



Pendragon SIF

Pendragon Sicav Sif S.C.A., 2, Boulevard de la Foire – 1528 Luxembourg

The Company

Pendragon Fund is a SICAV-SIF regulated by the Luxembourg Law and constituted under the form of “société en commandite par actions” and authorized by CCSF since October 2010. Pendragon Management Company S.A. is the general partner and is responsible for all commitment of the Fund.

The NAV calculation is done every six months (Jun. 30th and Dec. 31st).

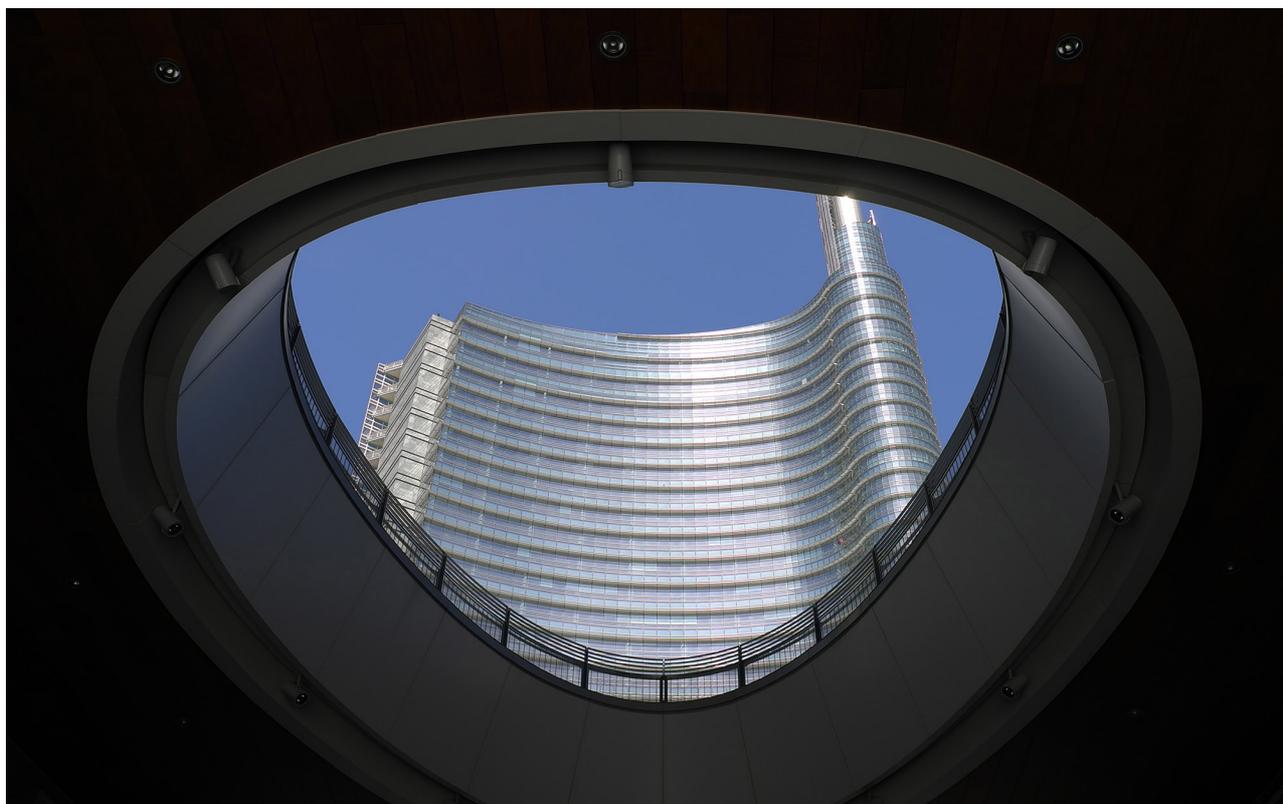
Central Administration Agent and Domiciliary Agent: Apex Fund Services.

The Custodian and Paying Agent: ING Bank S.A..

The Auditor: Deloitte Auditor Luxembourg.

Legal Advisor: TMF Group, Luxembourg.

Real Estate Valuation: Hamptons International Italy.



The Team of Directors

Andrea Tirelli: Chairman.

Born in Italy, lives in Switzerland. Tirelli is also Director of IQ Global Consulting based in Lugano, financial advisor, and advisor of SICAV Atomo in Luxembourg.

Savino Paoella: Independent Director

He is born and lives in Milan (Italy). Currently advisor and board member in Industrial and Commercial Companies in Italy. He is expert in business development, Companies' assessment and evaluation.

Claude Geiben, lawyer, Independent Director.

He is born and lives in Luxembourg. Partner of Schaeffer Hengel & Geiben. He is expert in financial, banking law and regulation.





PENDRAGON

COSTS: annual Management Fee 2% on last NAV.

Performance Fee of 20% in case of NAV increase starting from 4%.

SICAV rules: as provided by prospectus authorized by CCSF and available on request.

OBJECTIVES: mid/long-term capital growth by investing through SPV in real estate properties, industrial and commercial Companies.

CURRENT INVESTMENTS: Sub-Fund Real Estate.

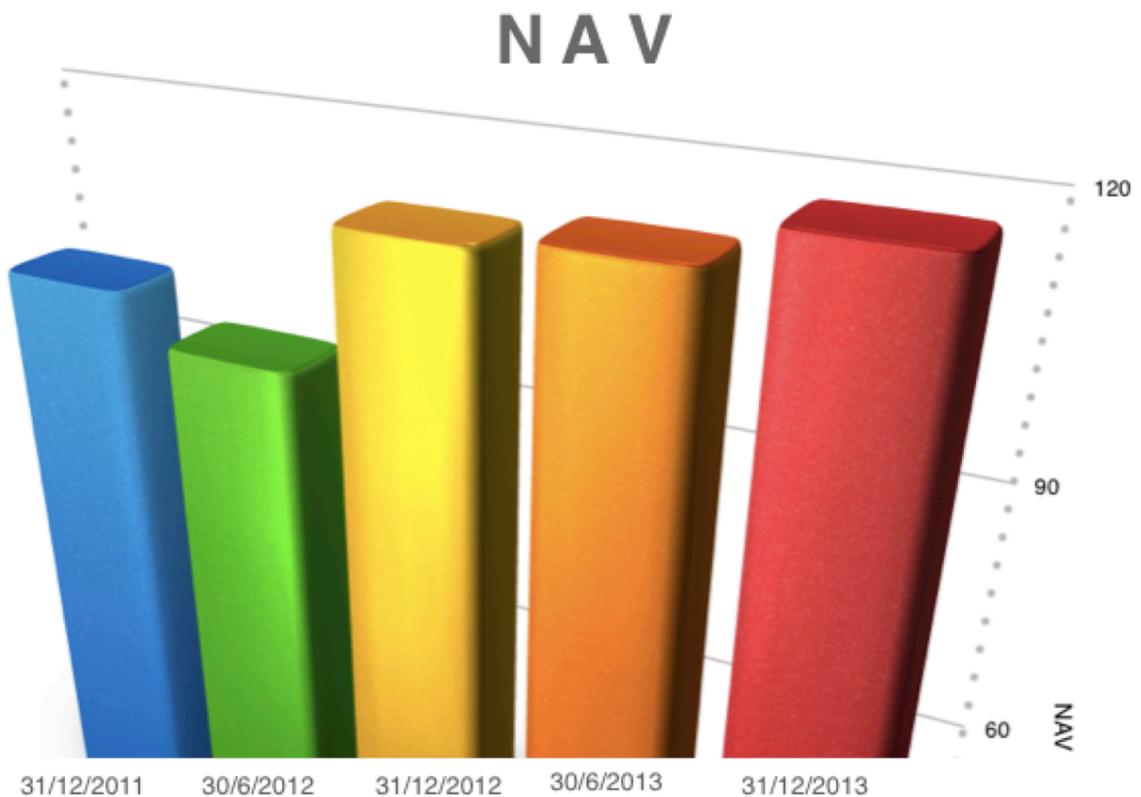
- 1) 2 residential plus 2 commercial units still under construction at the Garda Lake, Italy.
- 2) 44 residential units in Sardinia, Italy.

PRODUCTS AND SERVICES

Investment's features:

1. Rigorous selection of the assets according to the following profiles balancing strengths and weaknesses:
 - a) general or specific risks
 - Country risk;
 - financial information related to the market;
 - strengths of the financial and bank system;
 - financial practice and relevant law rules in banking and credit matter;
 - tax rules;
 - currency risks;
 - other relevant rules (current law about commercial companies and contracts);
 - b) specific features of RE investments
 - return expectations in the medium term period;
 - low risk profile comparing to the share's market;
 - low risk profile inside the same RE market: no investment in small caps, no RE in new development areas.
2. Qualified information directly achieved on the RE worldwide market by the Directors' professional relationship and external providers (Hamptons, brokerage Companies).
3. Total coverage of the required expertise by the Directors: financial and RE expertise by Andrea Tirelli (stock Exchange agent since 1989 and RE construction's company owner), economical commercial and industrial expertise by Savino Paoella, legal and fiscal by Claude Geiben (attorney expert in Luxembourg).
4. Qualified selection of collaborators in every Country such as:
 - legal professional
 - tax professional and accountant
 - relator and referent of the SIF in managing the day-by-day of the assets
 - engineering professor for technological support in new energies investments
 - appraisal expert in RE economical evaluation
5. Investment's stages:

- a. due diligence: study and analysis of all factors of risk and profitability of any individual investment
- b. assignment of the acquisition value of assets which must be confirmed with appropriate appraisal for investment in kind;
- c. Fund assets' acquisition by appropriate corporate vehicles under the more convenient tax law
 - d. investment's management (tax payment, incomes and renting's management, relationship with tenants);
 - e. disinvestment (resale), production and transfer of profits to coffers of the Fund.



CURRENT COLLECTION AND INVESTMENTS

Considering the current RE market crisis (both in Europe and in Italy) which caused a very difficult situation of some many RE companies of the residential and touristic sector, the Fund is investing in the distress market where it is possible to find very important opportunities at hard discount. The Fund invested (with a diversification process) in 4 different RE assets in Italy:

- a. 4 units (2 residential, 2 commercial) in Garda Lake (ground bought in Dec. 2011, construction in progress);
- b. 23 units (holiday village) bought in Badesi (OT) Sardinia in Nov. 2012;
- c. 7 units (holiday village) Costa Paradiso (OT) Sardinia;
- d. 6 units (new opening holiday village) in La Maddalena Island, Punta Tegge (OT).

Every investment is supposed to be bought at hard discount and be resold with good plus-values in short/medium terms.



CURRENT INVESTMENTS

Garda Lake Project

It is a development project with a big appeal, due to the fascinating position very close to the Garda Lake and in a very well known wine area (Rivoli Veronese). The asset has been acquired at hard discount due to financial difficulties of the previous owner and this was confirmed by the first Hamptons' evaluation. The project is made of a building with 2 commercial units at ground level and 2 residential units at first floor and 2 garages. The construction will terminate end of 2014. Business prospects are settled on around 30% for the investment.

1st Sardinia Investment – Costa del Turchese Village – Badesi (OT)

Pendragon invested also in some new projects in Sardinia. In Badesi, north Sardinia, 80 km. from both Olbia and Alghero airports, is settled a 120 units residential Village called "Costa del Turchese". The village is totally independent but, at the same time, located in the Badesi village, so it can reach every kind of services (medical centre, banks, markets, restaurants, etc.) for the whole year.

Pendragon (via SPV) acquired at the moment 23 units on 60 proposal at the price of € 62.000,00 each (2-3 rooms), a price slightly over 1200,00€ per square meter. This business has been achieved with hard discount thanks to the acquisition of several assets. The standard price on Internet for the same asset ranges from 85.000,00/90.000,00€ each. Moreover, the rental fee during the holiday season will ensure additional income for the Fund. We are currently dealing to acquire additional units at the same old condition.

2nd Sardinia Investment – Costa Paradiso Village (OT)

The initiative of Costa Paradiso is the second investment closed by the Fund via its Sardinia SPV, named Pendragon Sardinia, after the first one located in Costa del Turchese Village (Badesi). The residence "Costa Paradiso" is located northeastern Sardinia 20 km. from Badesi in the County named Trinità d'Agultu between heads of Castelsardo and Punta Rossa, 90 km. from Olbia and Alghero Airports. The location is one of the best known in the Northern Sardinia and very much appreciate by Italians and Europeans travellers. The residential area includes almost 4000 single villas and apartments for a total population during the holiday period of 12.000 people. Pendragon Sardinia acquired on 2013, 7 units of 7 in a unique building named "La Falata" in the private context of Costa Paradiso Village. "La Falata" has a privilege position, 2 km far from the centre of the Village, with independent swimming pool and outside any Condominium context (and costs). The operation was focused by Pendragon as part of the global gentlemen agreement closed with the biggest RE Company in North Sardinia (Mesa Group by Mario Mela). The investment has been fully compliant with the investment program described in the approved Prospectus by CSSF (Luxembourg financial governmental Authority), in which Pendragon aims property purchases with large discount in Western capitals and in the top tourist locations.

3rd Sardinia Investment – Borgo Punta Tegge – La Maddalena (OT)

In the famous location of La Maddalena island, worldwide known, Pendragon acquired 6 units residential apartments, built in Borgo Punta Tegge. Borgo Punta Tegge is a top touristic location in front of Porto Rafael (Sardinian Coast and Spargi island). The location is formed by five stars brand new hotel (called Ma & Ma) in the center of the Borgo and by 55 apartment s (from 2 to 5 rooms) surrounding the hotel. The apartments are close to a top level hotel and can use the available services (restaurant, SPA, meeting room, ect.) and have been built with very high level of furniture. The acquiring price has been discounted comparing it to the official retailing list of more than 33%. The above involves a very interesting capital gain. In addition we receive a rental fee during the holiday season. We have an option to acquire additional 3 units.





CONTACTS:

Pendragon Sicav Sif S.C.A., 2, Boulevard de la Foire – L – 1528 LUXEMBOURG

Tel. + 352 27 36 53 06 Fax. +352 26 18 78 29

info@pendragonsif.com www.pendragonsif.com



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