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Luxembourg, le 2013-01-23

Commission de Surveillance du Secteur Financier



PENDRAGON FUND SICAV-SIF S.C.A.

(Investment Fund with variable share capital – Specialised Investment Fund)
Société d'Investissement à Capital Variable – Fonds d'investissement Spécialisé

OFFERING MEMORANDUM

January 2013

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2. GENERAL INFORMATION

PENDRAGON FUND SICAV-SIF S.C.A. (the “**Fund**”) is a société d’investissement à capital variable (“**Sicav**”) qualifying as a specialised investment fund (“**SIF**”), under the Law of 13 February 2007 (the “**SIF Law**”) with registered office at **2, boulevard de la Foire, L-1528 Luxembourg**.

The Fund was incorporated under Luxembourg law by notarised deed on 21st June 2010 for an unlimited period under the form of a partnership limited by shares (“société en commandite par actions”), with two different types of shareholders (jointly, “**Shareholders**”):

a) a General Partner (“associé gérant commandité”), responsible for the management of the Fund and jointly and severally liable for all liabilities which cannot be paid out of the asset of the Fund. The General Partner will hold management shares (the “**Management Shares**”) in the Fund and may also subscribe Ordinary Shares (as defined below).

b) the Limited Shareholders (“associés commanditaires”), who take no part in the conduct or management of the Fund or to vote on matter relating to the Fund and whose liability is limited to the amount of their investment in the Fund. The Limited Shareholders will have to comply with the status of eligible investor (“**Eligible Investor**”), as defined at the paragraph 6.2 of the Offering Memorandum (also defined “**Prospectus**”), and will hold ordinary shares (the “**Ordinary Shares**”) in the Fund.

The Articles of associations of the Fund (the “**Articles**”) are published in the "Mémorial C, Recueil des Sociétés et Associations" (the "**Mémorial**") of 21st June 2010 and have been filed with the Luxembourg Register of Commerce.

The Fund has been set up as a “multiple compartment investment Fund” (each compartment defined hereinafter as a “**Sub-Fund**” and collectively as the “**Sub-Funds**”), pursuant to article 71 of the SIF Law, and the General Partner will have the possibility to create additional Sub-Funds, in accordance with the provisions of the Law and the Articles.

At the date of this Prospectus there is only one Sub-Fund namely “**PENDRAGON FUND SICAV SIF – REAL ESTATE FUND ONE**”.

The General Partner may, at any time, create additional classes of Ordinary Shares whose features may differ from the existing classes and additional Sub-Funds whose investment objectives may differ from those of the Sub-Fund then existing. Upon creation of new Sub-Funds or classes, the Prospectus will be updated or supplemented accordingly.

The Board of Directors of the General Partner (the “**Board of Directors**”) has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein. The General Partner accepts responsibility accordingly.

No person is authorised to give any information or to make any representations other than those contained in the Prospectus and in the documents referred to therein.

The registration of the Fund as a SIF does not beforehand require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the Fund. Any representations to the contrary are unauthorised and unlawful.

In particular, the CSSF (Commission de Surveillance du Secteur Financier) assumes no responsibilities for the content of this Prospectus and has not, in any way, considered the investment merits of any of the sub-funds.

The shares of the Fund (the “**Shares**”) have not been registered under the United States Securities Act of 1933 as amended nor has the Fund been registered under the Investment Fund Act of 1940, as amended. Consequently, Shares of the Fund may not be publicly offered or sold in the United States of America or in any of its territories subject to its jurisdiction and may not be offered to or for the benefit of, or purchased by, U.S. Persons (as defined in the Articles). Applicants may be required to declare that they are not U.S. Persons and are not applying for Shares on behalf of any U.S. Person.

The value of the Shares may fall as well as rise and a Shareholder, upon redemption of Shares may not get back the amount he initially invested. Income from the Shares may fluctuate in money terms and changes in rates of exchange may cause the value of the Shares to go up or down. The levels and basis of, and relief from, taxation may change. There can be no assurance that the investment objectives of the Fund will be achieved.

Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, or domicile and which might be relevant to the subscription, purchase, holding, redemption, if applicable, or disposal of the Shares of the Fund.

All references in the Prospectus to "EUR" are to the legal currency of the European Monetary Union (reference currency of the Fund).

3. MANAGEMENT AND ADMINISTRATION

3.1 The General Partner and its Board of Directors

The General Partner of the Fund is **PENDRAGON MANAGEMENT COMPANY S.A.**, a “société anonyme” incorporated on 29th April 2010, under the law of the Grand-Duchy of Luxembourg and with registered office at Luxembourg City.

The General Partner is managed by a board of directors consisting by the individuals as follows:

- **ANDREA TIRELLI** (Chairman)
- **CLAUDE GEIBEN**
- **NICOLA TILLI**

The General Partner is responsible for all commitment of the Fund and for the management of the Fund and of the assets of each Sub-Fund. It may carry out all acts of management on behalf of the Fund and exercise all right directly or indirectly attached to the Fund’s asset. The Board of Directors shall be in charge of determining the investment policy of each Sub-Fund. All powers not expressly reserved by law or by the Articles to the general

meeting of Limited Shareholders of the Fund are with the General Partner. The Board of Directors reserves the right to amend the investment policies and objectives of each Sub-Fund, in which case the Prospectus will be updated accordingly. Any such amendment shall be brought to the attention of the Shareholders by means of a 30 (thirty) days' previous notice before any amendment is implemented.

The General Partner is entitled to enter into all types of agreements and contracts including the delegation of investment advisory, management and administration that it may deem necessary, useful or advisable.

3.2 The Custodian and Paying Agent

ING BANK S.A.ING (“**INGING**” or “**the Custodian**”), with registered office in 52, Rue d'Esch , L-1740 Luxembourg has been appointed, pursuant an agreement dated July 7th, 2010, as custodian (The “**Custodian**”) for the safekeeping of all the assets, including the securities, cash and other assets deposits of the Fund that will be held either directly or, under its responsibility, through nominees, agents or delegates of the Custodian and the supervision of all assets of the Fund that are not held in safe custody by the Custodian.

All cash, securities and other assets constituting the assets of the Fund shall be held under the control of the Custodian on behalf of the Fund and its Shareholders. The Custodian shall perform its functions and assume its responsibilities in accordance with the SIF Law.

The Custodian may entrust all or part of the assets of the Fund, in particular securities traded abroad or listed on a foreign stock exchange or admitted to a clearing system, to such clearing system or to such correspondent banks as may be determined by the Custodian from time to time. The Custodian's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to such a third party.

The Custodian will have no decision-making discretion relating to the Fund's investments. The Custodian is a service provider to the Fund and is not responsible for the preparation of this document and therefore accepts no

responsibility for the accuracy of any information contained in this document.

Pursuant to the same agreement, the Fund has further appointed the Custodian as Paying Agent responsible for the payment of distributions, if any, to Shareholders of the Fund.

3.3 The Central Administration Agent and Domiciliary Agent

Apex Fund Services (Malta) Limited - Luxembourg Branch (the “Administrator”) has been appointed as the administrator of the Company. The Administrator is part of the Apex Group, a global provider of fund administration services with 28 offices across the globe, ISAE 3402/SSAE16 audited, independently owned with over \$23Billion under administration. Apex Group provides specialist fund administration, share registrar, corporate secretarial services and directors to funds and collective investment schemes globally. The Administrator will perform all general administrative tasks for the Company, including the preparation of valuations, keeping of financial records and acting as registrar and transfer agent. The Administrator shall receive an annual fee calculated in accordance with its customary schedule of fees and is also entitled to be reimbursed for all out of pocket expenses properly incurred in performing its duties as Administrator of the Company.

Under the Administration Agreement, the Company will indemnify the Administrator to the fullest extent permitted by law against any and all judgments, fines, amounts paid in settlement and reasonable expenses, including legal fees and disbursements, incurred by the Administrator, save where such actions, suits or proceedings are the result of fraud, willful misconduct or gross negligence of the Administrator.

In accordance with the terms of the Administration Agreement, the services of the Administrator may be terminated by at least 90 days written notice from either the Company or the Administrator (or such shorter notice

period as the parties may agree to accept) or earlier on the liquidation of either the Company or the Administrator.

The Administrator is licensed as a Professionel du Secteur Financier (“PSF”) in Luxembourg and regulated by the Commission de Surveillance Financier (“CSSF”).

3.4 The Investment Manager(s) and Investment Advisor(s)

As represented to the paragraph 3.1, the Board of Directors is responsible for the administration and the management of the Fund as well as the determination of the investment objectives and policy to be followed in each Sub-Fund.

In defining the investment policy and in the day-to-day management of the assets of the Sub-Funds, the Board of Directors may be assisted by one or several investment advisors (The **“Investment Advisor”**). In this respect the Investment Advisor will act in a purely advisory capacity and may not deal, on a discretionary basis, on behalf of the Fund and its Sub-Fund.

Furthermore, the Board of Directors may, under its control and responsibility, delegate the execution of the day to day management of the assets of the Sub-Funds to one or several persons or to third entities (the **“Investment Manager”**), duly authorized by the competent Supervision Authorities. Such subjects shall have the powers and duties given to them by the Board of Directors.

In case an Investment Advisor or an Investment Manager is appointed, the relevant details and remunerations, if supported by the Fund, shall be found in Appendix to this Prospectus.

3.5 The Investment Committee

An investment committee may be set up for individual Sub-Funds to advise the Board of Directors on its investment activity. In the event that an investment committee is appointed, this will be mentioned for the Sub-Fund in question in Appendix of this Prospectus. Particulars relating to the

investment committee, its powers and mode of operation will be set out in rules of procedure adopted by the investment committee.

3.6 The Auditor

The accounts of the Fund will be audited by Deloitte Audit S.à r.l., 560 rue de Neudorf, L-2220 Luxembourg who will carry out the function of Auditor in accordance with the terms of the Law of 2007.

4 INVESTMENT POLICIES AND OBJECTIVES

The object of the Fund is the collective investments of its assets in order to spread the investment risks and to provide to the investors the benefit of the result of the management of its assets. The Investment policies and the objectives of each Sub-Fund are more detailed set out in the Appendices to this Prospectus.

Unless otherwise indicated in the Appendices to this Prospectus:

- Each Sub-Fund may not invest more than 30 per cent of its asset or commitments to subscribe in securities of the same nature issued by the same issuer. The restriction state above is not applicable to: i) investment in securities issued or guaranteed by a member State of the OECD or their local authorities or public international bodies with EU, regional or worldwide scope; ii) investment in undertaking collective investment schemes (UCI) that are subject to risk diversifications requirements that are equivalent to those applicable to Fund's;
- short sale may not result in a Sub-Fund holding open positions on securities of the same nature issued by the same issuer representing more than 30 per cent of its assets;
- when using derivative financial instruments, a Sub-Fund will ensure risk-spreading comparable to the above paragraph using an appropriate diversification of such derivatives' underlying assets. With the same objective, counterparty risk in OTC transactions will, as the case may be, be limited in consideration of the relevant counterparty's quality and status. However any Sub-Fund may have

at any time more than 30% of its assets in a single OTC transaction provided that the underlying assets are sufficiently diversified (in full compliance with the above mentioned diversification rule set by the SIF Law), liquid and traded in regulated markets.

5 GENERAL RISKS CONSIDERATIONS

An investment in the Sub-Funds is speculative and involves certain risks relating to the particular Fund structure and investment policies and objectives which investors should evaluate before investing. Although the Board of Directors for each Sub-Fund will attempt to manage those risks through careful research and portfolio management, there can be no assurance that it will do so successfully. The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Prospectus. The following however, does not purport to be a comprehensive summary of all the risks associated with any Sub-Fund.

<ul style="list-style-type: none">• Risks linked to the investment objectives and policies

Importance of market judgment: market judgement and experience still remain very important elements of strategic investment decisions even if these are supported by the use of quantitative valuation models. Therefore the outcome of any strategy is not the simple result of the application of quantitative (both proprietary and third party) models and therefore the greater the importance of subjective factors, the more unpredictable a strategy and its outcome are.

Risks linked to debt investments: a Sub-Fund may be exposed to credit risk including default risk and credit spread risk. Furthermore the Sub-Fund may be exposed to the integrity of the issuer's management, its commitment to repay the loan, its qualification, its operating record, its emphasis in strategic direction, financial philosophy, operational management and control systems as well as to its capacity and ability to generate cash flow to repay its debt obligations. A Sub-Fund may invest in debt, which are issued

without any guarantee, letter of credit, debt insurance or collateral including junior debt.

Risks linked to equity investments: the Sub-Fund may be exposed to equity risk including failures of the issuer and substantial declines in value at any stage. Investments in stock-listed equities made by the Sub-Fund depend for a large part of the evolution of the stock markets, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and could therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks.

Risks linked to investments in structured financial instruments: structured financial instruments are backed by, or representing interests in, the underlying investments of various natures. The cash flow on the underlying investments may be apportioned among the newly issued structured financial instruments to create securities with different investment characteristics such as varying maturities, payment priorities or interest rate provisions, and the extent of the payments made with respect to structured investments depends on the amount of the cash flow on the underlying investments. Structured financial instruments may embed leverage and so investments in structured financial instruments may be exposed to higher volatility as direct investments.

Risks linked to the lack of liquidity and marketability as well as due duration: the Sub-Fund may invest in assets which have not an access to financial markets. Consequently the asset may represents a low level of liquidity and marketability involving that selling of the asset in the market may only be possible with high discounts or not possible at all in certain market circumstances. Furthermore the Sub-Fund generally takes long-term positions. Due to fact that there may be a prevalence of longer-term over shorter term investments, the valuation of illiquidity premiums is important and may contribute to change significantly the performance of a relevant Sub-Fund.

Risks linked to investments in assets exposed to emerging market risk and political risk: the Sub-Fund may invest in securities issued in emerging markets as well as in assets produced, extracted, traded or stocked

in emerging markets. Certain issues are more prevalent in emerging markets than in other markets, such as high inflation making valuations problematic, macroeconomic volatility, capital restrictions and controls, and political risks. Furthermore there can be no assurance that the political and economic evolution in these countries will continue on a business friendly path. The political system of these countries is vulnerable to the population's dissatisfaction and exposed to internal pressure exercised by groups of influence with reforms, social unrest and changes in governmental policies, any of which could indirectly have a material adverse effect on the performance of the Fund.

Risks of possible concentration of investments: the Sub-Fund may hold a few relatively large investments in relation to its capital. Consequently a loss in a single investment could result in a relatively higher reduction in the Fund's capital than if such capital had been spread among a wider number of investments. Although a Sub-Fund may be well diversified within a relevant asset class, it may be exposed to the evolution of this specific asset class and so be exposed to substantial losses if this specific asset class suffers relevant decline.

Risk of early liquidation: in the event of the early liquidation of a Sub-Fund, the funds would have to be distributed to the Limited Shareholders pro-rata with their interest in the assets of the Sub-Fund. The Sub-Fund's investments would have to be sold by the Fund or distributed to the Limited Shareholders. It is possible that at the time of such sale or redemption certain investments held by the Sub-Fund may be worth less than the initial cost of the investment, resulting in a loss to the Sub-Fund and to its Limited Shareholders. Moreover, in the event the Sub-Fund terminates prior to the complete amortisation of organisational expenses, any non amortised portion of such expenses will be accelerated and will be debited (and thereby reduce) amounts otherwise available for distribution to Limited Shareholders.

Risks due to foreign exchanges and currency risk: the Sub-Fund may invest its assets in equity and debt denominated in a wide range of currencies. The Net Asset Value of each class expressed in its respective unit currency will fluctuate in accordance with the changes in foreign

exchange rate between its unit currency, the reference currency of the Fund and the currencies in which the Fund's investments are denominated.

<ul style="list-style-type: none">• Risks of using special investment techniques

Risks linked to trading on futures, options and other derivatives dealt or traded on a regular market: futures, options and other derivatives are volatile and involve a high degree of leverage. The profitability of the Sub-Fund will depend also on the ability of the Board of Directors to make a correct analysis of the market trends, influenced by governmental policies and plans, international political and economical events, changing supply and demand relationships, acts of governments and changes in interest rates. In addition, governments may from time to time intervene on certain markets, particularly currency markets. Such interventions may directly or indirectly influence the market. Given that only a small amount of margin or a low amount of premium may be required or paid to trade on futures and option markets, the operations of the portion of the Sub-Fund will be characterised by a high degree of leverage. As a consequence, a relatively small variation of the price of the derivative may result in substantial losses for the Sub-Fund and a correlated reduction of the Net Asset Value of the Sub-Fund.

Risks linked to entering into a forward, swaps, OTC options or any other OTC derivatives: the Sub-Fund may enter into one or more forward rate agreements, forwards, swaps, OTC derivatives in connection either with a hedge or an exposure. OTC derivatives are not traded on exchanges but rather banks and dealers act as principals by entering into an agreement to pay and receive certain cash flow over a certain time period, as specified in the OTC derivative. Consequently, the Sub-Fund is subject to the risk of the counterparty's inability or refusal to perform according to the terms of the OTC derivative. The OTC derivative market is generally unregulated by any governmental authority. To mitigate the counterparty risk resulting from such transactions, the Sub-Fund will enter into such transactions only with highly rated, first class financial institutions with which it has

established ISDA agreements. The use of credit derivative such as credit default swaps can be subject to higher risk than direct investment in securities. The market for credit derivative may from time to time be less liquid than the markets for transferable securities. In relation to credit default swaps where the Sub-Fund buys protection, the Sub-Fund is subject to the risk of the counterparty of the credit default swaps defaulting. To mitigate the counterparty risk resulting from credit default swap transactions, the Sub-Fund will only enter into credit default swaps with highly rated financial institutions specialised in this type of transaction and in accordance with the standard terms laid down by the ISDA.

The Sub-Fund may have credit exposure to one or more counterparties by virtue of its investment positions. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Such risks will increase where the Sub-Fund uses only a limited number of counterparties. Participants to such markets are not protected against defaulting counterparties in their transactions because such contracts are not guaranteed by a clearinghouse.

Risks linked to counterparties: The Fund is allowed to enter in contractual relationships with all type of counterparties. To the extent that the Sub-Fund invests in derivatives as mentioned in the previous paragraph, the Sub-Fund may bear substantial credit risk and risk of settlement default. These risks might be larger than those born in exchange-traded negotiations where the function of the settlement and clearing house is to face such risks. Transactions entered directly between two counterparties do not benefit of the same level of security and pledge then those entered with a settlement and clearing house.

Risks linked to market participants: the institutions, including brokerage firms and banks, with which the Fund executes trades or enters in transaction may encounter financial difficulties that impair the operational capabilities or the capital position of such counterparty. The Fund will have no control whatsoever over the counterparties or brokers used by the companies or entities it is invested in.

Risks related to lending and borrowing of securities: the Sub-Fund may borrow and lend securities as part of its investment strategy. In case of borrowing, a relevant Sub-Fund may have access to “hard-to-borrow” securities whose costs have to be born by the Sub-Fund and which may have an impact on the performance of the Sub-Fund. Securities lending may have a positive impact on the performance of the Sub-Fund in terms of yield enhancement. However, third parties that borrow securities from the Sub-Fund may not be able to return these securities on first demand which may cause the Sub-Fund to default on its obligation to other counterparties.

Risks due to short sales: the Sub-Fund may be allowed to take short positions on securities. In such a case the Sub-Fund may be exposed to price movements in an opposite way as the expected one which may involved that the Fund is not able to cover the short position. As a result, the Sub-Fund may theoretically face an unlimited loss. The availability in the market of the borrowed securities cannot be ensured when necessary to cover such short position.

Risks linked to use of leverage: the Sub-Fund may make use of leverage, i.e. a borrowing facility for purchasing securities and assets in excess of the equity value which is available for the Sub-Fund. If the cost of borrowing is lower than the net return earned on the purchased asset, the Sub-Fund may increase its performance. However, if the use of leverage exposes the Sub-Fund to additional risks such as but not limited to (i) greater potential losses on the investment purchase by using the leverage; (ii) greater interest costs and lower debt coverage in case of increasing interest rates and/or (iii) premature margin calls which may force the liquidation of some Sub-Fund’s investments (which may occur at a moment where the investments have been under pressure by the markets involving the liquidation at prices below the acquisition prices).

Risks linked to the use of a Custodian and Prime Broker (if any): it is expected that all securities and other assets of each Sub-Fund will be deposited with the Custodian and/or all or part of a relevant Sub-Fund with a Prime Broker (with the consent of the Custodian). Therefore such securities and assets will be clearly identified as belonging to the Sub-Fund. In case of default of the Custodian or of the Prime Broker, there might be

problems in achieving the segregation of the Sub-Fund assets from those of other parties. This might create substantial losses for the Sub-Fund Shareholders. Due to the fact that part or all of a relevant Sub-Fund's assets are in custody with a Prime Broker, a relevant Sub-Fund may become one of the Prime Broker's unsecured creditors. In the event of insolvency of the Prime Broker, the Sub-Fund may not be able to fully or partially recover the assets under custody. Furthermore, the Sub-Fund's cash and cash equivalents may not be segregated towards the Custodian or the Prime Broker's cash and cash equivalents. Cash and cash equivalents may be used in its ordinary course of business. Hence a relevant Sub-Fund may become an unsecured creditor of the Custodian and the Prime Broker in relation thereto.

<ul style="list-style-type: none">• Specific risks associated with the structure of the Fund

Risks due to changes in applicable law: the Fund must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Fund, the legal requirement to which the Fund may be subject, could differ materially from current requirements.

Risks linked to special purpose vehicles: the Sub-Fund may use special purpose vehicle for investments as well as may invest in securities issued by special purpose vehicles. All decisions with respect to the general management of such a special purpose vehicle are taken by the board of that special purpose vehicle. Such a board may have the broadest power to decide, among others, on issuing of securities such as bonds, notes or insurance linked securities, on reimbursement of capital, payment of interests and collection of various types of revenues such as but not limited to premiums. As a result, the performance of such a special purpose vehicle for the foreseeable future will depend largely upon the abilities of the special purpose vehicle and in particular key people exercising a mandate or working for the relevant special purpose vehicle. There can be no assurance that key people remain director, manager, officer or employee for the relevant special purpose vehicle.

6 THE SHARES

6.1 The Share Capital

The initial share capital of the Fund at the time of the incorporation is Euro 32.000 divided into 15.999 Ordinary Shares held by the Limited Shareholder and 1 Management Share held by the General Partner. The minimum share capital, as set by the SIF Law (Euro 1.250.000), will reach within a period of 12 months following its authorization by the CSSF.

The share capital of the Fund will be equal, at any time, to the total value of the net assets of the Fund.

As above mentioned, the Fund has been set up as a "multiple compartment investment Fund" which means that the Fund may be composed of several Sub-Funds with each Sub-Fund constituting a separate portfolio of assets and liabilities. Each Sub-Fund is treated as a separate entity and operates independently and as between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Sub-Fund.

The following provisions shall apply to each Sub-Fund established by the Directors:

- separate records and accounts shall be maintained for each Sub-Fund as the Board of Directors and the Custodian Bank shall from time to time determine;
- the proceeds from the issue of Shares in each Sub-Fund shall be recorded in the accounts of the Sub-Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of this Prospectus; and
- where any asset is derived from any other asset, such derivative asset shall be applied in the records and accounts of the Fund to the same Sub-Fund as the asset from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Sub-Fund.

Within each Sub-Fund, several classes of Shares (also “**Share Classes**”) may be issued.

Shares are issued in registered form only. Confirmations of holding will be issued upon subscription of Shares. Share certificates will only be issued upon formal request and a correspondent charge will be payable.

Shares are freely transferable to Eligible Investors except to U.S. Persons or nominees.

All Shares must be fully paid-up; they are of no par value and carry no preferential or pre-emptive rights. Each Share of the Fund, irrespective of its Sub-Fund, is entitled to one vote at any general meeting of Shareholders, in compliance with Luxembourg law and the Articles.

However, the Fund may decline to accept the vote of any U.S. Person, as referred to here above and provided in the Articles.

6.2 Eligible Investors

In accordance with the SIF Law, subscription for Shares in the Fund is exclusively limited to institutional investors, professional investors or any other investor that complies with the status of “Well-Informed Investor” as defined by the SIF Law.

The Board of Directors or any duly authorised entity may restrict or object to the ownership of Shares in the Fund by any person that does not comply with the requirements set out above.

For this purpose the Board of Directors or any duly authorised entity may:

- refuse to issue Shares and to register the transfer of Shares when it appears that this issue or transfer would, or could, result in the ownership of Shares by any Person not qualifying as a Well-Informed Investor;
- proceed with the compulsory redemption of all or some of the Shares if it appears that a Person is not a Well-Informed Investor.

The compliance with requirements of the status of Well-Informed Investor is verified by PFA under the responsibility of the Board of Directors.

The Fund reserves the right to refuse all or a part of an application for subscription. In the case of non-acceptance of an application, the amount

of the subscription or the balance remaining from a partial acceptance shall be reimbursed to the applicant within five working days of the refusal either by cheque or by wire transfer, in which case all charges shall be borne by the applicant.

6.3 Issue of Shares

During the Initial Subscription Period, the Fund can offer the Shares under the terms and conditions set out in the Appendix.

After the Initial Subscription Period, the subscription price per Share (the "Subscription Price") will be equal to the Net Asset Value per Share of the relevant class of Shares of the relevant Sub-Fund increased, as the case may be, by the subscription fee as stated in the relevant Appendix. The Subscription Price is available for inspection at the registered office of the Fund.

The Issue Price (as defined hereafter) per Share is expressed in the Reference Currency for the relevant Sub-Fund, as well as in certain other currencies as may be determined from time to time by the Board of Directors. Currency exchange transactions may delay any issue of Shares since the Administrative Agent may choose as its option to delay executing any foreign exchange transactions until cleared funds have been received.

Applications for subscription must indicate the name of each relevant Sub-Fund and Class of Shares, the number of Shares applied for or the monetary amount to be subscribed, the name under which the Shares are registered and all useful information regarding the person to whom the payments should be made.

The repeated purchase and sale of shares designed to take advantage of pricing inefficiencies in the Fund - also known as "Market Timing" - may disrupt portfolio investment strategies and increase the Fund's expenses and adversely affect the interests of the Fund's long term Shareholders. To deter such practice, the Board of Directors reserves the right, in case of reasonable doubt and whenever an investment is suspected to be related to Market Timing, which the Board of Directors shall be free to appreciate, to suspend, revoke or cancel any subscription order placed by Shareholders

who have been identified as doing frequent in and out trades within the Fund.

The Board of Directors, as safeguard of the fair treatment of all Shareholders, takes necessary measures to ensure that:

- the exposure of the Fund to Market Timing activities is adequately assessed on an ongoing basis, and
- sufficient procedures and controls are implemented to minimise the risks of Market Timing in the Fund. These functions are delegated to the transfer agent.

The Fund issues registered Shares the proceeds of which are commonly invested in accordance with the specific investment policy of each Sub-Fund.

The Board of Directors may decide to issue different Share Classes in each Sub-Fund, in which case this Prospectus will be updated.

No Shares of any Sub-Fund will be issued during any period when the calculation of the Net Asset Value in such Sub-Fund is suspended by the Board of Directors, pursuant to the powers reserved to it under the Articles. In the case of suspension of dealings in Shares, the application will be dealt with on the first Valuation Day following the end of such suspension period.

The Board of Directors may impose restrictions on the frequency at which Shares shall be issued. The Board of Directors may, in particular, decide that Shares only be issued during one or more offering periods or at such other periodicity as detailed in the Appendix for each Sub-Fund.

Futhermore, the Board of Directors may impose restrictions in relation to the minimum amount of the aggregate Net Asset Value of Shares to be initially subscribed, the minimum amount of any additional investments and the minimum of any holding of Shares.

The Board of Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-fund, pursuant to its investment policy and restrictions. Any such contribution in kind will be made at the net asset value of the assets contributed calculated in accordance with the rules set out in section 7 “The determination of the Net asset value” and according

to the Luxembourg Law. The Board of Directors shall require an auditor's report drawn up in accordance with the requirements of Luxembourg law. Any costs incurred will be borne by the relevant investor.

Subject to the above limitation subscriptions for Shares in each Sub-Fund can be made on any Luxembourg bank business day. Applications for subscriptions will normally be satisfied on the next Valuation Day, provided that the application is received before the cut-off time on a Luxembourg bank business day preceding the applicable Valuation Day and that subscription moneys are received by the Custodian at the latest on the third Luxembourg bank business day following the applicable Valuation Day.

Specific cut-off times for each Sub-Fund are detailed in the Appendix.

In the absence of a specific request for Share certificates, each Shareholder will receive written confirmation of the number of Shares held in each Sub-Fund and in each Class of Shares. Upon request, a Shareholder may receive without any charge, a registered certificate in respect of the Shares held. The certificates delivered by the Fund are signed by two Directors of the General Partner (the two signatures may be either hand-written, printed or appended with a signature stamp) or by one Director and another person authorized by the General Partner for the purpose of authenticating certificates (in which case, the signature must be hand-written). In the event that a Share certificate has been misplaced, damaged or destroyed, a duplicate may be issued upon request and proper justification, subject to the conditions and guarantees that the Board of Directors may determine. As soon as the new certificate is issued (bearing mention that it is a duplicate), the original certificate will have no value. The Fund may in its absolute discretion charge the Shareholder for the cost of the duplicate or the new certificate as well as any expense in relation with the registration in the Shares' register and as the case may be, with the destruction of the original certificate. The Board of Directors may restrict or prevent the holding of Shares by any individual or legal entity if such holding is considered as detrimental to the Fund or to its Shareholders. The Board of Directors may also prevent the ownership of Shares by U.S. Persons. All subscriptions shall be made directly to the Sub-Fund's account with the Custodian Bank.

The Board of Directors may also limit the distribution of Shares of a given Sub-Fund to specific countries.

6.4 Conversion of Shares

Conversions of Shares between different Sub-Funds is not allowed.

6.5 Redemption of Shares

Redemption requests (the **“Redemption notice”**) should contain the following information: the identity and address of the Shareholder requesting the redemption, the number of Shares to be redeemed, the relevant Sub-Fund, the relevant class of Shares including the concerned ISIN Code, the name in which such Shares are registered. All necessary documents to complete the redemption should be enclosed with such request.

A redemption fee as a percentage of the Net Asset Value of the Shares to be redeemed may be charged. Please refer to the details of every Sub-Fund in the Appendix.

Redemption payments will be made in the reference currency of the relevant Sub-Fund at the latest 60 days starting with the date set for redemption, as long as the Shares Certificates, if any and all transfer documents have been received by the Fund.

The Board of Directors may limit the total number of Shares in a Sub-Fund which may be redeemed for any Valuation Day to a number representing 10% (ten per cent) of the Net Asset Value of a Sub-Fund. Further limitations, if any, will be detailed in the Appendix for each Sub-Fund.

The limitation will be applied to the Shareholders that presented their Shares for redemption as described for each Sub-Fund in the Appendix.

Any Shares which, by virtue of this limitation, are not redeemed on a particular Valuation Day shall be carried forward for redemption on the next following Valuation Day for the relevant Sub-Fund.

Redemption of Shares of a given Sub-Fund shall be suspended whenever the determination of the Net Asset Value per Share of such Sub-Fund is suspended by the Fund.

The “Redemption Price” per Share of each Sub-Fund is equal to the Net Asset Value per Share (as defined under “Net Asset Value”) of the relevant Sub-Fund expressed with four decimals and rounded up or down to the nearest unit of the Reference Currency. The Redemption Price per Share is calculated on the Calculation Day by the Administrative Agent for each relevant Valuation Day of the Sub-Fund.

Unless otherwise specified in the Appendix of the Sub-Fund, a Shareholder may not withdraw his request for redemption of Shares of any Sub-Fund except in the event of a suspension of the calculation of the Net Asset Value of the Shares of such Sub-Fund and, in such event, a withdrawal will be effective only if written notification is received by the Transfer Agent before the termination of the period of suspension. If the request is not withdrawn, the Fund shall proceed to redemption on the first applicable Valuation Day following the end of the suspension of the determination of the Net Asset Value of the Shares of the relevant Sub-Fund.

The Articles provide that the Board of Directors, on behalf of any Sub-Fund, may compulsorily redeem the Shares held by any person, firm or corporate body, if in the opinion of the Board of Directors such holding may be detrimental to the Sub-Fund, if it may result in a breach of any law or regulation whether Luxembourg or foreign, or if as a result thereof the Sub-Fund may become subject to laws other than those of the Grand Duchy of Luxembourg (including but without limitation tax laws); specifically but without limitation the Sub-Fund may compulsorily redeem Shares held by any U.S. Person or a person who is not an Eligible Investor. The Shares redeemed by the Fund will be cancelled.

Specific cut-off times for each Sub-Fund are detailed in the Appendix.

6.6 Anti money laundering and privacy

Pursuant to the law of 5 April 1993 (as amended) and the various applicable anti money laundering laws and circulars (the “**AML Regulations**”) issued by the Luxembourg regulatory authority, professional obligations have been outlined to prevent the use of UCIs for money laundering purposes. As a result, for the subscription to be valid and acceptable by the Fund,

prospective Shareholders shall attach the following documents to the application forms:

- if the investor is a physical person, a certified, copy of the passport or the identification card, or
- if the investor is a legal entity, a copy of its corporate documents (a recent original extract of the Trade Register and, where applicable or if requested, a certified copy of the business authorisation delivered by the competent local authorities) and the copies of the identification documents of its economic eligible parties (passport or ID card);
- any other documents and/or information which the Fund may consider required or useful to comply with the AML Regulations.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

Shareholders are informed that their personal data or information given in the subscription documents or otherwise in connection with an application to subscribe for Shares, as well as details of their shareholding, will be stored in digital form and processed in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection.

Any Shareholder may redeem Shares in kind, provided that the Fund determines that the redemption would not be detrimental to the remaining Shareholders and the redemption is affected in compliance with the conditions set forth by Luxembourg law, in particular the obligation to deliver a valuation report from the Fund's Auditor (réviseur d'entreprises agréé) which shall be available for inspection. Any costs incurred in connection with a redemption in kind shall be borne by the relevant Shareholders. Redemptions in kind will have to be previously and expressly authorized by the Board of Directors or its duly appointed delegate.

7 THE DETERMINATION OF THE NET ASSET VALUE

7.1 Calculation and Publication

The valuation of the assets of the Sub-Fund is based on the fair value. The Net Asset Value of the Shares of each Sub-Fund is determined in its reference currency. It shall be determined on each Valuation Day by dividing the net assets attributable to each Sub-Fund by the number of Shares of such Sub-Fund then outstanding. The net assets of each Sub-Fund are made up of the value of the assets attributable to such Sub-Fund less the total liabilities attributable to such Sub-Fund calculated at such time as the Board of Directors shall have set for such purpose.

The Net Asset Value per Share may be rounded up or down to the nearest currency unit.

The value of the assets of the Fund shall be determined as follows:

(α) Debt instruments not listed or dealt in on any stock exchange or any other regulated market that operates regularly, is recognized and open to the public will be valued at the nominal value plus accrued interest. Such value will be adjusted, if appropriate, to reflect e.g. major fluctuations in interest rates in the relevant markets or the appraisal of an adviser on the creditworthiness of the relevant debt instrument. The Board of Directors will use its best endeavours to continually assess this method of valuation and recommend changes, where necessary, to ensure that debt instruments will be valued at their fair value as determined in good faith by the Board of Directors. If the Board of Directors believes that a deviation from this method of valuation may result in material dilution or other unfair results to shareholders, the Board of Directors will take such corrective action, if any, as it deems appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results.

(β) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

(χ) The value of assets which are listed or dealt in on any stock exchange is based on the last available price on the stock exchange which is normally the principal market for such assets.

(δ) The value of assets dealt in on any other regulated market is based on the last available price.

(ε) The value of units or shares in undertakings for collective investment is based on their last-stated net asset value. Other valuation methods may be used to adjust the price of these units or shares if, in the opinion of the Board of Directors, there have been changes in the value since the net asset value has been calculated.

For the purpose of determining the value of the assets of the Fund, PFA, having due regards to the standard of care and due diligence in this respect, may, when calculating the Net Asset Value, completely and exclusively rely, unless there is manifest error or gross negligence on its part, upon the valuations provided (i) by various pricing sources available on the market such as pricing agencies (i.e. Bloomberg, Reuters etc.) or fund administrators, (ii) by brokers, or (iii) by (a) specialist duly authorized to that effect by the Board of Directors. Finally, (iv) in the cases no prices are found or when the valuation may not correctly and rapidly be assessed, the Administrative Agent may rely upon the valuation of the Board of Directors.

In circumstances where (i) one or more pricing sources fail(s) to provide valuations to the accounting agent, which could have a significant impact on the net asset value, or where (ii) the value of any asset(s) may not be determined as rapidly and accurately as required, the accounting agent is authorized to postpone the net asset value calculation and as a result may be unable to determine subscription and redemption prices. The Board of Directors shall be informed immediately by the accounting agent should the situation arise. The Board of Directors may then decide to suspend the calculation of the Net Asset Value.

In the event that, for any assets, the price as determined pursuant to subparagraph (a), (c) or (d) is not representative of the fair market value of the relevant assets, the value of such assets will be based on the reasonably foreseeable sales price determined prudently and in good faith.

The value of all assets and liabilities not expressed in the reference currency of a Sub-Fund will be converted into the reference currency of such Sub-Fund at the rate of exchange ruling in Luxembourg on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The Board of Directors, or any appointed agent, in its discretion, may permit some other method of valuation to be used, if it considers that such valuation better reflects the fair value of any asset of the Fund.

The Net Asset Value per Share of each Sub-Fund and the issue and redemption prices thereof are available at the registered office of the Fund.

7.2 Temporary Suspension of Issues and Redemptions

The Board of Director may take the decision to suspend the determination of the Net Asset Value of one or more Classes and the issue, redemption and conversion of Shares of such Class(es):

☎️📺📺 during any period when any one of the stock exchanges or other principal markets on which a substantial portion of the assets of the Fund attributable to the Sub-Fund concerned, from time to time, is quoted or dealt in is closed (otherwise than for ordinary holidays) or during which dealings therein are restricted or suspended provided that such restriction or suspension affects the valuation of the investments of the Fund attributable to such Sub-Fund quoted thereon; or

☎️📺📺 military or monetary events or any circumstances outside the control, responsibility and power of the Board of Directors, or the existence of any state of affairs which constitutes an emergency in the opinion of the Board of Directors, disposal or valuation of the assets held by the Fund attributable to the Sub-Fund concerned is not reasonably practicable without this being seriously detrimental to the interests of shareholders, or if in the opinion of the Board of Directors the issue and, if applicable, redemption prices cannot fairly be calculated; or

☎️📺📺 during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of the Fund attributable to the Sub-Fund concerned or the

current prices or values on any stock exchanges or other markets in respect of the assets attributable to such Sub-Fund; or

☎️📅 during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares of the Sub-Fund concerned or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares of such Sub-Fund cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange; or

☎️📅 from the time of publication of a notice convening an extraordinary general meeting of shareholders for the purpose of winding up the Fund or any Sub-Fund(s), or merging the Fund or any Sub-Fund(s), or informing the shareholders of the decision of the Board of Directors to terminate or merge any Sub-Fund(s); or

☎️📅 when for any other reason, the prices of any investments owned by the Fund attributable to the Sub-Fund concerned cannot be promptly or accurately ascertained.

Notice of the beginning and of the end of any period of suspension shall be given by the Fund to all the shareholders affected, i.e. having made an application for subscription, redemption or conversion of shares for which the calculation of the net asset value has been suspended.

Any application for subscription, redemption or conversion of Shares is irrevocable except in case of suspension of the calculation of the net asset value of the relevant Sub-Fund or Class, in which case shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Fund, such application will be dealt with on the first applicable Valuation Day following the end of the period of suspension.

8 DISTRIBUTION POLICY

The operating plan in general does not contemplate payment of dividends to Shareholders.

Shares Classes currently in issue are accumulating shares, which mean that income and capital gains arising in each Sub-Fund in relation to such Share Classes shall be reinvested in such Sub-Fund and the value of such Shares

will reflect the capitalisation of income and gains. The Board of Directors may however decide to declare payment of dividends on its own discretion within the limits of the Luxembourg law on commercial companies. In this case, should payment of a dividend in respect of any such Share Class be considered to be appropriate, the Directors will propose to the general meeting of Shareholders that a dividend be declared out of the net investment income attributable to such Share Classes and available for distribution and/or realized capital gains after deduction of realized capital losses and unrealized capital gains after deduction of unrealized capital losses.

9 CHARGES AND EXPENSES

9.1 Operational costs and formation expenses

The Fund bears its operational costs including but not limited to the cost of buying and selling assets, governmental fees, taxes, fees and out-of-pocket expenses of its directors, legal, risk, valuers and auditing fees, publishing and printing expenses, financial reports and other documents for the Shareholder, postage, telephone and telex. The Fund also pays advertising expenses and the costs of the preparation of this Prospectus and any other, registration fees. All expenses are taken into account in the determination of the Net Asset Value of the Shares of each Sub-Fund.

Establishment costs of the Fund, currently (as at the date of this Prospectus) estimated at about EUR 50.000 will be amortised over a period of 5 (five) years. These expenses will be divided in equal parts between the Sub-Funds in existence.

In the event that any additional Sub-Fund is set up within the Fund, then the following amortization rules shall apply: (i) the costs and expenses for setting-up such additional Sub-Fund shall be borne by all Sub-Funds and will be written off over a period of five years and (ii) the additional Sub-Fund shall bear a pro rata of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares, which have not

already been written off at the time of the creation of the additional Sub-Fund.

9.2 Management Fees

The General Manager is entitled to receive from each Sub-Fund a fee payable quarterly and calculated on the average total net assets for the relevant period. The fee is detailed in the Appendix for each relevant Sub-Fund.

9.3 Performance Fees

In addition, the General Manager will receive a performance fee calculated as described in the Appendix for each relevant Sub-Fund.

9.4 Fees of the Custodian and Paying Agent of the Central Administration, Corporate and Domiciliary Agent and of Registrar Agent

The Custodian and Paying Agent, the Central Administration, Corporate and Domiciliary Agent and the Registrar Agent are entitled to receive out of the assets of each Sub-Fund fees calculated, in accordance with customary banking practice in Luxembourg, as an annual percentage of the average total net assets and are payable quarterly or monthly in arrears pursuant to their respective agreement signed with the Fund. They are also determined partly on a transaction basis and partly as a fixed sum. In addition, the Custodian as well as the Central Administration and the Registrar Agent are entitled to be reimbursed by the Fund for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

10 MEETINGS AND REPORTS TO SHAREHOLDERS

10.1 Annual General Meeting

Any regularly constituted meeting of Shareholders shall represent the entire body of Shareholders of the Fund. The general meetings of the

Shareholders (the “**General Meeting**”) shall deliberate only on the matters which are not reserved to the General Partner by the Articles or by the law. General Meetings shall be called by the General Partner, or by Shareholders holding a minimum of ten per cent (10%) of the Fund’s share capital.

The annual General Meeting of Shareholders will be held at the registered office of the Fund in Luxembourg on the first Thursday of the month of June of each year at 14.00 a.m. or, if any such day is not a bank business day in Luxembourg, on the next following bank business day. All the Shareholders shall be convened to the meeting via a notice, recorded in the register of Shareholders and sent to their addresses, at least 8 days before the date of the General Meeting. This notice shall indicate the time and place of the General Meeting, the admission conditions, the agenda and the quorum and majority requirements.

The notices will be published, in the newspaper “Wort”, in any other newspapers that the Board of Directors may determine.

Each Share confers the right to one vote. The vote on the payment of a dividend on a particular Sub-Fund requires a separate majority vote from the meeting of Shareholders of the Sub-Fund concerned.

10.2 Reports and Accounts

The Fund’s accounting year ends on 31 December in each year. The first accounting year will begin on the date of incorporation of the Fund and will end on 31 December 2010. Audited annual reports shall be published within 4 (four) months following the end of the accounting year. The annual reports shall be made available at the registered office of the Fund during ordinary office hours.

The reference currency of the Fund is the Euro. The annual report will comprise consolidated accounts of the Fund expressed in EUR as well as individual information on each Sub-Fund expressed in the reference currency of each Sub-Fund.

11 DISSOLUTION AND LIQUIDATION OF THE FUND

In the event of a dissolution of the Fund, liquidation shall be carried out by one liquidator (if a legal entity) or one or more liquidators, if physical persons named by the general meeting of shareholders effecting such dissolution upon proposal by the Board of Directors. Such meeting shall determine their powers and their remuneration. The net proceeds may be distributed in kind to the holders of Shares.

12. MERGER OF SUB-FUND OR CLASSES OF SHARES

In the event that for any reason the value of the net assets in any Sub-Fund or Class of Shares has decreased to or has not reached an amount determined by the Board of Directors to be the minimum level for such Sub-Fund or Class of Shares to be operated in an economically efficient manner, or if a change in the economic, monetary or political situation relating to the Sub-Fund or Class of Shares concerned would have material adverse consequences on the investments of that Sub-Fund or Class of Shares or in order to proceed to an economic rationalization, the Board of Directors may decide to compulsorily redeem all the Shares issued in such Sub-Fund or Class of Shares at their net asset value (taking into account actual realisation prices of investments and realization expenses), calculated on the Valuation Day at which such decision shall take effect. The Fund shall send a registered letter to the holders of Shares concerned by the compulsory redemption one month prior to the effective date for such redemption, which will indicate the reasons for, and the procedure of, the redemption operations. Unless it is otherwise decided in the interests of, or to keep equal treatment between, the shareholders of the Sub-Fund or Class of Shares concerned may continue to request redemption (if appropriate) of their Shares free of charge (but taking into account actual realisation prices of investments and realization expenses) prior to the date effective for the compulsory redemption.

Notwithstanding the powers conferred to the Board of Directors by the preceding paragraph, the general meeting of shareholders of any Sub-Fund or Class of Shares may, upon proposal from the Board of Directors, redeem all the Shares of such Sub-Fund or Class of Shares and refund to the shareholders the net asset value of their Shares (taking into account actual realization prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of those present or represented and voting at such meeting.

Assets which may not be distributed to their beneficiaries upon the implementation of the redemption will be deposited with the Custodian for a period of six months thereafter; after such period, the assets will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto.

Under the same circumstances as provided above, the Board of directors may decide to allocate the assets of any Sub-Fund to those of another existing Sub-Fund within the Fund or to another undertaking for collective investment or to another Sub-Fund within such other undertaking for collective investment (the "new Sub-Fund") and to redesignate the Shares of the Sub-Fund concerned as Shares of the new Sub-Fund (following a split or consolidation, if necessary, and the payment of the amount corresponding to any fractional entitlement to shareholders). Such decision will be communicated in the same manner as described in the above paragraph (and, in addition, the registered letter will contain information in relation to the new Sub-Fund), one month before the date on which the amalgamation becomes effective in order to enable shareholders to request redemption of their Shares, free of charge, during such period. After such period, the decision commits the entirety of shareholders who have not used this possibility, provided however that, if the amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*") or a foreign based undertaking for collective investment, such decision shall be binding only on the shareholders who are in favour of such amalgamation.

A contribution of the assets and of the liabilities attributable to any Sub-Fund to another Sub-Fund of the Fund may be decided upon by a general meeting of the shareholders of the Sub-Fund concerned which will decide upon such an amalgamation by resolution taken with no quorum and by simple majority of those present or represented and voting at such meeting. A contribution of the assets and of the liabilities attributable to any Sub-Fund to another undertaking for collective investment referred to in the Article or to another Sub-Fund within such other undertaking for collective investment shall require a resolution of the shareholders of the Sub-Fund concerned taken with no quorum and by simple majority of those present or represented and voting at such meeting, except when such an amalgamation is to be implemented with a Luxembourg undertaking for collective investment of the contractual type ("*fonds commun de placement*") or a foreign based undertaking for collective investment, in which case resolutions shall be binding only on such shareholders who have voted in favour of such amalgamation.

13 TAXATION

13.1 Taxation of the Fund

Under current Luxembourg applicable laws and practice, the Fund is not liable to any Luxembourg income tax, nor are dividends paid by the Fund liable to any Luxembourg withholding tax (see however the European tax considerations clause as more fully described underneath.

However, the Fund is liable in Luxembourg to a "taxe d'abonnement" of 0.01 % (one hundredth per cent) per annum of its net assets, such tax being payable quarterly and calculated on the total Net Asset Value of each Sub-Fund at the end of the relevant quarter.

The "taxe d'abonnement" is not applicable in respect of assets invested (if any) in Luxembourg UCIs, which are themselves subject to such tax. No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Fund except a tax, payable once only, of EUR 2.650. - (Two Thousand six hundred fifty Euros) paid upon incorporation.

No tax is payable in Luxembourg on realised or unrealised capital appreciation of the assets of the Fund. The regular income of the Fund from some of its securities as well as interest earned on cash deposits in certain countries may be liable to withholding taxes at varying rates, which may not be recoverable.

13.2 Taxation of the Shareholders

Under current legislation, Shareholders are not subject to any capital gains, income or withholding tax in Luxembourg (except for (i) those domiciled, resident or having a permanent establishment in Luxembourg or (ii) non-residents of Luxembourg who hold (personally or by attribution) more than 10% of the Shares of the Fund and who dispose of all or part of their holdings within 6 months from the date of acquisition or (iii) in some limited cases, some former residents of Luxembourg who hold (personally or by attribution) more than 10% of the Shares of the Fund).

It is expected that Shareholders in the Fund will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the taxation consequences for each investor of subscribing, converting (if any), holding or redeeming, if applicable, or otherwise acquiring or disposing of Shares in the Fund. These consequences will vary in accordance with the law and practice currently in force in a Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances. Shareholders non-residents of Luxembourg but in another member state of the European Union may fall under the provisions of the European Savings Directives (2003/48/EC), implemented within the Luxembourg legal framework per a Law dated 21 June 2005.

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.

14 DOCUMENTS AVAILABLE

Copies of the following documents may be obtained during usual business hours on any Business Day at the registered office of the Fund:

- (i) The current Prospectus;
- (ii) the Articles of the Fund;
- (iii) the latest annual audited report of the Fund.

15 OFFICIAL LANGUAGE

The original version of this Prospectus and of the Articles of Incorporation is in English. However, the Board of Directors may consider that these documents must be translated into the languages of the countries in which the Shares are offered and sold. In case of any discrepancies between the English text and any other language into which the Prospectus and the Articles of Incorporation are translated, the English text will prevail.

PENDRAGON FUND SICAV SIF – REAL ESTATE FUND ONE

<p>Investment object and process overview</p>	<p>The Sub-Funds aims to achieve long-term capital growth by investing directly or indirectly (through structures such as SPV, Soparfi...) in real estate properties located in central positions of major cities and principally in Europe but also around the world.</p> <p>To achieve this objective the Sub- Fund invests, with respect of the principle of diversification set at the paragraph 4 “Investment Policy and objective”:</p> <ul style="list-style-type: none"> - at least the 70% of the its total assets (not including cash and cash equivalents) in real estate sector and - up to 30% in interest-bearing bank accounts, “triple A (or equivalent)” rated bonds of governments or assimilated public institutions, or any low risk money market instruments. <p>The Sub-Fund may also use techniques and instruments in accordance with the rules set out in CSSF Circular 08/356.</p> <p>The Sub-Fund may accessorially hold liquid assets in all currencies in which investments are effected as well as in the currency of its respective share Class(es).</p> <p>In order to achieve a minimum spread of the investment risks, and except during its start-up period (which will not extend beyond one (1) year after the date of its launch) the Sub-Fund will not invest more than thirty per cent (30%) of its assets in one single asset or real estate property.</p> <p>For the avoidance of doubt, these restrictions shall only apply at the time the relevant investment is made, and will not apply/be monitored after that date in the event of the fluctuation of value of any investments.</p> <p>In implementing the Sub-Fund’s strategy and seeking specific opportunities, the General Partner will select investments from among a set of underlying investments (such as office, residential, retail and logistics assets) after having completed a deep sourcing and a comprehensive due diligence and selection. On an ongoing basis, the General Partner will monitor and manage such selections and will refine the investment strategy to reflect its perception of relevant considerations and investment outlook.</p> <p>In order to implement this processes, the General Partner will evolve its models and tools to best meet the Sub-Fund’s objectives over the long term and will be assisted by the advisory of an Investment Committee created at the Fund.</p>
<p>Sub-Fund specific risk profile</p>	<p>No guarantee is given to shareholders in this Sub-Fund with respect to the investment objectives actually being reached. For more considerations concerning risks, Investors should refer to the Ch. 5 “Risk Considerations”.</p>
<p>Profile of typical investor</p>	<p>The Sub-Fund has been designed for seeking for main exposure to the continental European real estate market but with potentially some level of exposure to other real estate markets in the world. It is therefore ideal for investors who are looking to a diversified portfolio aimed at producing long term capital growth.</p>

	Due to the specific nature of the real estate market in terms of economic, currency and political risks the Sub-Fund is suitable for investors with a 3 to 5 year investment horizon.
Valuation Currency	EURO
Form of shares	Registered shares
Type of ordinary shares	Accumulating shares. Shares of this Sub-fund are currently available as: <ul style="list-style-type: none"> • A-Shares
Initial Offering Period	Starting from 3 November 2010 to 30 September 2011. The Subscriptions request have to be send in written form to the Registrar Agent. The initial price of the Shares will be 100 EUR
Management, Performance, Subription and Redemption Fees	<p>MANAGEMENT FEES:</p> <p>An annual Management Fee of 2% of the last available Net Asset Value, payable in advance by half on the first business day of January and by half on the first business day of July of each year. The first half on the annual management fee of the initial year of operation of the Fund shall be paid on the first business day following the end of the initial Offering Period.</p> <p>PERFORMANCE FEES</p> <p>A Performance Fee of 20% of the difference between (i) and (ii), due in case of positive difference at least 4% between (i) the last available Net Assets Value and (ii) the best past Net Assets Value. The “hurdle rate” method is applicable.</p> <p>SUBSCRIPTION FEES</p> <p>No Subscription fees will be charged.</p> <p>REDEMPTION FEES</p> <p>A redemption fee of 3% of the NAV of the Shares that are redeemed within the first 12 months of their subscription investment date or a redemption fee of 1% for all redemptions in the subsequent periods.</p>
Valuation day	The Net Asset Value per Share of the Sub-Fund is calculated, under the overall responsibility of the Board of Directors, on the last Business Day of each calendar semester (Valuation Day) and for the first time on 30 June 2011. The Net Asset Value of the Sub-Fund will be equal to its total assets less its total liabilities as of any date of determination. The Performance Fee will not be included in these liabilities. However the Net Asset Value which is the closest to the last day of the Sub-Fund’s financial year may be replaced by a Net Asset Value which will be calculated on the last day of the relevant period. The Net Asset Value will be available at the registered office of the Fund and the Administrator.
Subscription and redemption orders. Minimum subscription amount	Shares are issued and redeemed at NAV. The minimum subscription are: <ul style="list-style-type: none"> • A-Shares: Euro 125.000

Subscription and redemption orders Cut-Off time	Applications for subscription and redemption of Shares received by the Registrar and Transfer Agent of the Fund before 16.00 p.m. Luxembourg time one day prior to the relevant Valuation Day, will be dealt with on that Valuation Day at the respective subscription price or redemption price prevailing on that Valuation Day.
Redemption payment	Redemption payments will be made in the reference currency of the relevant Sub-Fund at the latest 60 days starting with the date set for redemption, as long as the Shares Certificates, if any and all transfer documents have been received by the Fund.