report notwithstanding their compliance with other publication requirements under applicable laws. In addition, the Participants of Class B will be provided with an overview pursuant to the UK Reporting Status Regime.

### **10.2.4 Other Information**

The license provided to the Fund Manager pursuant to article 2:65 FSA and the Terms and Conditions shall be available for inspection at the office of the Fund Manager. A copy of the Terms and Conditions shall be provided by the Fund Manager upon request free of charge and shall be published on the Fund Manager's website. A copy of the Fund Manager's license and the Depositary Agreement shall be provided by the Fund Manager upon request at cost price.

Information regarding the Fund Manager, the Legal Owner and the Depositary from the Trade Register of the Netherlands shall be provided by the Fund Manager upon request at cost price.

A copy of the monthly report published on the Fund Manager's website containing information on the total value of the Fund's investments, the amount of outstanding Participations, the Net Asset Value per Participation in the relevant Series and composition of the investment portfolio shall be provided by the Fund Manager upon request at cost price.

A copy of the quarterly report published on the Fund Manager's website containing information on the Net Asset Value per Participation in each Series and details of the performance of each Series over the previous quarter, over the year to date and since the Commencement Date, shall be provided by the Fund Manager upon request at cost price.

#### **10.2.5 Information Regarding Investee Funds**

The Fund Manager, the Legal Owner and/or the Custodian, shall on behalf of the Fund in its capacity of the holder of the legal ownership of Investee Funds Interests, be entitled to receive and/or inspect documents which Investee Funds shall make available for the holders of interests in such Investee Funds. The Fund Manager may upon request and with the prior consent of the investment manager of the relevant Investee Fund provide certain information related to the Investee Funds to which 20% or more of the assets of the Fund are allocated to Participants at cost price.

#### **10.2.6 Liquidity Risk**

The Fund Manager employs an appropriate liquidity risk policy and has adopted procedures which enable it to monitor the liquidity risk of the Fund and to ensure that the liquidity profile of the investments of the Fund complies with their underlying obligations. Prior to making an investment, as part of the initial analysis, a liquidity assessment shall take place. The liquidity profile of the relevant investment shall be compared with the liquidity profile of the Fund. The developments in the liquidity profile of the existing investments shall be assessed during the ongoing investment monitoring process. Moreover, the Fund Manager can restrict redemptions on certain conditions as set out in the Terms and Conditions.

As and when relevant, the Fund Manager shall quarterly disclose the following to the Participants:

- a) the percentage of the Fund Assets which are subject to special arrangements arising from their illiquid nature;
- b) any new arrangements for managing the liquidity of the Fund; and
- c) the risk profile of the Fund and the risk management systems employed by the Fund Manager to manage those risks.

#### **10.2.7 Historical Performance, Latest Annual Report and Net Asset Value of the Fund**

The historical performance of the Fund, the latest Net Asset Value and the latest annual report of the Fund as at the date of this Prospectus are set forth in Schedule 4 attached hereto.

#### **10.2.8 The U.S. Foreign Account Tax Compliance Act**

Under the U.S. Foreign Account Tax Compliance Act ("FATCA"), the United States will impose a withholding tax of 30 per cent on certain U.S. sourced gross amounts not effectively connected with

a U.S. trade or business paid to certain “Foreign Financial Institutions”, including the Fund, unless some information reporting requirements are complied with.

The Fund will use reasonable efforts to satisfy any obligations imposed on it in order to avoid the imposition of this withholding tax (except with respect to the interest of “recalcitrant account holders” as described in §1.1471-5(g)(2) of the Foreign Account Tax Compliance Act). A fund’s ability to satisfy its obligations under an agreement with the U.S. Internal Revenue Service (“IRS”) will depend on each participant of such fund providing the fund with any information, including information concerning the direct or indirect owners of such participant, that the fund determines is necessary to satisfy such obligations. Any such information provided to a fund will be shared either with the local tax authority or the IRS, depending on the Model of the Intergovernmental Agreement. An investment fund that is classified as subject to FATCA requirements will be required to register with the IRS and obtain a Global Intermediary Identification Number (“GIIN”) and agree to have policies and procedures in place to identify certain direct and indirect U.S. account holders or equity holders. For these purposes the Fund would fall within the definition of a foreign financial institution (“FFI”) for the purpose of FATCA.

Each prospective Participant agrees by signing the Subscription Form to provide such information upon request from the Fund Manager or the Administrator. If a fund fails to satisfy such obligations or if a participant of a fund fails to provide the necessary information to such fund, as applicable, payments of U.S. source income and payments of proceeds will generally be subject to a 30 per cent withholding tax.

The Fund may exercise its right to completely redeem a participant that fails to provide the Fund or the Administrator with the requested information in order for the Fund to satisfy its FATCA obligations, and the Fund may take any other action deemed necessary in relation to a participant’s shares or redemption proceeds to ensure that such withholding is eventually borne by the relevant participant whose failure to provide the necessary information gave rise to the withholding tax. Each prospective Participant in the Fund should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

The Fund will endeavour to satisfy the requirements imposed on the Fund by FATCA to avoid the imposition of FATCA withholding tax. However, there can be no guarantee or assurance that the Fund will comply with all the requirements imposed by FATCA. In the event that the Fund is not able to comply with the requirements imposed by FATCA and the Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value may be affected and the Fund may suffer loss as a result.

#### *The Common Reporting Standard*

The Netherlands is one of multiple jurisdictions which have agreed to the automatic exchange of financial account information on the basis of the standard published by the Organisation for Economic Co-operation and Development (the “Common Reporting Standard” or the “CRS”). Financial institutions resident in jurisdictions which have agreed to the CRS, should report certain account holder information to their local tax authorities who will then exchange such information with countries where account holders are tax residents. It can provide timely information on non-

compliance where tax has been evaded, particularly where tax administrations have had no previous indications of non-compliance.

For the purposes of efficiency, the CRS was deliberately built on the framework of FATCA and replicates many of its principles, although there is no withholding tax regime or requirement for reporting financial institutions to register with Foreign Tax Authorities (as defined below). Furthermore, certain CRS client classification, due-diligence and reporting requirements differ from or are more expansive to those deriving from FATCA. Further inter-governmental agreements will therefore be entered into with other third countries by the Dutch government from time to time to enable reporting to such third countries' tax authorities ("Foreign Tax Authorities") as provided in the CRS.

By investing or continuing to invest in the Fund, Participants shall be deemed to acknowledge that:

- a) the Fund is considered to (i) be a reporting financial institution under the CRS and the Fund (or its agent) will be required to disclose to the competent tax authority of the Netherlands certain confidential information in relation to the Participant, including but not limited to the Participant's name, address, tax identification number (if any), social security number (if any) and certain information relating to the Participant's investment;
- b) the competent tax authority of the Netherlands will be required to automatically exchange information as outlined above with the Foreign Tax Authorities;
- c) the Fund (or its agent) will be required to disclose to the Foreign Tax Authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
- d) the Fund may require the Participant to provide additional information and/or documentation which the Fund will be required to disclose to the competent tax authority of the Netherlands;
- e) in the event a Participant does not provide the requested information and/or documentation, whether or not that actually leads to breach of the applicable laws and regulations by the Fund, a risk for the Fund or the Fund's Participants being subject to withholding tax or penalties under the relevant legislative or inter- governmental regimes, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the Participant concerned;
- f) no Participant affected by any such action or remedy shall have any claim against the Fund (or its agent, including the Administrator) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with the CRS, any further inter-governmental agreements or any of the laws and regulations related to the CRS; and
- g) all information to be reported under CRS will be treated as confidential and such information shall not be disclosed to any persons other than the competent tax authority of the Netherlands and the Foreign Tax Authorities or as otherwise required by law.

Participants should ensure that their tax affairs are compliant with the laws and regulations applicable in their jurisdiction(s) of residence and/or citizenship (as applicable).

## **11 DISTRIBUTIONS**

### **11.1 Distributions Policy**

Frequent and regular distributions of Net Proceeds (including profit distributions) by the Fund are not intended nor anticipated. However, the Fund Manager may, at its sole discretion and at any time, decide to distribute any Net Proceeds. It is expected that the Fund Manager will especially do so if the Fund Manager is of the opinion that there are no sufficient suitable investment opportunities to achieve the Fund Objectives. All distributions (including profit distributions) to the Participants will be made pro rata to the number of Participations held by each Participant.

Any distribution (including profit distributions) to the Participants, including the amount, composition and manner of payment, shall be published on the Fund Manager's website.

Participants investing in the Class B Participations should note that income may be reported to them under the United Kingdom Reporting Fund rules. Such reported income may be subject to tax even though it is not physically distributed to them.

### **11.2 Form of Distributions**

Distributions of Net Proceeds (including profit distributions) will be made in cash or in kind as further described in article 21.2 of the Terms and Conditions.

## **12 TAXATION ASPECTS**

### **12.1 Introduction**

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a Participant, and does not purport to deal with the tax consequences applicable to all categories of Participants. The tax and other matters described in this Prospectus do not constitute, and should not be considered as, legal or tax advice to prospective Participants. Participants should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Participations.

### **12.2 Taxation of the Fund**

The Fund qualifies as a transparent or “closed” fund for joint account Dutch tax purposes, since, Participations can only be transferred to the Fund itself since according to the Terms and Conditions, a transfer of Participations is not possible (reference is made to article 17 of the Terms and Conditions) and Participations can only be redeemed by the Fund (i.e., on the basis of article 15 of the Terms and Conditions).

Consequently, pursuant to article 2(2) CITA the Fund does not qualify as a taxable entity. Tax is therefore levied on the results and revenue of the investment at the level of the Participants and not at the level of the Fund itself. This implies that for Dutch tax purposes the Fund’s results are directly allocated to the individual Participants in accordance with the size (and, if applicable, the duration) of their pro rata investment.

### **12.3 Withholding Taxes**

Distributions by the Fund are not subject to Dutch dividend withholding tax as a consequence of its transparency for tax purposes. Due to its transparency, the Fund itself is not entitled to any credit or refund of Dutch dividend withholding tax or (non-reclaimable) foreign withholding taxes withheld on dividends and interest received, nor can the Fund claim any benefits under a tax treaty concluded by the Netherlands with other states.

The tax transparency of the Fund also implies that any dividend withholding tax and foreign withholding taxes withheld on its investments are allocated to the Participants, *i.e.*, on a pro rata basis. In principle, such withholding taxes may be set off by the Participants, whereby the conditions that apply are the same as would be the case for a direct investment (pro rata) by the relevant Participant.

Several countries<sup>1</sup> have confirmed that they will disregard a Dutch tax transparent mutual fund for withholding tax purposes.

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<sup>1</sup> including Australia, Austria, Belgium, Denmark, Ethiopia, Germany, Norway, South Africa, Switzerland, Taiwan, the United Kingdom and the United States.

#### 12.4 ***United Kingdom Participants***

Class B Participations qualify as a “Reporting Fund” for United Kingdom tax purposes as of 1 July 2013.

Each class of Participation will be deemed to constitute a transparent “offshore fund” for the purposes of the United Kingdom’s offshore fund legislation. Under this legislation, if the Fund in respect of the Class B Participations holds interests in other offshore funds which are not approved as Reporting Funds and such interests amount to more than 5% by value of the total assets attributable to the Class B Participations, any gain arising on the sale, redemption or other disposal of Class B Participations by persons who are resident or ordinarily resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where a fund is registered with the HM Revenue & Customs as a Reporting Fund throughout the period during which the relevant interests have been held.

In order for the Class B Participations to qualify as a Reporting Fund, the Fund Manager has applied to HM Revenue & Customs for registration of the Class B Participations under the Reporting Fund regime, and for each accounting period the Fund must report to investors 100% of the net income attributable to the Class B Participations, as computed in its accounts, such report being made within six months of the end of the relevant accounting period. As the Class B Participations will be a transparent offshore fund for United Kingdom tax purposes, United Kingdom resident Participants will be taxable on the excess (if any) of the income reported to them over their share of the Fund’s underlying income, whether or not the income is actually distributed to them.

Provided the Class B Participations are registered as a Reporting Fund throughout the period during which they are held by a Participant, any taxable gains realised on the disposal or redemption of Class B Participations by Participants which are United Kingdom taxpayers (if any) will be subject to taxation as capital and not as income.

Prospective United Kingdom investors are advised to seek independent taxation advice in relation to a possible investment in Class B Participations.

### **13 POLICY REGARDING VOTING RIGHTS AND VOTING CONDUCT INVESTEE FUNDS**

The Fund Manager, in its capacity of the fund manager of the Fund or the Legal Owner, in its capacity of the holder of the legal ownership of Investee Funds Interests, do not intend to attend the general meetings of shareholders/limited partners/members of the Investee Funds and any relevant sole class or category meetings and to exercise the voting rights attached to such Investee Funds Interests.

## 14 ASSURANCE REPORT

To: the fund manager of Strategy One Fund

### *Our opinion*

In accordance with Section 115x, subsection 1, under e, of the Besluit Gedragstoezicht financiële ondernemingen Wft (BGfo Wft, Decree on the Supervision of the Conduct of Financial Undertakings pursuant to the Act on Financial Supervision ), we have examined the prospectus of the fund manager of Strategy One Fund, Amsterdam.

In our opinion the prospectus dated December 17, 2018 of Strategy One Fund contains, in all material respects, at least the information required by or pursuant to the Wet op het financieel toezicht (Wft, Act on Financial Supervision) for a prospectus of an alternative investment fund.

### *Basis for our opinion*

We performed our examination in accordance with Dutch law, including Dutch Standard 3000A, “Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)” (Assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain reasonable assurance. Our responsibilities in this regard are further described in the Our responsibilities for the examination of the prospectus section of our report.

We are independent of Strategy One Fund and Privium Fund Management B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in The Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Relevant matters relating to the scope of our examination*

Our examination consists of verifying that the prospectus contains the required information, which means we did not examine the accuracy of the information included in the prospectus.

Furthermore, Dutch law does not require the auditor to perform additional assurance procedures with respect to Section 115x, subsection 1, under c, of the BGfo Wft. Pursuant to Section 115x, subsection 1 under c of the BGfo Wft, the prospectus of an alternative investment fund contains the information which investors need in order to form an opinion on the alternative investment fund and the costs and risks attached to it.

Our opinion is not modified in respect of these matters.

### *Responsibilities of the manager for the prospectus*

The manager of the Strategy One Fund is responsible for the preparation of the prospectus that contains at least the information required by or pursuant to the Wft for a prospectus of an alternative investment fund.

Furthermore, the fund manager is responsible for such internal control as it determines is necessary to enable the preparation of the prospectus that is free from material omission, whether due to error or fraud.

Our responsibilities for the examination of the prospectus

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

Our examination has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material omissions in the prospectus due to error and fraud.

We apply the “Nadere voorschriften kwaliteitssystemen” (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our examination included e.g.:

- Identifying and assessing the risks of material omissions of information required by or pursuant to the Wft in the prospectus, whether due to errors or fraud, designing and performing assurance procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material omission resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the manager of the alternative investment fund

Amsterdam, December 17, 2018

Ernst & Young Accountants LLP

Signed by R.J. Bleijs

## **15 DECLARATION OF THE FUND MANAGER**

The Fund Manager declares that the Depositary, the Legal Owner and the Fund Manager itself are compliant with the rules and regulations laid down by and pursuant to the FSA.

The Fund Manager declares that this Prospectus is compliant with the rules and regulations laid down by and pursuant to the FSA.

This Prospectus has been prepared by the Fund Manager. The Fund Manager is responsible for the contents hereof. The information included in this Prospectus, insofar as the Fund Manager could reasonably be aware, is true and no information has been omitted which, if included, would alter the meaning of this Prospectus.

The Prospectus shall be available at the Fund Manager's office. A copy of the Prospectus shall be provided by the Fund Manager upon request free of charge and shall be published on the Fund Manager's website.

**SCHEDULE 1**

**STRATEGY ONE FUND**

ISIN CODE CLASS A PARTICIPATIONS: NL0010187993

ISIN CODE CLASS B PARTICIPATIONS: NL0010556536

**TERMS AND CONDITIONS  
OF  
MANAGEMENT AND CUSTODY**

December 2018

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## **1 DEFINITIONS**

- 1.1 In these Terms and Conditions, except where terms are expressly defined herein, capitalized terms shall have the same meaning given to them in the Prospectus of the Strategy One Fund.
- 1.2 Reference in these Terms and Conditions to any law, statute or statutory instrument or governmental regulation shall be deemed to include any modification, amendment, extension or re-enactment thereof.
- 1.3 References in these Terms and Conditions to "persons" are references to companies, corporations, unincorporated associations, partnerships, all other (corporate) entities (*rechtspersonen*) as well as individuals and natural persons (*natuurlijke personen*).
- 1.4 In these Terms and Conditions the masculine shall include the feminine and the neuter and the singular shall include the plural and vice versa as the context shall admit or require.
- 1.5 In these Terms and Conditions the headings used are for ease of reference only and shall not be deemed to form any part of these Terms and Conditions.

## **2 NAME, LEGAL FORM, TAX AND REGULATORY STATUS**

- 2.1 The name of the Fund is: Strategy One Fund.
- 2.2 The Fund is a fund for joint account (*fonds voor gemene rekening*) organised and existing under the laws of the Netherlands.
- 2.3 The Fund is an investment fund (*beleggingsfonds*) as referred to in article 1:1 of the FSA. The Fund Manager is in possession of an AFM license as referred to in article 2:65(1)(a) FSA, and as a consequence may offer the Fund to professional and non-professional investors within the Netherlands. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.
- 2.4 The Fund is under Dutch law not a legal entity nor a partnership, commercial partnership or limited partnership (*maatschap, vennootschap onder firma or commanditaire vennootschap*), but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owner and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Fund Manager or the Legal Owner for the account and risk of the Participants.
- 2.5 These Terms and Conditions form part of the contractual relationship existing between the Fund Manager, the Legal Owner and each Participant (separately) originating from the execution of the Participant's Subscription Form.
- 2.6 These Terms and Conditions do not form an agreement between any or all Participants among themselves and are not (otherwise) aimed at any cooperation among or between any or all Participants and no provision of these Terms and Conditions shall constitute or be interpreted as constituting any right or obligation existing between any or all Participants *vis-à-vis* each other or as a cooperation agreement (*samenwerkingsovereenkomst*) between the Fund Manager, the Legal Owner and any of the Participants.

- 2.7 A Participant's obligation to pay a consideration for Participations is a commitment (*verbintenis*) to the Legal Owner (represented by the Fund Manager) only. This commitment is no contribution (*inbreng*) or commitment to make contribution to any partnership.
- 2.8 The Fund qualifies as a transparent or "closed" fund for joint account Dutch tax purposes, since Participations can only be transferred to the Fund itself (redeemed) since a transfer of Participations is not possible. Consequently, the Fund does not qualify as a taxable entity. Tax is therefore levied on the results and revenue of the investment at the level of the Participants and not at the level of the Fund itself. This implies that for Dutch tax purposes the Fund's results are directly allocated to the individual Participants in accordance with the size (and, if applicable, the duration) of their pro rata investment.

### **3 TERM**

The Fund is formed for an indefinite period of time but shall terminate upon the occurrence of any of the events set forth in Article 24.1.

### **4 FUND OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS**

- 4.1 The Fund Objective is to deliver attractive risk-adjusted returns to its Participants over a rolling investment horizon of three (3) to five (5) years with an investment vehicle which targets above average returns in the range of 5% to 10% per annum.
- 4.2 The Fund will attempt to accomplish the Fund Objective by investing in a diversified portfolio of stocks and bonds and other securities that are selected on the basis of their potential positive contribution to the Fund's investment objectives, e.g. Investee Funds (including hedge funds or other (alternative) collective investment vehicles).
- 4.3 If the Fund holds investments denominated in currencies other than the Euro, this entails a foreign exchange risk. The Fund Manager may therefore hedge foreign exchange risks if it considers this to be in the interest of the Fund.
- 4.4 The below restrictions will apply to the Fund Assets:
- 4.4.1 The Fund will not invest more than 5% of the Fund Assets in any one stock, except for a publicly quoted fund or publicly traded real estate securities.
  - 4.4.2 The Fund will not invest more than 15% (at cost) of the Fund Assets in any one Investee Fund.
  - 4.4.3 The Fund will not invest more than 20% (at cost) of the Fund Assets in any one bond.
  - 4.4.4 The Fund Manager may not borrow for the account, and at the expense, of the Fund to finance Fund Assets or Fund Obligations or to leverage investments in Fund Assets.
- 4.5 The Fund may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or Affiliates of the Fund Manager or with related

party funds on the terms and conditions as applicable under the relevant funds' documentation.

## **5 MANAGEMENT AND ADMINISTRATION, LIABILITY OF THE FUND MANAGER**

- 5.1 The Fund Manager is charged with the management and administration of the Fund. The Fund Manager is, subject to these Terms and Conditions, entitled and authorised (i) to acquire (*verkrijgen*) and to dispose of (*beschikken over*) Fund Assets and to enter into and assume Fund Obligations in the name of the Legal Owner for the account and risk of the Participants, and (ii) to perform any and all other acts in its own name or in the name of the Legal Owner for the account and risk of the Participants which are reasonably necessary for or conducive to the attainment of the Fund Objectives. The Fund Manager's authority to act in the Legal Owner's name shall be subject to a power of attorney granted to the Fund Manager.
- 5.2 In the performance of its obligations and in the exercise of its rights, powers and authorities hereunder, the Fund Manager shall exercise the standard of care, skill, prudence and diligence under the circumstances then prevailing that a prudent (*zorgvuldig*) person acting in a like capacity and familiar with such matters would use in the conduct of managing an investment fund of like character, risk profile and Fund Objectives as the Fund, having regard to the provisions hereof.
- 5.3 In managing and administering the Fund, the Fund Manager shall act solely in the interest of the Participants. The management and administration of the Fund shall be performed for the account and risk of the Participants. Benefits and/or losses resulting therefrom shall consequently be for the benefit of or be borne by the Participants, without prejudice to the provisions of Article 11.3.
- 5.4 The Fund Manager shall only be liable towards the Participants for a loss suffered by them in connection with a breach of Fund Manager's duties and responsibilities under the Fund Documents that is attributable to it (*toerekenbare tekortkoming in de nakoming*).
- 5.5 The Fund Manager may contract other third parties in the exercise of its powers and duties under these Terms and Conditions and shall exercise reasonable prudence (*zorgvuldigheid*) in the selection of such third parties.

## **6 AUTHORITY TO INVEST AND ADMINISTER**

- 6.1 Subject to the Fund Objective, the Investment Strategy, the Investment Restrictions and this Article 6, the Fund Manager may invest in any eligible assets and assume eligible obligations. The determination of the Fund Manager as to whether or not the assets and obligations are of a type which may be acquired or held by or on behalf of the Fund in view of the Fund Objective, Investment Strategy and Investment Restrictions shall be conclusive.
- 6.2 It is the intention that subject only to the Investment Strategy and the Investment Restrictions and the specific restrictions mentioned herein, the Fund Manager shall have the broadest power and authority in making investments consistent with the investment powers herein provided. The Fund Manager shall have sole discretionary power to retain for as long a period

as it shall think proper and to manage, convert, exchange, transfer and dispose of the Fund Assets and Fund Obligations. The Fund Manager shall have and may exercise every right and privilege pertaining to management provided that the exercise of such right or privilege is consistent with these Terms and Conditions.

## **7 CONFLICTS OF INTEREST**

- 7.1 Except with prior approval of the Participants by Ordinary Consent, the Fund Manager (with respect to the Fund) will not, directly or indirectly:
- 7.1.1 enter into any investment, divestment or other business transaction (including, but not limited to, the hiring of service providers as referred to in Article 5.5) with the Fund Manager, the Legal Owner, any Participant or any of its or their Affiliates; or
  - 7.1.2 enter into any investment, divestment or other business transaction at non-arm's length terms and conditions.
- 7.2 For the avoidance of doubt, the Fund may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or Affiliates of the Fund Manager or with related party funds.
- 7.3 The Fund Manager and its Affiliates may advise and manage, and in the future may continue to advise and manage, other clients and/or investment funds having substantially similar fund objectives and investment strategy as those of the Fund.
- 7.4 The Fund Manager and its Affiliates will allocate investment opportunities among such clients and funds on an equitable basis in their good faith discretion, based on the applicable investment guidelines of such investors and funds, portfolio diversification requirements and other appropriate factors.
- 7.5 The Fund Manager may make arrangements with such clients and funds on such terms as it reasonably thinks fit to share income, costs, expenses and liabilities relating to such investments with such clients and funds in proportion to the amounts respectively invested, to equate the rate of return earned from any investment and make such other arrangements as it thinks fit.
- 7.6 Interested Parties may buy, hold or deal in any investments upon their own account notwithstanding that the same or similar securities or other investments may be held by or on behalf of the Fund and an Interested Party shall not be liable to account either to the other Interested Parties or to the Fund, the Participants or any other person for any profits or benefits made or derived by or in connection with any such transaction.
- 7.7 An Interested Party may enter into any transaction with any Investee Fund and may be interested in any such contract or transaction (but only on an arm's length basis) and shall not be liable to account either to other Interested Parties or to the Fund, the Participants or any other person for any profits or benefits made or derived by or in connection with any such transaction.

7.8 Details of each transaction falling within Articles 7.6 and 7.7 entered into by any of the directors of the Fund Manager shall be provided to Participants in the annual accounts prepared in accordance with Article 20.5.

## **8 RESIGNATION AND REMOVAL OF THE FUND MANAGER**

8.1 The Fund Manager shall resign, without any further action of any party being required:

8.1.1 with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Fund Manager having been granted suspension of payments (*surséance van betaling*); and

8.1.2 upon the provision of three (3) months' notice to the Legal Owner, the Depositary and the Administrator,

it being understood that no resignation of the Fund Manager shall be effective before the appointment of a successor fund manager, whether or not on a temporary basis, in accordance with the provisions of Article 8.2 has become effective.

8.2 The Fund Manager may be removed from office by way of Special Resolution, in the event of fraud, illegal acts, gross negligence (*grove schuld*), wilful default (*opzet*) or a material breach (not remedied within one hundred and twenty (120) days of a Participant giving notice to the Fund Manager requiring it to do so) by the Fund Manager in carrying out its obligations under the Fund Documents.

8.3 The Participants shall no later than forty-five (45) calendar days after the date of occurrence of (the event causing) the resignation or the removal of the Fund Manager, by resolution taken by Ordinary Consent appoint a substitute fund manager. As long as no successor fund manager has been appointed, the person designated for that purpose by the Legal Owner shall temporarily act as fund manager of the Fund.

8.4 Upon the effective date of the resignation of the Fund Manager, any rights and obligations of the Fund Manager under these Terms and Conditions shall immediately cease to exist (it being understood that the Fund Manager remains entitled to its Management Fee and its reimbursements referred to in Article 18.2 to the extent allocable to an already expired period of time).

8.5 The Fund Manager hereby commits itself to cooperate fully in the transfer of its contractual position with the Participants, Legal Owner and the Depositary to a successor Fund Manager.

## **9 FUND ASSETS AND FUND OBLIGATIONS, THE LEGAL OWNER**

9.1 All Fund Assets shall be legally owned by and will be administered in the name of the Legal Owner. All Fund Obligations shall be assumed by the Legal Owner as debtor. All agreements of the Fund shall be entered into in the name of the Legal Owner.

9.2 The Legal Owner shall acquire and hold the Fund Assets for the purpose of management and custody (*ten titel van beheer en bewaring*) for the account and risk of the Participants and will

receive any income and proceeds on or originating from Fund Assets paid to it by a custodian or the underlying obligor in a capacity of agent, nominee or otherwise on behalf and for the benefit of the Participants.

- 9.3 The Legal Owner shall assume the Fund Obligations in its own name for the account and risk of the Participants, as qualified by these Terms and Conditions and without prejudice to the provisions of Article 11.3.
- 9.4 The Legal Owner shall ensure that with respect to the Fund Obligations assumed and contracts entered into in the name of the Legal Owner, it shall be explicitly stipulated that (i) the Legal Owner is acting in its capacity as legal owner of the Fund Assets (*houder van de juridische eigendom van de activa van een beleggingsfonds*), and, unless the Legal Owner deems such statement in a specific contract not feasible, immaterial and/or not in the interests of the Participants, that (ii) the counterparty or counterparties undertake(s) to never seek recovery on anything other than the Fund Assets.
- 9.5 In acting as legal owner of the Fund Assets (*houder van de juridische eigendom van de activa van een beleggingsfonds*), the Legal Owner shall act solely in the interests of the Participants. The Legal Owner cannot represent (*vertegenwoordigen*) or bind the Participants.
- 9.6 The Legal Owner shall only dispose of the assets held by it in custody following receipt of a statement from the Fund Manager that such delivery is required in connection with the regular performance of management duties.
- 9.7 The Legal Owner shall only dispose of the assets held by it in custody with the cooperation of the Fund Manager; for this purpose the Legal Owner hereby grants a power of attorney to the Fund Manager, with full powers of substitution, to perform all custody and asset management activities pursuant to the Terms and Conditions.
- 9.8 The Legal Owner shall only be liable towards the Participants for a loss suffered by them in connection with a breach of Legal Owner's duties and responsibilities under the Fund Documents that is attributable to it (*toerekenbare tekortkoming in de nakoming*).

## **10 RESIGNATION OF THE LEGAL OWNER**

- 10.1 The Legal Owner shall resign, without any further action of any party being required:
- 10.1.1 with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Legal Owner having been granted suspension of payments (*surséance van betaling*); and
- 10.1.2 upon the provision of sixty (60) calendar days' notice to the Fund Manager, the Depositary and Administrator,

it being understood that no resignation of the Legal Owner shall be effective before the appointment of a successor legal owner, whether or not on a temporary basis, in accordance with the provisions of Article 10.2 has become effective.

- 10.2 Following or in anticipation of the resignation of the Legal Owner, the Participants shall no later than fifteen (15) calendar days after the date of occurrence of the event causing the resignation by resolution taken by Ordinary Consent appoint a substitute legal owner. As long as no successor legal owner has been appointed, the person or entity designated for that purpose by the Fund Manager shall temporarily act as legal owner of the Fund.
- 10.3 The Legal Owner hereby commits itself to cooperate fully in the transfer of its contractual position and all Fund Assets and Fund Obligations held by or registered in the name of the Legal Owner to a successor legal owner. In particular, the Legal Owner hereby (i) commits in advance to transfer all Fund Assets and Fund Obligations to the successive legal owner and to carry out all necessary in rem acts and other acts, and (ii) grants irrevocable power of attorney to the Fund Manager to in its name perform all acts referred to in or conducive to what is stated sub (i) of this Article 10.3.

## **11 PARTICIPANTS, RIGHTS AND OBLIGATIONS OF THE PARTICIPANTS**

- 11.1 Each Participant shall, subject to the qualifications set forth in these Terms and Conditions, be beneficially entitled to the Fund Assets and Fund Obligations and any income generated thereon pro rata the number of its Participations.
- 11.2 Each Participant shall be bound by and subject to these Terms and Conditions by submitting a signed Subscription Form to the Fund Manager. Each Participant will be provided with a copy of these Terms and Conditions.
- 11.3 The liability of a Participant vis-à-vis the Fund will be limited to the amount of the Total Subscription Price due by the Participant in respect of its Participations to the extent not previously paid to the Legal Owner, but notwithstanding its liability by virtue of the law and these Terms and Conditions for its default on any of its obligations under these Terms and Conditions and its Subscription Form. The Participants shall not be liable for the Fund Manager's obligations, the Legal Owner's obligations or the Fund Obligations.

## **12 MEETINGS OF PARTICIPANTS, RESOLUTIONS OF PARTICIPANTS**

- 12.1 Meetings of Participants will only be held when called by the Fund Manager. The Fund Manager must call a meeting of Participants (i) as often as the Fund Manager deems necessary in the interest of the Participants, and (ii) in case one (1) or more Participants holding, in total, at least 25% of the outstanding Participations request the Fund Manager in writing to call and hold such meeting, stating the matters to be placed on the agenda for such meeting, in which case the meeting must be held within fourteen (14) days after the date of the request.
- 12.2 The agenda for a meeting of Participants shall be determined at the sole discretion of the Fund Manager or, as the case may be, the Participant(s) who requested the Fund Manager to hold the meeting in accordance with the second sentence of Article 12.1. No valid resolutions can be taken on subjects not mentioned on the agenda unless such resolution is taken by unanimity of votes of all Participants.

- 12.3 Notice for a meeting of Participants will be published on the Fund Manager's website and sent to the (e-mail) addresses of the Participants in accordance with the provision of Article 27.1 at least fourteen (14) days prior to the date of the meeting of Participants. Such notice will state the date, time, place and location and the agenda for the meeting and enclose any documents relevant for the meeting.
- 12.4 Participants wishing to attend a meeting of Participants must notify the Fund Manager thereof in writing no later than five (5) Business Days prior to the meeting. Participants which have so notified the Fund Manager are entitled to be heard at the meeting and to exercise their voting rights.
- 12.5 With any request of the Fund Manager for consent or approval by the Participants, the Fund Manager will prepare a memorandum providing background information on the matter. The memorandum will be sent to the Participants not later than simultaneously with the convocation.
- 12.6 A Participant may participate in a meeting by telephone. Meetings of Participants may be held by conference call unless a majority of the Participants in a specific case oppose against the holding of the meeting by conference call. Resolutions taken at such meeting need after the meeting to be confirmed in writing by the applicable majority of Participants in order to be valid.
- 12.7 A Participant may authorise (*volmachten*) another Participant or other person to attend a meeting of Participants (or participate in a meeting of Participants by telephone), to address the meeting and to vote at the meeting provided that the relevant power of attorney is validly set forth in a written document submitted prior to the meeting to the chairman of the meeting.
- 12.8 The Fund Manager shall appoint a chairman of the meetings of Participants unless the meeting is called at the request of one or more of the Participants in which case the requesting Participant(s) shall appoint the chairman of the meeting. The chairman shall be responsible for determining the procedure to be adopted for the conduct of any meeting of Participants.
- 12.9 Each Participant may cast one (1) vote per Participation. Blank votes will be deemed not to have been cast.
- 12.10 The Fund Manager or such other person designated by the chairman of the meeting shall record all votes taken during conference calls or at meetings of Participants and maintain a copy of consents obtained in writing, by facsimile, or by e-mail. Detailed voting records should promptly be made available by the Fund Manager to any Participant upon request.
- 12.11 The Fund Manager, or such other person designated by the chairman of the meeting will keep minutes of the meetings of Participants. The draft minutes will be distributed to all Participants within thirty (30) days after the date of the meeting and submitted for approval at the next meeting of Participants.

12.12 The Participants may also adopt resolutions outside a meeting, or in a meeting for which notice was given less than fourteen (14) days prior to the meeting date, in which case resolutions shall be adopted in writing, provided that the proposed resolutions are submitted to all Participants and none of them objects to the proposed manner of adopting resolutions.

### **13 PARTICIPATIONS, REGISTER**

13.1 Participations are rights registered in the name of the Participants. Participation certificates shall not be issued.

13.2 All Participations issued as per a specific Subscription Date shall jointly represent a specific Series.

13.3 At the end of the second financial year after the issuance of a certain Series or at the earliest possible date after the second financial year, the Series will converge into the longest running Series if at that date a High Watermark is set for the respective Series and the longest running Series. The number of Participations per Participant for the respective Series is recalculated based on the Net Asset Value per Participation of the longest running Series.

13.4 The Fund shall have two (2) classes of Participations. Class A Participations and Class B Participations. Both Classes have the same investment objectives and policies. The sole difference between the different Classes is that (i) the Fund Manager will seek registration of the Class B Participations (but not of the Class A Participations) as a Reporting Fund for United Kingdom tax purposes, and (ii) the costs concerned with such registration and further Reporting Fund requirements, if any, may be charged by the Fund Manager to the holders of the Class B Participations.

13.5 The Fund may issue Series of a particular Class issued on a particular day having the same investment objectives and policies save that each Series may have different rights and obligations and the Net Asset Value.

13.6 The Fund Manager may where it deems such practicable convert at any Subscription Date all the Participations of any Series into any other Series.

13.7 The Fund Manager shall keep the Register, specifying the name and address of each Participant, the number of its Participations and the Class and the Series of each of its Participations and the relevant Subscription Date. The Fund Manager shall sign all entries to the Register.

13.8 The Fund Manager may rely on the accuracy of the information provided by each Participant for inclusion in the Register and treat such information as conclusive with respect to such Participant and its entitlement to its Participations. The Fund Manager shall not be bound:

- 13.8.1 by any change in such information which has not been notified to the Fund Manager in accordance with Article 13.7 hereof; or
- 13.8.2 to recognise any interest or claim of any person to a Participation other than those of the Participant duly registered in the Register as holder of these rights.
- 13.9 Each Participant shall notify the Fund Manager promptly by written notice of any change in the information included in the Register in relation to such Participant. The Fund Manager shall upon receipt of such notice cause the Register to be amended accordingly within five (5) Business Days.
- 13.10 Upon written request to that effect by the Participant to the Fund Manager, the Register shall be available at the Fund Manager's office for the inspection of each Participant on Business Days, but only in so far as it concerns the Participant's own entry. Any costs related hereto shall be charged to the relevant Participant.
- 13.11 The Fund Manager may provide information included in the Register to tax, regulatory or other authorities if, in the Fund Manager's reasonable opinion, this is required, necessary, conducive to or in the interest of the Legal Owner, the Fund or any of the Participants, including but not limited for the application of tax treaties between the jurisdiction of source of any income or gain and the jurisdiction of residence of a Participant respectively the Netherlands. Each Participant shall at the written request of the Fund Manager provide the Fund Manager with such information and documentation as the Fund Manager may in all reasonableness require from the Participant in support of the Fund Manager's duty and right referred to in the preceding sentence.

## **14 SUBSCRIPTIONS**

- 14.1 The Fund Manager may at its sole discretion, but notwithstanding the further provisions of these Terms and Conditions, resolve to issue new Participations at the request of a new or existing Participant set forth in a Subscription Form or decide to temporarily discontinue or indefinitely stop the issuance of Participations.
- 14.2 The price of issuance of a Participation shall be equal to the Subscription Price. The Fund Manager shall determine the Total Subscription Price due by the subscriber and the further conditions of the issuance. The minimum Total Subscription Price is EUR 100,000 per Participant. This minimum subscription requirement may be waived by the Fund Manager in its sole discretion.
- 14.3 In the Subscription Form as completed by a subscribing investor shall inter alia be set forth the Total Subscription Price for which the subscriber requests issuance of Participations. The Fund Manager may at its sole discretion resolve to refuse or to only partly accept a subscription for Participations.
- 14.4 Applications for Participations should be made by submitting a duly signed and completed Subscription Form to the Administrator not later than 17:00 CET on the Business Day falling at least ten (10) Business Days before the relevant Subscription Date as per which the applicant

wishes to receive Participations. Subscription Forms not received in time will be held over until the following Subscription Date. Completed applications are irrevocable once received by the Administrator.

- 14.5 Participations shall be issued by the Legal Owner and acquired by the Participants on a Subscription Dates but the Participations subscribed for will not be issued if the Total Subscription Price with respect to Participations subscribed for due by the subscriber has not been received by the Legal Owner.
- 14.6 If so requested by the subscriber on its Subscription Form, the Fund Manager may at its sole discretion agree that the Participations subscribed for by the subscriber and accepted by the Fund Manager will be paid-up in kind, in Securities, as valued based on the valuation principles of the Fund. In that case, the subscription will not be accepted before the subscriber, Fund Manager and the Legal Owner have reached agreement on (i) the value, or the valuation method(s) to be used in the determination of the value, to be attributed to the in kind contribution, (ii) the timing and further details of the transfer to the Fund of the in kind contribution and the corresponding issuance of Participations to the subscriber, and (iii) any fees the Fund may charge to the subscriber as reimbursement of costs incurred by the Fund in connection with the in kind contribution.
- 14.7 Immediately upon the completion of the issuance of new Participations, the Fund Manager shall procure that the appropriate entries are made in the Register.

## **15 REDEMPTION OF PARTICIPATIONS**

- 15.1 The Fund is obliged to, subject to this Article 15 and the further provisions of these Terms and Conditions, redeem Participations at the request of a Participant set forth in a Redemption Notice. Any and all Participations that are redeemed shall not be held by the Legal Owner or the Fund Manager but shall be automatically cancelled.
- 15.2 The price of redemption of a Participation shall be equal to the Redemption Price. The Fund Manager shall determine the Total Redemption Price, the Redemption Charge and the Total Redemption Amount.
- 15.3 In the Redemption Notice as completed by a Participant shall inter alia be set forth the Total Redemption Amount for which the Participant requests redemption of Participations or the number of the Participations to be redeemed.
- 15.4 Subject to the six (6) months' lock up period, Participations shall be redeemed by the Fund on Redemption Dates, provided the requirements of the Terms and Conditions have been met. Redemption of Participations as referred to in Article 16.1 may be effected at all times.
- 15.5 The Fund is not obliged to redeem more than 50% of the issued and outstanding Participations outstanding on any Redemption Date.

- 15.6 The minimum Net Asset Value to be redeemed subject to one redemption request should at least be equal to EUR 10,000 or ten (10) Participations, unless otherwise determined by the Fund Manager in its sole discretion.
- 15.7 A signed Redemption Notice will need to be received by the Administrator no later than 17:00 CET on the Business Day falling at least thirty (30) calendar days before the relevant Redemption Date. Redemption notices not received in time will be held over until the following Redemption Date. Completed Redemption Notices are irrevocable once received by the Administrator.
- 15.8 The Total Redemption Amount will be paid to the redeeming Participant within five (5) Business Days after the release of the Net Asset Value of the applicable Redemption Date, unless exceptional circumstances occur, in which case the Total Redemption Amount will be paid at the earliest possible Business Day thereafter.
- 15.9 Requests for redemption may be refused in case anti-money laundering verification procedures so require.
- 15.10 The Legal Owner and the Fund Manager may suspend redemption of Participations if:
- 15.10.1 the determination of the Net Asset Value has been suspended in accordance with Article 20.3;
  - 15.10.2 the transfer of funds realised from the sale of Fund Assets cannot, in the sole opinion of the Fund Manager, be effected at normal rates of exchange;
  - 15.10.3 relevant exchanges are not open for business or the sale of Fund Assets is otherwise restricted or suspended;
  - 15.10.4 a state of affairs exists which constitutes a state of emergency as a result of which the sale of Fund Assets would, in the sole opinion of the Fund Manager, not be practical or would negatively affect the rights of other Participants;
  - 15.10.5 the Participant did not act in compliance with applicable legislation or these Terms and Conditions;
  - 15.10.6 for whatever reason, the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained; or
  - 15.10.7 for whatever reason, the redemption of Investee Funds Interests is suspended at the level of the relevant Investee Fund, as applicable.
- 15.11 If the Fund Manager suspends the repurchase or redemption of the Participations, it shall inform the Participants and the AFM of such suspension without delay.
- 15.12 Immediately upon completion of the redemption of Participations, the Fund Manager shall procure that the necessary amendments are made to the Register.

15.13 The Legal Owner and the Fund Manager may delegate any or all part of their duties and responsibilities under this Article 15 to the Administrator. The Fund Manager will not delegate its portfolio management function and risk management function with respect to the Fund.

## **16 MANDATORY REDEMPTION OF PARTICIPATIONS**

16.1 The Fund Manager and the Legal Owner shall be entitled to redeem all (but not part of) the Participations of any Participant:

16.1.1 if the Participant is dissolved, becomes insolvent, is unable to pay its debts, institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy, any other relief under any bankruptcy, insolvency or similar law;

16.1.2 if in the Fund Manager's reasonable opinion the tax position of the Legal Owner, the Fund or any of the other Participants is or will become negatively affected due to the tax status or position or any change therein of the relevant Participant or any other circumstance concerning such Participant;

16.1.3 if, for whatever reason, the continuation of the relationship cannot reasonably be expected from the Fund Manager and/or Legal Owner; or

16.1.4 if the management board of an Investee Fund proceeds with compulsory redemption of the relevant Investee Funds Interests, as applicable.

16.2 Each Participant agrees that it shall immediately notify the Fund Manager if any status, position or change therein as referred to in Article 16.1.1 occurs in its respect or if it becomes aware of circumstances in all reasonableness qualifying as circumstances as referred to in Article 16.1.2 or Article 16.1.3 in its respect.

16.3 Upon redemption of Participations in accordance with the provisions of Article 16.1 the Participant will be entitled to receive a Total Redemption Amount determined by the Fund Manager on the basis of the most recent determined Net Asset Value.

16.4 Immediately upon completion of the redemption of Participations, the Fund Manager shall procure that the necessary amendments are made to the Register.

## **17 TRANSFER AND ENCUMBRANCE OF PARTICIPATIONS**

17.1 A Participant cannot sell, donate, exchange, assign, transfer, encumbrance any of such Participant's Participations.

17.2 Any transfer, assignment or encumbrance of Participations in violation of this Article 17 shall be null and void.

## **18 FEES AND EXPENSES**

18.1 The following fees, costs and expenses shall be borne by the Fund:

- 18.1.1 all transaction costs, i.e. all costs related to the sourcing, evaluating, making, holding or disposing of investments, including, but not limited to, brokerage fees, advisors' fees, (other) transaction costs and expenses, due diligence costs and taxes;
  - 18.1.2 all of the Fund's operational costs, including, but not limited to, all costs of legal, tax, administrative, legal ownership, depositary, custody, accounting, reporting and similar services and advices provided to the Fund, the costs of supervision of the Fund and all costs of communications with and meetings of the Participants;
  - 18.1.3 all taxes and governmental charges levied against the Fund or its income or assets, including but not limited to irrecoverable VAT payable by the Fund Manager in respect of services provided to it and falling within the scope of this Article 18.1;
  - 18.1.4 Organisational Expenses;
  - 18.1.5 the Management Fee;
  - 18.1.6 the Incentive Fee; and
  - 18.1.7 all fees in connection with the compliance by the Fund and the Fund Manager in its capacity of the manager of the Fund with the AIFMD related legislation.
- 18.2 To the extent that the Fund Manager pays or otherwise bears any costs or expenses on behalf of the Fund that are pursuant to Article 18.1 to be borne by the Fund, the Fund shall reimburse the Fund Manager for the same.
- 18.3 Costs, fees and expenses that are not explicitly assumed by the Fund pursuant to Article 18.1 shall not be borne by the Fund. For the avoidance of doubt, the Fund shall not bear the cost of remunerating any employee of the Fund Manager or any of its Affiliates or any office rental, utilities or office equipment or other overhead or travel costs of any of their respective personnel, it being acknowledged that the Management Fee is intended to compensate the Fund Manager for such costs.
- 18.4 The Fund Manager is entitled to an annual Management Fee equal to 1% of the Net Asset excluding (i.e. before deduction of) the Management Fee, as at the last Business Day of each calendar month, payable monthly in arrears out of the Fund Assets. Any changes to the Management Fee are subject to the prior approval of the Fund Manager and the Legal Owner.
- 18.5 An Incentive Fee shall be payable by the Participants of the relevant Series to the Fund Manager calculated and out of each Series in respect of each financial year. The Incentive Fee shall be equal to 5% of the increase of the Net Asset Value per Participation over the High Water Mark per Participation of the relevant Series. The Incentive Fee is calculated as at the last Business Day of each calendar month, and payable annually after the end of the financial year of the Fund or at redemption, as applicable.
- 18.6 In calculating the Incentive Fee in an absolute amount: (i) an equitable adjustment shall be made for Participations subscribed and redeemed during the financial year; and (ii) any distributions paid to Participants during the financial year shall be added.

- 18.7 The Incentive Fee in respect of the relevant outstanding Participations of the Series shall be payable to the Fund Manager as to 90% of the estimated amount thereof one (1) month after the end of the relevant financial year. The balance shall be payable within fourteen (14) days following completion of the audit of the accounts for the relevant financial year. On redemption of Participations during a financial year an amount equal to any accrued Incentive Fee in respect of such Participations shall be deducted from the Redemption Price and due to the Fund Manager.
- 18.8 No Incentive Fee is charged when the Net Asset Value, including distributions, at the end of the calendar year is below the highest Net Asset Value at year-end of any of the previous financial years of the Fund.

## **19 VALUATION PRINCIPLES**

- 19.1 The Fund Manager has delegated the calculation of the Net Asset Value to the Administrator, who shall value the Fund Assets and Fund Obligations in accordance with Dutch GAAP and, where more specific, the following valuation methods:
- 19.1.1 investments in Investee Funds will be valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Funds;
  - 19.1.2 deposits shall be valued at their principal amount plus accrued interest calculated on a daily basis;
  - 19.1.3 certificates of deposit shall be valued with reference to the best price bid for certificates of deposit of like maturity, amount and credit risk, for settlement as at the relevant dealing day;
  - 19.1.4 treasury bills and bills of exchange shall be valued with reference to prices ruling in the appropriate markets for such instruments for settlement as at the relevant dealing day;
  - 19.1.5 forward foreign exchange contracts will be valued by reference to the market value of similar contracts settled as at the relevant dealing day;
  - 19.1.6 all valuations of financial futures contracts and purchased or sold options shall be assessed by reference to the prevailing prices on the relevant futures/options exchanges;
  - 19.1.7 where any Security owned or contracted for by the Fund is listed or dealt in on a stock exchange recognised as such under the securities laws of the jurisdiction in which it is situated or any over-the-counter market, all calculations of the Net Asset Value which are required for the purpose of computing the price at which Securities are to be issued, shall be based on the latest trade price therefor as at the relevant dealing day. When such Security is listed or dealt in on more than one stock exchange or over-the-counter market the Fund Manager may in its absolute

discretion select any one of such stock exchanges or over-the-counter markets for the foregoing purposes;

- 19.1.8 in respect of any Security the quotation of which has been temporarily suspended or in which there has been no recent trading, the value shall be taken to be a reasonable estimate of the amount which would be received by a seller by way of consideration for an immediate transfer or assignment from the seller at arm's length less any fiscal charges, commission and other sales charges which would be payable by the seller;
  - 19.1.9 the value of any investment which is not quoted, listed or normally dealt in on a stock exchange or over-the-counter market shall be the value considered by the Fund Manager in good faith to be the value thereof;
  - 19.1.10 all bills, notes and accounts payable;
  - 19.1.11 all administrative and operating expenses, payable and/or accrued (the latter on a day-to-day basis);
  - 19.1.12 all known liabilities, present and future, including the amount of any unpaid dividend, contractual obligations for the acquisition of investments or other property or for the payment of money and outstanding payments on any Participations previously redeemed;
  - 19.1.13 an appropriate provision for taxes as determined from time to time by the Fund Manager;
  - 19.1.14 all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Participations referable to the Fund and reserves (other than reserves authorised or approved by the Fund Manager);
  - 19.1.15 such allowance as the Fund Manager considers appropriate for contingent liabilities; and
  - 19.1.16 all Fund Assets and Fund Obligations denominated in foreign currency shall be converted into Euro in accordance with the currency exchange rate prevailing at the close of business of the relevant Valuation Date.
- 19.2 Notwithstanding the foregoing, the Fund Manager shall be entitled, at its discretion, to apply a method of valuing any investment different from that prescribed above if such method would in its opinion better reflect the fair value of such investment and without prejudice to the generality of the foregoing, the Fund Manager may rely upon opinions and estimates of any persons who appear to it to be competent to value investment of any type or designation by reason of any appropriate professional qualification or experience of the relevant market. In determining the amount of liabilities the Fund 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 accrue the same in equal proportions over any such period.

19.3 The valuation shall be performed in accordance with article 19 of the AIFMD.

## **20 REPORTING**

20.1 The financial year of the Fund shall begin on the first day of January and end on the thirty first day of December of the next calendar year. The first financial year of the Fund began on the Closing Date and ended on the thirty first day of December 2013.

20.2 On each Valuation Date the Fund Manager shall determine the Net Asset Value and the Net Asset Value per Participation. The Net Asset Value shall be expressed in Euro. The Net Asset Value and the Net Asset Value per Participation can be found on the website of the Fund Manager.

20.3 The Fund Manager may declare a suspension of the determination of the Net Asset Value and the Net Asset Value per Participation:

20.3.1 if one or more stock exchanges on which Fund Assets are listed (or on which securities which belong to the assets of a collective investment scheme in which the Fund is invested are listed directly or indirectly), are closed on other days than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;

20.3.2 if the communication means or calculation facilities normally used to determine the Net Asset Value no longer function or if, for any other reason, the value of a Fund Asset or Fund Obligation, cannot be determined with the speed or accuracy desired by the Fund Manager;

20.3.3 if there are factors relating to the political, economic, military or monetary situation that make it impossible for the Fund Manager to determine the Net Asset Value;

20.3.4 if a resolution to liquidate the Fund is passed; or

20.3.5 if the management board of an Investee Fund suspends the determination of the net asset value of the relevant Investee Funds Interests, as applicable.

20.4 In case of any errors in the calculation of the Net Asset Value, the Fund Manager will within three (3) Business Days prepare a report describing the errors that were made and the correction(s) which will need to be made to the Net Asset Value. If: (i) a correction is required of more than 2% of the Net Asset Value, and (ii) the Participants or the Fund (i.e. the then present Participants) incurred losses by a subscription or redemption against the erroneously calculated Net Asset Value, the Fund Manager will provide compensation (in cash or in Participations) for the relevant Participant and/or the Fund (i.e. the then present Participants) for the actual losses incurred, unless the error is not attributable to the Fund Manager or the Legal Owner, taking into account their liabilities as set out herein. For the avoidance of doubt, the Legal Owner shall have no role in determining the value of the Fund Assets.

- 20.5 Within six (6) months after the end of the each financial year of the Fund, the Fund Manager shall, in accordance with the applicable legal requirements, prepare and publish the Fund's annual accounts (consisting of at least a balance sheet, profit and loss account and explanatory notes), annual report and other information for such financial year. The annual accounts shall be drawn up in accordance with the relevant provisions of Title 9 of Book 2 of the Dutch Civil Code.
- 20.6 The annual accounts will be adopted by the Fund Manager and the Legal Owner.
- 20.7 The Fund Manager will make available copies of the annual accounts and the annual reports free of charge to each Participant, notwithstanding its compliance with other publication requirements under applicable laws.
- 20.8 In addition to the annual accounts, the Fund Manager shall prepare in respect of the Class B Participations such reports as are required by Chapters 7 and 9 of Part 3 of the Offshore Fund (Tax) Regulations 2009 as a consequence of the Class B Participations being approved as a Reporting Fund.
- 20.9 The annual accounts and report shall be published on the Fund Manager's website. In addition, the Fund Manager shall cause the Administrator to send to each holder of the Class B Participations a report as referred to in Article 20.8.
- 20.10 The Fund Manager shall as soon as reasonably practicable after the end of each quarter prepare a report containing the following information:
- 20.10.1 details of the Net Asset Value per Participation in each Series; and
  - 20.10.2 details of the performance of each Series over the previous quarter, over the year to date and since the Commencement Date.
- 20.11 The Fund Manager shall at the request of any Participant, and each Participant shall at the request of the Fund Manager, promptly furnish to the requesting party any information which is necessary in order to determine or discharge any obligation to withhold taxation or to file tax returns and reports for taxation or other statutory purposes provided that the Fund Manager or such Participant is able to obtain such information without unreasonable effort or expense.
- 20.12 The Fund Manager shall use its reasonable best efforts to ensure that no Participant will be subject to any tax filing obligations or income or similar tax payment obligations with respect to the income of the Fund in any jurisdiction (other than the jurisdiction in which such Participant is domiciled) solely as a result of the direct or indirect activities of the Fund. In addition, in making investment decisions, the Fund Manager shall consider the potential impact of withholding taxes on the Fund and its Participants on the returns from such investment.
- 20.13 The Fund Manager shall use reasonable endeavours to assist Participants in obtaining the benefit of any tax exemptions applicable to investments by the Fund and any tax refunds

available in respect of tax withheld from sums receivable by the Fund. The Fund Manager shall not be obliged to seek any exemption or refund where the effort or expense would be disproportionate to the sums likely to be recovered. If the Fund Manager thinks fit, the amount distributable to any Participant may take into account the availability of tax exemptions or refunds attributable to him and to the rate of withholding applicable to him.

20.14 Each Participant shall promptly provide all information required for the purpose of Article 20.13 and do all such acts and things as the Fund Manager may reasonably require in connection therewith.

20.15 Each Participant shall indemnify the Fund Manager and the other Participants for any taxes incurred or suffered by the Fund or any Participant as a result of his failure to comply with Article 20.14, his tax residence or status or otherwise resulting from his participation in the Fund.

## **21 DISTRIBUTIONS**

21.1 The Fund Manager may, at its sole discretion and at any time, decide to distribute any Net Proceeds to the Participants. All distributions to Participants will be made pro rata to the numbers of Participations held by each of them.

21.2 Distributions of Net Proceeds will be made in cash or in kind. The Fund Manager may make distributions in kind with the approval of the meeting of Participants by way of Ordinary Resolution at any time, but only in the form of Cash Equivalents or Securities. Cash Equivalents and Securities shall be transferred into the name of the relevant Participant.

21.3 Any distribution to the Participants, including the amount, composition and manner of payment, shall be published on the Fund Manager's website.

## **22 AMENDMENT TO THE TERMS AND CONDITIONS**

22.1 These Terms and Conditions may be amended pursuant to a joint resolution of the Legal Owner and the Fund Manager.

22.2 A proposed amendment to the Terms and Conditions shall be published on the website of the Fund Manager. In addition, an explanation to the proposed amendments will be published on the website of the Fund Manager.

22.3 Notice of amendments made will also be made on the website of the Fund Manager. In addition, an explanation to the amendments will be published on the website of the Fund Manager.

22.4 An amendment of the Prospectus or the Terms and Conditions causing a reduction in Participants' rights or security, imposing costs on the Participants or causing a change to the Investment Strategy does not become effective in relation to the Participants until one (1) month following the date on which such notification has been published on the Fund Manager's website. Participants have the right to redeem their Participations under the

normal redemption conditions described herein within this period following the date on which such notification has been disclosed.

- 22.5 All parties to these Terms and Conditions shall be bound by any amendment to these Terms and Conditions effected in accordance with the provisions of this Article 22.

### **23 REGULATORY CHANGES**

23.1 The regulatory environment for investment funds is currently evolving as new legislation aimed at increasing transparency of the space of alternative investment funds is being introduced. In the light hereof, during the existence of the Fund, additional and/or amended legislation and regulations affecting the Fund, the Fund Manager, the Legal Owner and the Administrator may come into force.

23.2 The Legal Owner and the Fund Manager may amend the Fund Documents if the Legal Owner and the Fund Manager reasonably determine that a regulatory change has a material adverse effect on the Fund and/or the Legal Owner and/or the Fund Manager, such that (i) the material adverse effect of the applicable change is removed or mitigated, and (ii) the Fund shall bear its reasonable allocable portion of the costs in relation to the implementation of and compliance with the change (it being understood such allocation is in principle determined on the basis of the number of funds managed by the Fund Manager that fall within the scope of such change).

### **24 DISSOLUTION AND LIQUIDATION**

24.1 The Fund shall be dissolved upon the happening of any of the following events:

24.1.1 the resignation of the Fund Manager, without a successor Fund Manager having been appointed in time in accordance with Article 8.4;

24.1.2 by way of a Special Resolution, upon the Fund Manager committing fraud, illegal acts, gross negligence (*grove schuld*), wilful default (*opzet*) or material breach of these Terms and Conditions which is not remedied within a reasonable period of time;

24.1.3 by way of a Special Resolution with the prior approval of the Fund Manager;

24.1.4 notice served by the Fund Manager and the Legal Owner on the Participants following any change in the law as a result of which, in the reasonable opinion of the Fund Manager and the Legal Owner, the continuation of the Fund becomes unlawful; or

24.1.5 upon notice by the Fund Manager to the Participants with a three (3) months' notice period.

24.2 Any dissolution of the Fund shall be effective on the date the event giving rise to the dissolution occurs, but the existence of the Fund shall not be terminated unless and until all its affairs have been liquidated as provided in the further provisions of this Article 24.

- 24.3 Upon dissolution of the Fund, no further business shall be conducted except for such action necessary for the liquidation of the affairs of the Fund in accordance with the applicable provisions of the law and these Terms and Conditions, including the sale or realisation otherwise of any remaining Fund Assets and payment of any remaining Fund Obligations and the distribution of any Fund Assets remaining after payment of the Fund Obligations to the Participants and the Fund Manager. During the liquidation period these Terms and Conditions shall, to the extent possible, remain in full force and effect.
- 24.4 In case any of the employees of the Fund Manager, including Mr. Hein Jurgens, playing key role with respect to the management of the Fund in accordance with the Investment Strategy will no longer be able to fulfil his functions with respect to the Fund, then the Fund Manager will organise a meeting of Participants and propose a plan for continuation of the Fund. The plan for continuation is accepted when 75% or more votes in a meeting of Participants are in favor of the continuation. If the plan is not accepted, the Fund will be wound up and the Participants will receive the proceeds as soon as practicable and taking into account the best interest of the Participants.
- 24.5 The liquidation of the Fund shall be effected by the Fund Manager, provided, however, that if the Fund is dissolved for a reason set forth in Article 24.1.1, then the Participants shall by Ordinary Consent appoint another party as liquidator which shall have the rights and obligation of a Fund Manager under these Terms and Conditions be it for the sole purpose of and within the restrictions set by Article 24.3.
- 24.6 The balance left after the liquidation shall be paid in cash to the Participants in accordance with the provisions of Article 21. If any Fund Obligation is contingent or uncertain in amount, a reserve will be established in such amount as the Fund Manager deems reasonably necessary; upon the satisfaction or other discharge of such contingency, the amount of the reserve not required, if any, will be distributed in accordance with the provisions of Article 21.

## 25 INDEMNIFICATION

- 25.1 The Legal Owner, the Fund Manager and any of their respective (former) directors, employees and advisors (each of them in this Article referred to as an "**Indemnified Person**"), will be indemnified out of the Fund Assets against any and all liabilities, actions, proceedings, claims, costs, demands or expenses incurred or threatened by any of them arising out of or in connection with the capacity or former capacity of such Indemnified Person in the exercise of powers, provision of services or performance or omittance of any activities on behalf of or in respect of the Fund within the framework of these Terms and Conditions, provided however that no Indemnified Person shall be so indemnified with respect to any matter resulting from its attributable breach (*toerekenbare tekortkoming in de nakoming*).
- 25.2 If an Indemnified Person becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with the services provided by the Indemnified Person to the Fund, the Indemnified Person shall be reimbursed out of Fund Assets for its reasonable legal and other expenses (including the cost of investigation and preparation) as such legal and other expenses are incurred; provided that

the Indemnified Person shall provide the Fund Manager with a written undertaking to promptly repay to the Fund the amount of such reimbursed expenses paid if there was no entitlement to indemnification pursuant to Article 25.1.

- 25.3 The rights of the Indemnified Persons to be indemnified in accordance with this Article shall survive the termination of the Fund.

## **26 MISCELLANEOUS**

- 26.1 The Fund Manager shall and shall cause the Fund to comply and to continue to comply, and shall request the Participants to comply and continue to comply, with all applicable regulations (including any applicable anti-terrorism and money laundering regulations). The Fund Manager will promptly inform the Participants of any non-compliance that comes to its attention which could have an impact on the Participants.

- 26.2 If any Article or provision of these Terms and Conditions shall be held to be invalid or unlawful in any jurisdiction such Article or provision shall only be ineffective to the extent of such invalidity or unenforceability. The remainder of these Terms and Conditions shall not be affected thereby and shall remain in full force and effect and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

- 26.3 No failure to exercise and no delay in exercising on the part of any of the Participants any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in these Terms and Conditions are cumulative and not exclusive of any rights or remedies otherwise provided by law.

- 26.4 These Terms and Conditions and the Subscription Form constitute the entire agreement between the Fund Manager, the Legal Owner and each of the Participants, separately, and replaces, supersedes and invalidates all previous agreements (whether written or orally), documentations and correspondences with respect to the subject matter of these Terms and Conditions and the Subscription Form. There are no representations, agreements, arrangements or understandings between the parties relating only to the subject matter to these Terms and Conditions and the Subscription Form which are not fully expressed in these documents.

## **27 NOTICES**

- 27.1 All notices to Participants shall be sent in writing to the addresses of Participants stated in the Register.
- 27.2 All notices to the Legal Owner, the Fund Manager or the Administrator shall be made in the form of e-mail or by post and shall be addressed or directed as to the addresses set out below or such other address as may have been notified to the Participants in accordance with the provisions of Article 27.1:

To the Legal Owner: **Stichting Bewaarder Strategy One Fund**  
Woudenbergseweg 11  
3953 ME Maarsbergen  
the Netherlands

Tel: +31 (0) 343 430303

To the Fund Manager: **Privium Fund Management B.V.**  
Gustav Mahlerplein 3, 26<sup>th</sup> floor, Financial Offices  
1082 MS Amsterdam  
The Netherlands  
E-mail: [info@priviumfund.com](mailto:info@priviumfund.com)

To the Administrator: **Custom House Fund Services (Netherlands) B.V.**  
Westblaak 89  
3012KG Rotterdam  
The Netherlands  
E-mail: [ssg@customhousegroup.com](mailto:ssg@customhousegroup.com)

## **28 APPLICABLE LAW AND COMPETENT COURT**

- 28.1 These Terms and Conditions shall be governed by the laws of the Netherlands.
- 28.2 These Terms and Conditions shall remain in full force and effect until amended in accordance with Article 22 hereof.
- 28.3 The competent courts of Amsterdam and its appellate courts shall have exclusive jurisdiction to decide on a dispute between the parties arising from these Terms and Conditions.

**SCHEDULE 2  
SUBSCRIPTION FORM**

**SUBSCRIPTION FORM STRATEGY ONE FUND**

**Subscription Instructions**

Please complete, date and execute the attached Subscription Form and deliver it, by fax and express mail, to:

**Apex Fund Services (Netherlands) B.V.**

Westblaak 89  
3012 KG Rotterdam  
The Netherlands  
Fax : +31 (0)10 271 1390  
E-mail: [ssg@customhousegroup.com](mailto:ssg@customhousegroup.com)

For subscriptions please wire transfer funds in Euro in an amount equal to the Total Subscription Price to the below bank account of the Legal Owner. The funds should be wired from a bank account held by the prospective Participants.

**Payment details for EUR payments**

BANK	: ABN AMRO Bank
ACCOUNT NUMBER	: 83.70.86.108
ACCOUNT OF	: Stichting Bewaarder Strategy One Fund
IBAN	: NL22ABNA0837086108
BIC	: ABNANL2A
REFERENCE (INVESTORS NAME)	: _____

To complete the Subscription Form, please insert the following information:

*In the Recitals:*

- (i) The name of the Participant, the address of the Participant and the place of establishment of the Participant (as relevant).

*In Numeral 2.2:*

- (i) The date, the Total Subscription Price and the Class of Participations for which the Participant wishes to subscribe.

*In Numeral 11.1:*

- (i) The name of the Participant.
- (ii) The Participant's address, email and facsimile number.

*In Numeral 11.3:*

- (i) The name, address and account number of the bank account from which the original subscription was made.

*In Numeral 13.2:*

- (i) The complete source of funds declaration.

**Note: Please sign the Subscription Form at the end.**

In addition to a properly executed Subscription Form, the following KYC documentation is required for the acceptance of initial subscriptions and transfers:

For Participants who are individuals:

- (i) A copy of the valid passport or drivers' license of the Participant.
- (ii) A copy of a bank statement or utility bill containing the address of the Participant not older than three (3) months.
- (iii) Completed Client Verification Requirements form, attached hereto as **Annex 2**.
- (iv) Completed Individual Self-Certification Form, attached hereto as **Annex 3**.

For Participants who are entities:

- (i) Certificate of incorporation (or equivalent document to prove current existence) not older than three (3) years or a certificate of good standing.
- (ii) Memorandum & articles of association or articles of incorporation.
- (iii) Copy of the annual report or excerpt from commercial register or other document providing details (names and addresses) of directors.
- (iv) Completed Client Verification Requirements form, attached hereto as **Annex 2**.
- (v) Completed Entity Self-Certification Form, attached hereto as **Annex 3**.

The right is reserved to request any further information which is considered to be in any way necessary to the process of verification. Upon receipt of the Subscription Form and all referenced KYC information, the Fund Manager will accept the subscription and the Administrator will confirm the subscription. If a subscription is not accepted or if the offering is terminated, all funds deposited or wired and the Subscription Form and all other documents delivered to the Fund will be returned to the prospective Participant without interest or deduction.

**SUBSCRIPTION FORM** (the “**Subscription Form**”) for participations (the “**Participations**”) in Strategy One Fund (the “**Fund**”) of

**NAME:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**PLACE ESTABLISHMENT:** \_\_\_\_\_

(the “**Participant**”).

## 1. DEFINITIONS AND SCOPE OF APPLICATION OF THE TERMS OF TERMS AND CONDITIONS

**The Legal Owner:** Stichting Bewaarder Strategy One Fund, a foundation (*stichting*) incorporated and organized under the laws of the Netherlands, having its official seat (*zetel*) in Amsterdam and its registered office at Woudenbergseweg 11, 3953 ME Maarsbergen, the Netherlands, and registered with the Trade Register of the Netherlands under registration number 55158056.

**The Fund Manager:** Privium Fund Management B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, with registered address at Gustav Mahlerplein 3, 1082 MS Amsterdam, the Netherlands and registered with the Trade Register of the Netherlands under registration number 34268930.

The terms used in this Subscription Form (including the schedules thereto) have, unless provided otherwise, the same meaning as set out in the prospectus of the Fund dated \_\_\_\_\_ 20\_\_ (the “**Prospectus**”).

The Legal Owner pursuant to the terms and conditions of management and custody of the Fund attached as Schedule 1 to the Prospectus (the “**Terms and Conditions**”) holds the Fund Assets (as defined in the Terms and Conditions) for the purpose of management and custody on behalf of the participants of the Fund.

All relations between the Participant, the Fund Manager and the Legal Owner are governed by this Subscription Form and the Prospectus as referred to above.

## 2. SUBSCRIPTION

2.1 The Legal Owner hereby agrees to participate in the Fund subject to the acceptance of this Subscription Form by the Fund Manager. The subscription for the respective Participations (including the number and Class of the Participations) will be confirmed in a letter by the Administrator to the Participant on behalf of the Fund Manager and the Legal Owner. The Participant acknowledges that the Fund Manager reserves the right to reject in its absolute discretion this and any other subscription for Participations in whole or in part. The Fund Manager will determine in its sole discretion which subscriptions shall be accepted.

2.2 The Participant hereby undertakes to pay the total subscription amount of:

AMOUNT: \_\_\_\_\_

AMOUNT IN WORDS: \_\_\_\_\_ EUR,

in consideration for Participations in **[Class A / Class B]**<sup>2</sup> and in accordance with the provisions of the Terms and Conditions, the Prospectus and this Subscription Form on (insert date) \_\_\_\_\_ to the bank account of the Legal Owner set out in the subscription Instructions above.

- 2.3 The Total Subscription Price shall be received by 17:00 hours CET on the Business Day falling at least ten (10) Business Days before the relevant Subscription Date as per which the applicant wishes to receive Participations. The Fund Manager may decide, at its sole discretion, to accept an application for Participations in case of overdue payment, provided that the Total Subscription Price has been received ultimately on the Business Day prior to the relevant Subscription Date.

### 3. **ACCEPTANCE SUBSCRIPTION, ISSUE PARTICIPATIONS**

- 3.1 Subject to the terms and conditions of this Subscription Form, in consideration for the Total Subscription Price, the Participant will be issued a number of Participations equal to the Total Subscription Price referred to under 2.2 above divided by the Net Asset Value per Participation calculated as at the end of the Valuation Date immediately preceding the applicable Subscription Date.

- 3.2 The subscription date will be the first Business Day of a month or such other day or day as the Fund Manager may from time to time determine at its sole discretion on which the subscription for one or more Participations by the Participant is effected (the “**Subscription Date**”). Upon acceptance of the subscription, the Fund Manager shall enter the Participant’s name, address and number of Participations in the Register in accordance with Article 13 of the Terms and Conditions. Such registration shall be conclusive evidence of the entitlement of the Participant.

### 4. **REPRESENTATIONS AND WARRANTIES OF PARTICIPANT**

The Participant represents and warrants (*garandeert*) to the Legal Owner and the Fund Manager that:

- (i) the execution and performance of the Subscription Form do not contravene, or constitute a default under any provision of law applicable to the Participant;
- (ii) the Participant has the knowledge and expertise in business and financial matters to make it capable of assessing and evaluating the merits and risks associated with investing in the Fund;
- (iii) the Participant has independently assessed, evaluated and verified the merits and risks associated with investing in the Fund and the transactions contemplated

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<sup>2</sup> please strike through as applicable. Class B Participations can be held by investors residing in the UK

thereunder;

- (iv) the Participant declares to have read and agree with the content of the Terms and Conditions, Prospectus and the Redemption Notice; the Participant has had the opportunity to ask questions and receive answers concerning the Fund and the terms and conditions of this offering from authorised representatives of the Fund;
- (v) the Participant is willing to assume and will be able to bear the full financial and economic risk of its subscription, while maintaining adequate means of providing for its current needs and foreseeable contingencies, even in the event of a loss of its entire investment in the Fund;
- (vi) the Participant is acquiring the Participations in its own name and for its own account for investment purposes;
- (vii) neither the Legal Owner nor the Fund Manager, or any other person acting on behalf of the Legal Owner or the Fund Manager respectively, have provided any warranties or guarantees for the benefit of the Participant; regarding its own financial position (including the tax consequences) the Participant did not rely on an advice of the Legal Owner or the Fund Manager, respectively or other individuals acting on behalf of the Legal Owner or the Fund Manager with respect to this investment;
- (viii) the person or persons signing on behalf of the Participant have full power and authority to do so. If applicable, all relevant internal procedures have been complied with and all necessary internal consents have been obtained;
- (ix) the signing and the performance of this Subscription Form fall within the object clause of the articles of association within the competence of the Participant and are in the interest of the Participant;
- (x) the Participant is authorized to sign this Subscription Form and to fulfill all obligations arising from this agreement; for this purpose the Participant does not have to register or otherwise perform acts with any public authority or independent supervisory authority, as all registrations or acts in respect of such public authority or independent supervisory authority (in so far as necessary) have taken place;
- (xi) the signing and the performance by the Participant of this Subscription Form does not conflict with and will not result in any claim for default (*ingebrekestelling*) against the Participant under (a) any provision of law applicable to the Participant; (b) any directive, rule or instruction of any public authority or independent supervisory authority which supervises the business of the Participant; (c) the articles of association or other organizational documents of or regarding the Participant; or (d) any agreement, judgment, judicial ruling or order, verdict, decree or other instrument binding on the Participant; and
- (xii) the Participant agrees that the above representations and warranties in this section will be true and correct both as of the execution date of the Subscription Form and

the issue of the Participations.

Further to Article 7.2 of the Prospectus, and in connection with the applicable KYC requirements, the Participant acknowledges that Legislation currently applicable to the Fund requires that, as part of compliance thereto, certain documents must be monitored to ensure that they are timely and up-to-date. In order to comply with this requirement, the Administrator and/or the Fund Manager will require that certain documents are delivered by the Participant to the Administrator and/or the Fund Manager on a periodic basis. The Administrator and/or the Fund Manager may contact the Participant to request such documents, and, by signing the Subscription Form, the Participant hereby confirms that it will provide the documents so requested on a timely basis. Any Participant who does not or cannot provide the additional KYC documentation may be forcibly redeemed from the Fund in accordance with the mandatory redemption provisions as set forth in the Terms and Conditions and the Prospectus.

#### **5. REDEMPTION, WINDING UP AND BANKRUPTCY**

By signing the Subscription Form the Participant has not intended, for any purpose, to enter into a partnership (*maatschap* or *vennootschap onder firma*) or limited partnership (*commanditaire vennootschap*). If notwithstanding the explicit intentions of the parties involved, the existing legal relationship between them is qualified by any authorized judicial body as such a partnership, the Participant agrees, in so far as necessary, that (i) in case of a redemption of any or of all the Participations by the Participant in case of its liquidation, or in case of any other occurrence requiring under the rules of Dutch law such a partnership be dissolved, the other Participants have the right to continue and are deemed to continue the partnership; and (ii) the payment of the value attributable to the redeemed Participations on the basis of the Net Asset Value per Participation on the valuation date of the Participations redeemed is considered to be the full and final settlement of the share in the joint ownership, if and as far as present, of such a partnership.

#### **6. INDEMNITY**

The Participant indemnifies the Legal Owner and the Fund Manager and persons connected to them, including the board of management, employees and advisers, without requesting or receiving any compensation therefore, against any claim, loss, damage, liability or costs, including the costs of legal advisers, to the extent that these are incurred by any of the Legal Owner and the Fund Manager and the persons mentioned above as a result of an incorrect representation of the facts by the Participant or by any act or omission of the Participant in breach of the Subscription Form.

#### **7. RECOURSE**

In case the Participant does not fulfill its obligations under the Subscription Form the Legal Owner and the Fund Manager reserve all rights and legal remedies available to them under this Subscription Form under Dutch law and otherwise. If the Legal Owner or the Fund Manager does not exercise a right or a legal remedy available to it under the Subscription

Form, this should not be interpreted as a waiver of the right to exercise such right or any other right or legal remedy in the future. The exercise of any right or legal remedy by the Legal Owner or the Fund Manager available to them under this Subscription Form does not prejudice the exercise by the Legal Owner or the Fund Manager of the other rights available to them under this Subscription Form under Dutch law or otherwise.

**8. VALIDITY OF WARRANTIES**

The statements, guarantees (*garanties*), acknowledgements and warranties made by the Participant remain in full force and effect after the Subscription Date. If there is any change in anything stated, guaranteed, warranted or acknowledged by a Participant at the time of participation in the Fund, it shall notify the Fund Manager and the Legal Owner thereof without delay.

**9. REDEMPTION**

The Participant can redeem by giving notice to the Administrator in the format set out in **Annex 1**.

**10. ONE AGREEMENT**

The Subscription Form fully describes the existing agreements between parties with respect to the present subject and replaces any preceding agreement with respect to this same subject.

**11. NOTICES, PARTICIPANT'S WIRE INFORMATION**

- 11.1 Any notices, consents, resignations, requests, demands, offers, reports and other communications under this Subscription Form required to be given hereunder shall be in writing and shall be addressed or directed as follows, provided that the notices to the Administrator shall be deemed to be received by the Administrator (i) where the delivery thereof has been acknowledged by a signed receipt or (ii) following a written confirmation of receipt by the Administrator:

To the Administrator:                   **Apex Fund Services (Netherlands) B.V.**  
Westblaak 89  
3012 KG Rotterdam  
The Netherlands  
Fax : +31 (0)10 271 1390  
E-mail: [ssg@customhousegroup.com](mailto:ssg@customhousegroup.com)

To the Fund Manager:                   **Privium Fund Management B.V.**  
Gustav Mahlerplein 3, 26<sup>th</sup> floor, Financial Offices  
1082 MS Amsterdam  
The Netherlands  
Tel: +31 (0) 20 462 6644



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13.3 The Participant hereby gives its consent to the Legal Owner and other management, administration and service providers of the Fund to disclose this transaction to those institutions which are legally entitled to receive the information contained herein.

13.4 Did you ever face any issues in relation to money laundering and financing of terrorism: \_\_\_\_\_

14. **THE U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Under the U.S. Foreign Account Tax Compliance Act (“**FATCA**”), the United States will impose a withholding tax of 30 per cent on certain U.S. sourced gross amounts not effectively connected with a U.S. trade or business paid to certain “Foreign Financial Institutions”, including the Fund, unless some information reporting requirements are complied with.

The Fund will use reasonable efforts to satisfy any obligations imposed on it in order to avoid the imposition of this withholding tax (except with respect to the interest of “recalcitrant account holders” as described in §1.1471-5(g)(2) of the Foreign Account Tax Compliance Act). A fund’s ability to satisfy its obligations under an agreement with the U.S. Internal Revenue Service (“**IRS**”) will depend on each participant of such fund providing the fund with any information, including information concerning the direct or indirect owners of such participant, that the fund determines is necessary to satisfy such obligations. Any such information provided to a fund will be shared either with the local tax authority or the IRS, depending on the Model of the Intergovernmental Agreement. An investment fund that is classified as subject to FATCA requirements will be required to register with the IRS and obtain a Global Intermediary Identification Number (“**GIIN**”) and agree to have policies and procedures in place to identify certain direct and indirect U.S. account holders or equity holders. For these purposes the Fund would fall within the definition of a foreign financial institution (“**FFI**”) for the purpose of FATCA.

Each prospective Participant agrees by signing the Subscription Form to provide such information upon request from the Fund Manager or the Administrator. If a fund fails to satisfy such obligations or if a participant of a fund fails to provide the necessary information to such fund, as applicable, payments of U.S. source income and payments of proceeds will generally be subject to a 30 per cent withholding tax.

The Fund may exercise its right to completely redeem a participant that fails to provide the Fund or the Administrator with the requested information in order for the Fund to satisfy its FATCA obligations, and the Fund may take any other action deemed necessary in relation to a participant's shares or redemption proceeds to ensure that such withholding is eventually borne by the relevant participant whose failure to provide the necessary information gave rise to the withholding tax. Each prospective Participant in the Fund should consult their

own tax advisor regarding the requirements under FATCA with respect to their own situation.

The Fund will endeavour to satisfy the requirements imposed on the Fund by FATCA to avoid the imposition of FATCA withholding tax. However, there can be no guarantee or assurance that the Fund will comply with all the requirements imposed by FATCA. In the event that the Fund is not able to comply with the requirements imposed by FATCA and the Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value may be affected and the Fund may suffer loss as a result.

#### *The Common Reporting Standard*

The Netherlands is one of multiple jurisdictions which have agreed to the automatic exchange of financial account information on the basis of the standard published by the Organisation for Economic Co-operation and Development (the "**Common Reporting Standard**" or the "**CRS**"). Financial institutions resident in jurisdictions which have agreed to the CRS, should report certain account holder information to their local tax authorities who will then exchange such information with countries where account holders are tax residents. It can provide timely information on non-compliance where tax has been evaded, particularly where tax administrations have had no previous indications of non-compliance.

For the purposes of efficiency, the CRS was deliberately built on the framework of FATCA and replicates many of its principles, although there is no withholding tax regime or requirement for reporting financial institutions to register with Foreign Tax Authorities (as defined below). Furthermore, certain CRS client classification, due-diligence and reporting requirements differ from or are more expansive to those deriving from FATCA. Further inter-governmental agreements will therefore be entered into with other third countries by the Dutch government from time to time to enable reporting to such third countries' tax authorities ("**Foreign Tax Authorities**") as provided in the CRS.

By investing or continuing to invest in the Fund, Participants shall be deemed to acknowledge that:

- a) the Fund is considered to (i) be a reporting financial institution under the CRS and the Fund (or its agent) will be required to disclose to the competent tax authority of the Netherlands certain confidential information in relation to the Participant, including but not limited to the Participant's name, address, tax identification number (if any), social security number (if any) and certain information relating to the Participant's investment;
- b) the competent tax authority of the Netherlands will be required to automatically exchange information as outlined above with the Foreign Tax Authorities;
- c) the Fund (or its agent) will be required to disclose to the Foreign Tax Authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;

- d) the Fund may require the Participant to provide additional information and/or documentation which the Fund will be required to disclose to the competent tax authority of the Netherlands;
- e) in the event a Participant does not provide the requested information and/or documentation, whether or not that actually leads to breach of the applicable laws and regulations by the Fund, a risk for the Fund or the Fund's Participants being subject to withholding tax or penalties under the relevant legislative or inter-governmental regimes, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the Participant concerned;
- f) no Participant affected by any such action or remedy shall have any claim against the Fund (or its agent including the Administrator) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with the CRS, any further inter-governmental agreements or any of the laws and regulations related to the CRS; and
- g) all information to be reported under CRS will be treated as confidential and such information shall not be disclosed to any persons other than the competent tax authority of the Netherlands and the Foreign Tax Authorities or as otherwise required by law.

Participants should ensure that their tax affairs are compliant with the laws and regulations applicable in their jurisdiction(s) of residence and/or citizenship (as applicable).

## 15. **PROCESSING OF PERSONAL DATA PURSUANT TO THE GENERAL DATA PROTECTION REGULATION**

- 15.1 The Fund Manager controls the processing of the personal data to be provided by the Participant in this Subscription Form. The processing of this personal data is necessary for (i) the performance of the Fund Manager's obligations under or pursuant to this Subscription Form, the Terms and Conditions and the Prospectus, and (ii) compliance by the Fund Manager with applicable rules and regulations such as the rules on the prevention of money laundering and financing of terrorism (together the "**Purposes**"). The Participant's personal data collected shall not be used for other purposes. The provision of the personal data by the Participant is necessary for a subscription to the Fund. Failure to provide this personal data shall result in the Fund Manager not accepting the requested subscription.
- 15.2 Your personal data will be shared with the Administrator for the Purposes, and may be shared with other service providers of the Fund Manager within the scope of the Purposes only. The Fund Manager takes appropriate measures to ensure that the Participant's personal data will be properly handled in accordance with applicable rules and regulations. When required, your personal data may also be shared with competent authorities.
- 15.3 The personal data will be stored for such period of time as required to enable the Fund Manager to comply with applicable rules and regulations. The Participant has the right to request the Fund Manager to provide access to and rectification or erasure of personal data,

or a restriction on the processing of the personal data and the right to withdraw any consent given to the processing of personal data.

- 15.4 At the Fund Manager, Mark Baak will function as privacy officer.
- 15.5 By signing this Subscription Form, the Participant hereby explicitly confirms and grants its permission to the Fund Manager to control and process its personal data.
- 15.6 The Participant has the right to lodge a complaint through a competent Dutch court. Further information can be found on the website of the *Autoriteit Persoonsgegevens*.
16. **CHOICE OF LAW, COMPETENT COURT**
- 16.1 This Subscription Form shall be governed by the laws of the Netherlands, and shall be interpreted accordingly.
- 16.2 The Participant hereby irrevocably agrees that any action or proceeding relating in any way to this Subscription Form may be brought to the competent courts of Amsterdam and its appellate courts and irrevocably submits to the non-exclusive jurisdiction of such courts.

The Participant confirms to apply for subscription to Strategy One Fund and is acquainted with the the Terms and Conditions, the Prospectus and agrees to be bound towards the Fund Manager and the Legal Owner under this Subscription Form, the Terms and Conditions and the Prospectus.

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By :

Title:

Date:

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By :

Title:

Date:

**ANNEX 1 TO THE SUBSCRIPTION FORM  
NOTICE OF REDEMPTION**

To: **Apex Fund Services (Netherlands) B.V.**  
Westblaak 89  
3012 KG Rotterdam  
The Netherlands  
Fax : +31 (0)10 271 1390  
E-mail: [ssg@customhousegroup.com](mailto:ssg@customhousegroup.com)

Dear Sir, Madam,

The undersigned, \_\_\_\_\_ (name Participant) holds \_\_\_\_\_ (number) Participations in Strategy One Fund.

We kindly request you, as per the next date available therefore under the Terms and Conditions of Management and Custody of Strategy One Fund (the “**Terms and Conditions**”):

- (a) to redeem all Class [A/B] Participations held by the undersigned.\*
- (b) to redeem the following number of Class [A/B] Participations held by the undersigned: \_\_\_\_\_ (number).\*
- (c) to redeem for a sum of EUR \_\_\_\_\_ (amount).\*

The Legal Owner shall pay such amount or deliver assets with an equivalent value in accordance with the provisions of article 15 of the Terms and Conditions and article 11 of the Subscription Form of the undersigned.

Yours faithfully,

**PARTICIPANT**

\_\_\_\_\_  
By :  
Title:  
Date:

\_\_\_\_\_  
By :  
Title:  
Date:

\* please strike through as applicable and complete information if applicable

**ANNEX 2 TO THE SUBSCRIPTION FORM  
CLIENT VERIFICATION REQUIREMENTS FORM**

**ANNEX 3 TO THE SUBSCRIPTION FORM  
SELF-CERTIFICATION FORM**

**SCHEDULE 3**  
**ANTI-MONEY LAUNDERING OBLIGATIONS OF THE FUND**

Pursuant to the Dutch Act on the Prevention of Money Laundering and Terrorism Financing is concerned (*Wet ter voorkoming van witwassen en financieren van terrorisme*, the "**Wwft**"), a "client investigation" (*cliëntenonderzoek*) needs to be conducted by the Fund Manager with respect to each applicant Participant prior to their entering into the Fund.

In general terms, the purpose of the "regular" Wwft client investigation is to:

- (i) establish and lay down the purpose and the nature of the envisaged business relationship, which must be documented, and subsequently (to the extent possible) "monitor" the consistency of the information so laid down with the actual (increased) knowledge the Fund Manager has of the Participant. When doing so, the Fund Manager may take into account the actual profile type of the client;
- (ii) establish the identity of the applicant Participant and verify the identity so obtained on the basis of "reliable sources"; in addition, if the applicant investor is a trustee, establish the identity of the settlors of the trust; the documentation on the basis of which the identification and verification has occurred must be retained;
- (iii) (if applicable) establish and verify the identity of any ultimate beneficiary owner of the applicant Participant, being:
  - (a) natural person holding a 25% or more participating interest in the Participant or 25% or more of the voting rights in the Participant, or who is otherwise factually able to exercise a decisive influence in the Participant; or
  - (b) in the event that the Participant would consist of a trust or foundation, a person being, either directly or indirectly, the beneficiary of 25% or more of such trust or foundation's assets or having direct or indirect control over 25% or more of such assets;
- (iv) if the applicant Participant has an ultimate beneficiary owner as described under (iii), to establish and verify such ultimate beneficiary owner's identity.

In certain cases, a "simplified" client investigation suffices (e.g. for applicant that are listed companies, credit institution, financial service providers, collective investment schemes, investment firms, insurance undertakings based in the Netherlands, the European Union, Argentina, Australia, Brazil and several other countries). It is sufficient to establish and lay down the purpose and the nature of the envisaged business relationship and to retain a reliable document evidencing that the relevant applicant Participant falls under one of the categories for which a "simplified" client investigation applies.

In other cases (e.g. increased risk of money laundering or terrorism financing, applicant is a "Politically Exposed Person", client is a natural person that is not present for identification

purposes), an “extended” client investigation must be performed. In that case, extensive verification and monitoring requirements apply.

**SCHEDULE 4**  
**HISTORICAL PERFORMANCE, NET ASSET VALUE AND ANNUAL REPORT**

**1. HISTORICAL PERFORMANCE**

The historical performance of the Fund is published on the website of the Fund Manager.

**2. LATEST NET ASSET VALUE**

The latest Net Asset Value per Participation as at the date of this Prospectus is:

Series A Initial: EUR 1,311.91

Series A January 2018: EUR 971.50

Series A May 2015: EUR 986.60

Series A September 2018: EUR 956.37

Series B Initial: EUR 1240.75

**3. LATEST ANNUAL REPORT**

The latest annual report is published on the website of the Fund Manager.