

- Confidential -

# **AERO FUND PCC LIMITED**

**A Gibraltar Experienced Investor Fund**

## **PRIVATE PLACEMENT MEMORANDUM**

**14 MARCH 2018**

**Issue 15**



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**IMPORTANT GSX NOTICE**

**THE PARTICIPATION SHARES OF CELL A AND CELL D OF AERO FUND PCC LIMITED HAVE BEEN DE-REGISTERED FROM THE OFFICIAL LIST OF THE GIBRALTAR STOCK EXCHANGE WITH EFFECT FROM 31<sup>ST</sup> MARCH 2017.**

## NOTICE TO INVESTORS

This private placement memorandum, originally issued on 21 January 2009 and last amended on 14 March 2018, contains certain information about Aero Fund PCC Limited (the "Fund" and/or the "Company") invites selected individuals or entities to apply for subscription to Participation Shares of the Fund. This document may not be reproduced.

The distribution of this document and the offering of the Participation Shares in certain jurisdictions may be restricted. Accordingly this document may not be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Participation Shares will not be offered to the general public.

The Directors further confirm that there has been no significant change in the financial or trading position of the Fund since the end of the period for which the last audited accounts were prepared. As at the date of this PPM, the directors are not aware of any pending legal or arbitration proceedings against the Fund. The directors accept responsibility accordingly.

THIS FUND HAS BEEN ESTABLISHED IN GIBRALTAR AS AN EXPERIENCED INVESTOR FUND. IT IS SUITABLE ONLY FOR THOSE WHO FALL WITHIN THE DEFINITION OF "EXPERIENCED INVESTOR" CONTAINED IN THE FINANCIAL SERVICES (EXPERIENCED INVESTOR FUNDS) REGULATIONS 2012.

REQUIREMENTS WHICH MAY BE DEEMED NECESSARY FOR THE PROTECTION OF RETAIL OR NON-EXPERIENCED INVESTORS, DO NOT APPLY TO EXPERIENCED INVESTOR FUNDS. BY ACKNOWLEDGING THIS STATEMENT YOU ARE EXPRESSLY AGREEING THAT YOU FALL WITHIN THE DEFINITION OF AN "EXPERIENCED INVESTOR" AND ACCEPT THE REDUCED REQUIREMENTS ACCORDINGLY.

YOU ARE WHOLLY RESPONSIBLE FOR ENSURING THAT ALL ASPECTS OF THIS FUND ARE ACCEPTABLE TO YOU. INVESTMENT IN EXPERIENCED INVESTOR FUNDS MAY INVOLVE SPECIAL RISKS THAT COULD LEAD TO A LOSS OF ALL OR A SUBSTANTIAL PORTION OF SUCH INVESTMENT. UNLESS YOU FULLY UNDERSTAND AND ACCEPT THE NATURE OF THIS FUND AND THE POTENTIAL RISKS INHERENT IN THIS FUND YOU SHOULD NOT INVEST IN THIS FUND.

FURTHER INFORMATION IN RELATION TO THE REGULATORY TREATMENT OF EXPERIENCED INVESTOR FUNDS IN GIBRALTAR MAY BE OBTAINED FROM THE GIBRALTAR FINANCIAL SERVICES COMMISSION.

No person is authorised to issue any advertisement, give any information or make any representation in connection with the offering, subscription or sale of Participation Shares if it is not contained in this document. Any advertisement so issued or information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Fund. The delivery of this document at any time and the allocation of Participation Shares do not imply that information contained in this document is correct at any time subsequent to its date.

THE SHARES OF THE FUND HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT") AND THE FUND HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940 AS AMENDED (TOGETHER WITH THE SECURITIES ACT, THE "ACTS"). SHARES MAY NOT BE AND WILL NOT BE OFFERED FOR SALE OR SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE "UNITED STATES" OR TO A "U.S. PERSON" (BOTH AS DEFINED UNDER REGULATIONS OF THE SECURITIES ACT), EXCEPT IN A TRANSACTION WHICH DOES NOT VIOLATE THE ACTS.

Prospective Investors should not construe the contents of this private placement memorandum as legal, tax or financial advice. The Fund's assets and portfolio are subject to normal market fluctuations as well as the risks inherent in the investment instruments and assets described below and there can

be no assurance that appreciation of the Fund's assets will occur or that losses will not be realised. Consequently, the value of Participation Shares may be subject to volatile movements and may fall as well as rise. Investment in Participation Shares should be considered speculative and suitable only for persons who can assume the risk of loss. Each prospective Investor should consult his own professional advisers as to (a) the legal requirements within the country of his residence for the purchase, holding or disposal of participation shares, (b) any foreign exchange restrictions that may be relevant to him and the income and other tax consequences that may be relevant to the purchase, holding or disposal of participation shares in the Fund.

This private placement memorandum is intended solely for the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the Participation Shares, and it is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective Investors receiving this document from the Fund).

The value of any investment can go down as well as up and no representation is made as to any return that Investors will earn on their investment in the Fund.

### **FORWARD LOOKING STATEMENTS**

Certain statements in the private placement memorandum constitute "forward-looking statements". When used in this private placement memorandum or in any marketing material, the words "project," "anticipate," "believe," "estimate," "expect," and similar expressions are generally intended to identify forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives for the Fund, involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Fund to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements in this private placement memorandum or in any marketing material speak only as of the date hereof. The Fund and the Board of Directors expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectation with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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## DIRECTORY

<b>NAME OF FUND:</b>	<b>AERO FUND PCC LIMITED</b>
<b>REGISTERED OFFICE:</b>	210 Neptune House Marina Bay, Gibraltar.
<b>DATE OF INCORPORATION:</b>	8th January 2009
<b>COMPANY NUMBER:</b>	101866
<b>DIRECTORS:</b>	<b>RALF HUBER</b> 210 Neptune House, Marina Bay, Gibraltar.  <b>ALEXANDRA ASSAL</b> 210 Neptune House, Marina Bay, Gibraltar.  <b>TIM STREATFEILD-JAMES</b> Mezzanine Flat, 23 Gardiners Road, Gibraltar.  <b>HUBER &amp; COMPANY LIMITED</b> Unit D - The Tower, Marina Bay, Gibraltar.
<b>ADMINISTRATOR:</b>	<b>VELAY FINANCIAL SERVICES LIMITED</b> 210 Neptune House, Marina Bay, Gibraltar.
<b>COMPANY SECRETARY:</b>	<b>VELAY FINANCIAL SERVICES LIMITED</b> 210 Neptune House, Marina Bay, Gibraltar.
<b>CUSTODIAN:</b>	<b>BANK LOMBARD ODIER &amp; CO LTD</b> 11, rue de la Corraterie, 1204 Geneva, Switzerland.
<b>AUDITOR :</b>	<b>EY LIMITED</b> Regal House, Gibraltar.
<b>LEGAL ADVISORS</b>	<b>HASSANS INTERNATIONAL LAW FIRM</b> 57/63 Line Wall Road, Gibraltar.



## **PART A**

**Aero Fund PCC Limited (the “Fund”) is a Gibraltar Experienced Investor Fund established as a protected cell company which allows for the establishment of multiple cells (“Cells”). Each Cell of the Fund will make its own investments which will be legally segregated from the investments and assets of other Cells.**

**This private placement memorandum (“PPM”) is divided into two sections; Part A contains particulars relating to the general functioning of Aero Fund PCC Limited and Part B is specific to the functioning of the relevant Cells of Aero Fund PCC Limited.**

**The details set out in this Part A must be read together with Part B of this PPM.**

## I. SUMMARY OF TERMS

This summary of terms should be read in conjunction with and is qualified in its entirety by reference to the information appearing in the main text of the private placement memorandum and the documents described herein.

<b>THE FUND</b>	Aero Fund PCC Limited is a protected cell investment company incorporated in Gibraltar on the 8th January 2009 with registration number 101866. The Fund's legal status as a protected cell company means that the Directors may create separate classes of shares with differing investment objectives to which specific assets and liabilities are attributed (each, a "Cell"), as described below.
<b>THE CELLS</b>	Each Cell shall constitute a separate class of shares under the Protected Cell Companies Act 2001 (the "PCC Act") of Gibraltar. Specific information relating to each Cell is detailed in Part B of this private placement memorandum.
<b>INVESTMENT OBJECTIVE</b>	The investment objective and policy of each Cell is detailed in Part B of this private placement memorandum under the relevant section.
<b>SUBSCRIPTIONS</b>	The Fund is offering redeemable preference shares (the "Participation Shares") for subscription to each Cell as set out in Part B of this private placement memorandum. Participation Shares may be issued and redeemed based on the underlying Net Asset Value of the relevant Cell. The Board of Directors, in their sole and absolute discretion, reserve the right to vary any of the subscription requirements of the Fund.
<b>REDEMPTIONS</b>	The terms under which Participation Shares may be redeemed with respect of the Cell to which they relate are set out in Part B of this private placement memorandum. The Board of Directors, in their sole and absolute discretion, reserve the right to vary any of the subscription requirements of the Fund.
<b>DIVIDENDS</b>	The dividend policy of each Cell is set out in Part B of this private placement memorandum under the relevant section.
<b>ELIGIBLE INVESTORS</b>	Participation Shares may only be purchased by experienced investors ("Experienced Investors") as defined under the Financial Services (Experienced Investor Funds) Regulations 2012. Experienced Investors are generally: <ul style="list-style-type: none"><li>(i) a participant whose business or profession includes dealing with investments; or</li><li>(ii) a participant who has a net worth in excess of €1,000,000, or joint net worth in excess of €1,000,000 with their spouse; or</li><li>(iii) a participant who has a current aggregate of €100,000 invested in one or more experienced investor funds; or</li><li>(iv) a participant who invests a minimum of €50,000 in an experienced investor fund and who has been advised by a Professional Adviser to invest in the fund and the fund's</li></ul>

administrator has received confirmation of such advice; or

- (v) a participant who invests a minimum of €100,000 or its equivalent in one or more experienced investor funds, including this Fund ; or
- (vi) a participant who is a professional client, as defined under the Financial Services (Markets In Financial Instruments) Act 2006; or
- (vii) a participant in a fund that has re-domiciled to Gibraltar where the Financial Services Commission of Gibraltar has permitted the inclusion of such participant either in respect of a specific fund or generally in respect of funds or a category of funds from a certain jurisdiction.

Notwithstanding the above, Participation Shares may generally not be subscribed to by U.S. Persons.

#### **BOARD OF DIRECTORS**

Ralf Huber, Alexandra Assal, Tim Streatfeild-James and Huber & Company Limited are the directors of the Fund (the “Director(s)” and/or the “Board” and/or the “Board of Directors”) pursuant to the terms of directors service agreements (the “Director Service Agreement(s)”) dated 9<sup>th</sup> November 2009, 1<sup>st</sup> January 2011, 15<sup>th</sup> April 2012, 21<sup>st</sup> June 2016 and 10 January 2018 respectively.

#### **ADMINISTRATOR**

The Fund has appointed Velay Financial Services Limited, 210 Neptune House, Marina Bay, Gibraltar as administrator to the Fund (the “Administrator”) pursuant to the terms of an administration agreement (the “Administration Agreement”) dated 21<sup>st</sup> January 2009 (amended 1<sup>st</sup> January 2011).

#### **CUSTODIAN**

The Fund has appointed Bank Lombard Odier & Co Ltd (the “Custodian”) as its custodian pursuant to a Custodian Agreement dated [ ] 2018. The Custodian was incorporated in Switzerland, its registration number is CHE-105.927.761. Its registered office and operating address is at 11, rue de la Corraterie, 1204 Geneva, Switzerland.

#### **AUDITOR**

The Fund has appointed EY Limited as the Fund’s auditor (the “Auditor”) under the terms of an engagement letter dated 28<sup>th</sup> November 2016.

#### **TAXATION**

The Fund may apply to the Commissioner of Income Tax for a certificate of exemption from income tax under the Income Tax (Allowances, Deductions and Exemptions) Rules, 1992.

Investors should consult their tax advisers as to their own tax position.

#### **MATERIAL CHANGES TO THE FUND**

This private placement memorandum may be amended and any Material Change will be notified to the Gibraltar Financial Services Commission within 20 Business Days of the Material Change taking place. Neither the delivery of this document, nor the offer, issue or sale of Participation Shares in the Fund shall under any circumstances constitute a representation that

the affairs of the Fund have not changed since the date of this private placement memorandum.

The Directors take the view that a Material Change constitutes a change to any material aspect of the Fund or the Fund with respect to a specific cell which would potentially have a significant impact on Investors.

## **FEES AND EXPENSES**

### ***Initial Organisational Costs***

Initial organisation costs of the Fund (the “Initial Organisational Costs”), did not exceed €50,000 have been paid by the Fund and will be amortised over a period of 60 months.

The Initial Organisational Costs will be split equally between each individual cell or otherwise as the Board of Directors, in their sole and absolute discretion, determine.

It is important to note that under International Financial Reporting Standards the amortisation of such costs are not allowed and such costs should be expensed in full in the audited financial statements of the Fund in order for the financial statements to be prepared in accordance with IFRS. The Directors acknowledge that amortising such costs are in line with industry practice.

### ***Fees of the Directors***

The Fund will pay directors fees (the “Directors Fees”) to Alexandra Assal and Tim Streatfeild-James of £10,000 each per annum. These fees will be accrued on each Valuation Day and paid quarterly in arrears. The Directors Fees will be split between each Cell as specified in Part B of this private placement memorandum.

The Fund, in respect of each Cell, shall pay Ralf Huber an annual directors’ fee of 0.10% of the AUM of each Cell. The directors’ fee shall be accrued on each Valuation Day and paid quarterly in arrears as specified in Part B of this private placement memorandum.

The Fund with respect to each Cell shall pay Huber & Company Limited an annual directors’ fee, details of which are disclosed in Part B of this private placement memorandum

The Fund in respect of each Cell may also pay directors’ fees based on management and/or on performance, details of which are disclosed in Part B of this private placement memorandum

### ***Fees of the Administrator***

The Fund with respect to each Cell shall pay Velay Financial Services Limited as the Administrator an administration fee as disclosed in Part B of this private placement memorandum.

### ***Fees of the Company Secretary***

The Fund with respect to each Cell shall pay Velay Financial Services Limited as the Company Secretary a company

secretarial fee as set out in Part B of this private placement memorandum.

***Custodian Fees***

The Fund with respect to each Cell shall pay Bank Lombard Odier & Co Ltd as Custodian a fee as disclosed in Part B of this private placement memorandum.

***Legal, Audit and Other Expenses***

The Fund will pay its own legal, audit and other expenses. These are estimated not to exceed €50,000 per annum. These expenses will be split equally between the Cells or otherwise as the directors may, in their absolute discretion determine.

***Subscription and Redemption Fees***

Details of any subscription fees (“Subscription Fee(s)”) and/or redemption fees (“Redemption Fee(s)”) with respect to each Cell are disclosed in Part B of this private placement memorandum. Any Subscription Fee and/or Redemption Fee may be retained by the Fund or split with any broker or other introducer introducing Investors to the Fund.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction and other banking charges. Any rebates shall be for the benefit of the Fund and the relevant Cell.

## II. DEFINITIONS

<b>“Asset Under Management” and /or “AUM”</b>	gross value of assets under management.
<b>“Business Day”</b>	any day, other than a Saturday or Sunday, that is not a public holiday or a day on which banks are generally authorised or obliged by law or regulation to close in Gibraltar.
<b>“Board” and/or “Board of Directors” and/or “Directors”</b>	the board of directors of the Fund at any given time.
<b>“Company” and/or “Fund”</b>	Aero Fund PCC Limited, a Gibraltar protected cell company registered as a Gibraltar Experienced Investor Fund.
<b>“Euro” and/or “€”</b>	the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25 <sup>th</sup> March 1957 (as amended by the Maastricht Treaty dated 7 <sup>th</sup> February 1992).
<b>“Financial Services Commission” and/or “FSC”</b>	the Financial Services Commission, Gibraltar.
<b>“Financial Year End”</b>	31 <sup>st</sup> of December each year.
<b>“GBP” and/or “£”</b>	the lawful currency of the United Kingdom.
<b>“Net Asset Value”</b>	the net asset value of the relevant Cell as defined and determined in accordance with the section on Net Asset Valuations in Part B of this private placement memorandum.
<b>“Material Change”</b>	a change to any material aspect of the Fund or the Fund with respect to a specific cell which would potentially have a significant impact on Investors.
<b>“MiFID”</b>	The Financial Services (Market in Financial Instruments Directive) Act.
<b>“Net Asset Value per Share”</b>	the net asset value per share of the relevant Cell as defined and determined in accordance with the section on Net Asset Valuations in Part B of this private placement memorandum.
<b>“Nominal Shares”</b>	the Shares in the Fund to be issued by the Directors as nominal shares pursuant to the Articles of Association of the Fund which have no economic or voting rights of the Fund.
<b>“Ordinary Shareholder(s)”</b>	the members registered as the holders of Ordinary Shares in the Fund.
<b>“Ordinary Shares”</b>	the Shares in the Fund issued by the Directors as ordinary shares under the Articles carrying an entitlement to vote at meetings of the Fund.

<b>“Participation Shares”</b>	Shares in the Fund issued as redeemable preference shares pursuant to the Articles and termed Participation Shares.
<b>“PCC Act”</b>	the Protected Cell Companies Act 2001 of Gibraltar.
<b>“Professional Advisor”</b>	a person who is authorised or entitled in the European Economic Area, or in such other jurisdiction that is in the opinion of the FSC regulated under and in accordance with a legislative and regulatory regime that provides at least equivalent protection to that of the legislative and regulatory regime in Gibraltar, to provide investment advice by way of business in respect of collective investment schemes.
<b>“Redemption Day”</b>	the day on which Participation Shares are able to be redeemed, details of which are set out in Part B of this private placement memorandum.
<b>“Redemption Fee”</b>	the fee, if any, charged to Investors when they redeem Participation Shares in the Fund, details of which are set out in Part B of this private placement memorandum.
<b>“Redemption Notice”</b>	a written notice served on the Fund by a Investor in which it requests to redeem all or part of their Participation Shares.
<b>“Investor”</b>	any individual who purchases a Participation Share in the Fund.
<b>“Subscription Amount”</b>	the amount paid by an Investor on subscription the Fund, less any Subscription Fee.
<b>“Subscription Day”</b>	the day on which Participation Shares are available for subscription, details of which are set out in Part B of this private placement memorandum.
<b>“Subscription Fee”</b>	means the fee, if any, charged to Investors when they subscribe for Participation Shares in the Fund, details of which are set out in Part B of this private placement memorandum.
<b>“Valuation Day”</b>	the day on which Participation Shares are to be valued as detailed in Part B of this private placement memorandum.

### **III. THE FUND**

Aero Fund PCC Limited was incorporated on 8<sup>th</sup> January 2009 under the laws of Gibraltar as a private protected cell investment company with registration number 101866. It has its registered office and its principal business office at 210 Neptune House, Marina Bay, Gibraltar.

The Fund is regulated by the Financial Services Commission under the Financial Services (Collective Investment Schemes) Act 2011 as an Experienced Investor Fund.

As at the date of this PPM, the Fund does not have any subsidiary undertakings or parent undertakings.

No options have been nor are intended to be issued in respect of the Fund's capital.

#### **1. INVESTMENT OBJECTIVES, STRATEGY AND POLICY**

The investment objective, strategy and policy of each Cell are detailed in Part B of this private placement memorandum as relates to each specific cell.

The Directors may create new Cells with other investment objectives, through different cells, on terms to be disclosed at that time.

The investment guidelines and restrictions of each Cell are detailed in Part B of this private placement memorandum as relates to each specific cell.

The Directors may create new Cells with other investment guidelines and restrictions, through different cells, on terms to be disclosed at that time.

#### **2. PROTECTED CELL COMPANY**

The Fund is a protected cell company for the purposes of the Protected Cell Companies Act 2001 (the "PCC Act 2001") which means that under Gibraltar law the Directors may create separate classes of shares (each, a "Cell") with differing investment objectives and investment strategies and to which specific assets and liabilities are attributed.



## **IV. MANAGEMENT**

### **1. BOARD OF DIRECTORS**

The Directors of the Fund have overall authority over, and responsibility for, the operations and management of the Fund and each Cell, pursuant to Directors Service Agreements between the Directors and the Fund dated on 21st January 2009, 1<sup>st</sup> January 2011, 15th April 2012 and 10 January 2018.

The Directors directly, or through advisers, may provide all investment management services which may be required for the Fund's operations or may decide to appoint an investment manager to manage the investments of a particular Cell. The Directors are required to ensure compliance by the Fund with all laws and regulations that are applicable to it.

The Board of Directors will meet at least every quarter to review the investment and administrative affairs of the Fund.

The members of the Board of Directors are elected by the holders of the majority (in nominal value) of the Ordinary Shares of the Fund by an ordinary resolution to serve for an indefinite term. The Directors also have the power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. The members of the Board of Directors will serve until their resignation, incapacity, death or removal. Directors may only be removed from office by extraordinary resolution of the holders of the majority of the Ordinary Shares, as described in the Articles.

The Directors shall be entitled to such remuneration as they may decide. The Directors may grant special remuneration to any Director who, being so called upon, shall be willing to render any special or extra services to the Fund.

A Director shall disclose to the Fund any conflict of interest and refrain from taking part in any discussion or vote relevant to the same.

Currently, the Board of Directors is comprised of the following:

#### **RALF HUBER**

Ralf Huber was born in Geneva and was educated in Switzerland. From 1984 until 1987 Ralf worked as a foreign exchange dealer at several international banks in Switzerland and Great Britain. Between 1988 and 1997 Ralf worked as a foreign exchange dealer, bond trader and in 1993 as a private clients' portfolio manager at Bank Kleinwort Benson Geneva. In 1997, Ralf decided to create his own independent investment management company which is still in service and very successful.

#### **ALEXANDRA ASSAL**

Alexandra Assal is a manager of Velay Financial Services Limited ("VFS"). Ms Assal graduated with a Maîtrise in Economics from the University Pierre-Mendès France. Ms Assal began her career in 2005 at Jyske Bank (Private Banking) working in the portfolio management department, later moving to the dealing/trading desk. In 2009, Ms Assal joined VFS. She has extended her experience to the private client industry by managing clients accounts, providing customised investment solutions and supervising all operations. Ms Assal works on various funds with different investment objectives and risks including hedge funds, private equity funds and alternative investment funds. Ms Assal is a member of the Gibraltar Funds Industry Association. Ms Assal is licensed as an Experienced Investor Fund Director and therefore holds a Company Management licence under the Financial Services (Investment and Fiduciary Services) Act.

#### **TIM STREATFEILD-JAMES**

Based in Gibraltar, Tim worked for the Barclays Group for over 25 years beginning in London where he qualified (ACIB) and gained experience in the City. He then worked internationally in Vanuatu before moving on to hold senior and board level positions in South Korea, the Caribbean, Africa and

ultimately as the Country Director in Gibraltar. Since leaving Barclays in 2007 Tim has set up and managed his own successful consultancy business in Gibraltar. Riara Consultants Ltd specialises in the financial services sector. He is an experienced non-executive director working with various regulated businesses both in Gibraltar and internationally. He is a qualified arbitrator (MCI Arb), has also worked as an “expert witness” in banking and is a Member of the Chartered Institute for Securities and Investment (MCSI). He is an independent member of the Gibraltar Funds & Investment Association (GFIA).

## **HUBER & COMPANY LIMITED**

Huber & Company Limited is a Gibraltar company which is authorised under the Financial Services (Markets in Financial Instruments) Act 2006 to offer investment services falling within the Markets in Financial Instruments Directive) or the Financial Services (Investment and Fiduciary Services) Act 1989.

Huber & Company Limited was incorporated on the 8<sup>th</sup> September 2009 with company number 102937.

It was authorised in April 2010 by the Gibraltar Financial Services Commission as a Category 3 investment manager (licence No: FSC1091B).

As at the date of this PPM, none of the Directors have or had:

- a) Any unspent convictions in relation to indictable offences;
- b) Any bankruptcy or voluntary arrangement;
- c) Any receivership, any compulsory liquidation, any company voluntary arrangement, composition or arrangement with its creditors;
- d) Any compulsory liquidation, administration or partnership voluntary arrangement;
- e) Any receivership of personal asset or of a partnership of which he is or was a partner; or
- f) Any public criticism by statutory or regulatory authorities.

## **2. ADMINISTRATOR**

The Fund has appointed Velay Financial Services Limited as the administrator (the “Administrator”) of the Fund pursuant to the terms of an administration agreement (the “Administration Agreement”) dated 21st January 2009 (amended 1<sup>st</sup> January 2011).

Velay Financial Services Limited (“VFS”) was incorporated in Gibraltar on the 6th March 1998. Its registration number is 64204. It’s registered office and operating address is at 210 Neptune House, Marina Bay, Gibraltar. VFS are licensed as Collective Investment Scheme Administrators under the Financial Services (Collective Investment Schemes) Act 2011.

Pursuant to the Administration Agreement, the Administrator will be responsible, among other things, for the following matters, under the general supervision of the Board:

- Communicating with Investors;
- Maintaining the Fund’s share register in coordination with the Company Secretary;
- Processing subscriptions and redemptions;
- Maintaining the Fund’s financial and accounting records;
- Calculating the Net Asset Values;
- Preparing accounting records;
- Arranging for the provision of accounting, clerical and administrative services.

The Administrator will be responsible for providing all office personnel, office space and office facilities required for the performance of their services.

The Fund may remove the Administrator in accordance with the terms of the Administration Agreement.

The Directors may fill any casual vacancy in the office of Auditors but while any such vacancy continues the surviving or continuing Auditors if any may act.

### **3. COMPANY SECRETARY**

The Fund has appointed Velay Financial Services Limited as company secretary (the "Company Secretary"), pursuant to a secretarial services agreement (the "Secretarial Services Agreement") dated on or about 21st January 2009 (amended 1<sup>st</sup> January 2011).

The Company Secretary may be removed in accordance with the terms of the Secretarial Services Agreement.

### **4. CUSTODIAN**

The Fund has appointed Bank Lombard Odier & Co Ltd (the "Custodian") as custodian of the assets attributable to the Cells. The Custodian is a bank supervised by the Swiss Financial Market Supervisory Authority FINMA.

Under the Custodian Agreement, the Custodian will not provide other services or perform other functions except the safekeeping of part or all of the assets attributable to the Cells and such other duties as detailed in the Custodian Agreement. The Custodian shall only be liable for the safekeeping of the assets attributable to the Cells and shall not have any other duties or responsibilities relating to the Fund.

In addition to the safekeeping of the assets attributable to the Cells, the Custodian may provide other banking facilities to the Fund, such as but not limited to, the placement of cash in bank deposits, brokerage services, foreign exchange dealings and securities lending facilities. However, such other banking facilities, if offered by the Custodian, will not be regulated by the Custodian Agreement, but by the account opening documents of the Custodian or by specific agreement(s) entered into between the Custodian and the Fund.

The Custodian will not act as sponsor, promoter, director(s), investment manager, adviser, administrator or any other services provider of the Fund. The Custodian will not supervise, control or assume any responsibility for the activities of the directors, the investment managers to the Cells, the adviser, the Administrator or any other services provider to the Fund. The Custodian will not monitor the investment management activities or investment strategies of the Fund nor compliance of investments with this Private Placement Memorandum, the Fund's investment policy, restrictions or other investment guidelines applicable to each. The Custodian will not be involved in the administration of the Fund or the calculation of its Net Asset Value, nor will it monitor compliance of such valuation or of the Net Asset Value calculation of the Fund's shares or of the calculation of the subscription or redemption prices for the shares of the Fund with the Private Placement Memorandum. Potential investors should not rely upon the Custodian in deciding whether or not to invest in the Fund.

Under the Custodian Agreement, the Fund will indemnify and hold the Custodian harmless against all actions, proceedings, claims, costs, charges, demands, outstanding liabilities or commitments which may be incurred by the Custodian in connection with the performance of its obligations under this agreement unless the action, proceeding, claim, cost, charge, demand, outstanding liability or commitment was in connection with fraud or wilful default by the Custodian or breach of the Custodian's duties under the Custodian Agreement.

The Custodian will be entitled to have recourse only to the assets of the relevant Cell, including the right to sell or otherwise dispose of the assets attributable to such Cell, and appropriate all or part of the cash proceeds thereof with a view to meeting and discharging the cost of any indemnity to which it is entitled under the provisions of the Custodian Agreement or at law or otherwise.

## **5. BROKERS**

The Fund may appoint brokers through which it will transact its trades. Agreements will be entered into on the Brokers' standard terms and conditions of appointment and the Fund will be able to remove the Broker in accordance with such agreements.

## **6. AUDITOR**

The Fund has appointed EY Limited as the Auditor of the Fund. EY Limited is authorised under Financial Services (Auditors) Act 2009 to act as auditors. EY Limited will remain the Fund's auditor unless the arrangement is terminated by either EY Limited or the Fund. The Directors may fill any casual vacancy in the office of auditor but while any such vacancy continues any surviving or continuing auditor may act.

## **7. LEGAL COUNSEL**

The Fund has appointed Hassans International Law Firm ("Hassans") as Gibraltar legal counsel to the Fund. Hassans is a Gibraltar law firm which was established in 1939 by Sir Joshua A Hassan QC who also served as Chief Minister of Gibraltar for over 30 years. The partners and associates of Hassans International Law Firm are authorised to practice Gibraltar law by the Supreme Court of Gibraltar under the Supreme Court Act 1960.

## V. GENERAL RISK FACTORS

Investors who invest in Participation Shares of Aero Fund PCC Limited will be exposed to certain general risks associated with investing in a Gibraltar Experienced Investor Fund. Investors to any current Cell of Aero Fund PCC Limited or any other Cell established in the future will be exposed to the same general risks.

Specific Risk Factors associated with the underlying investments made by each specific Cell are set out in Part B of this private placement memorandum.

Investors will not have an opportunity to select or value any of the investments of each Cell. All Cell investments will be selected by the Directors or their advisers as described in the investment objectives, strategies and policies of each Cell and as set-out in Part B of this private placement memorandum.

At any point in time, the Participation Shares may be worth less than the price paid for them. Investment in Participation Shares is intended only for, and limited to, the professional or sophisticated Investor who can afford the risks inherent in this type of investment.

There may be a change in government regulation or policies which materially adversely affects the Fund's activities. This is true with respect both to the regulation and policies of the Government of Gibraltar as well as that of the governments of any countries where the Fund invests.

Prospective Investors are recommended to review this private placement memorandum in its entirety before deciding whether to invest in Participation Shares and should specifically consider the following general risks together with the specific ones associated with each Cell detailed in Part B of this private placement memorandum:

**Listed shares.** The Participation Shares of Cell A, Cell B and Cell D are not registered, listed or admitted to trade on any stock exchange nor is any such registration, admission or listing currently being contemplated.

**Exchange rate.** The Fund accepts subscriptions, pays redemptions and computes its Net Asset Values in the base currency of each Cell. However, many or all of the Fund's investments may be in instruments denominated in currencies other than in the base currency of the Cell. Accordingly, currency exchange rates are expected to play an important role in the Fund's return to Investors. A change in the value of currencies against the base currency of a Cell will result in a corresponding change in base currency value of the Fund's assets denominated in these currencies.

**Regulatory supervision.** The Fund, the Investment Manager and the Administrator are subject to the authority of the Financial Services Commission of Gibraltar (the "FSC"), but the Fund's investments are not monitored or supervised by the FSC or any other regulatory body (although if the Fund shall invest in listed companies such companies may be regulated by the local regulators). As an Experienced Investor Fund the Fund will provide annual audited accounts to the FSC and will comply with the relevant regulatory regime, details of which can be found at the FSC's website: [www.fsc.gi](http://www.fsc.gi). The Board of Directors shall ensure that all material changes to information provided to the Authority in connection with the Fund is notified to the Authority within 20 days of the change taking place.

**Taxation.** The Board of Directors will attempt to structure the Fund in a manner that is tax efficient. However, there can be no assurance that such structure will be tax efficient in general or for any particular Investor or that any particular tax result will be achieved. In general, tax laws, treaties, rules and procedures are extremely complex and are subject to changes on a frequent basis, which in some cases may reduce existing tax benefits, and may also have a retroactive effect. Accordingly, each potential Investor is urged to consult his, her or its own tax advisor regarding the applicability, effects and implications of the various tax laws with respect to the potential Investor.

U.S. Investors who are eligible to invest in the Fund (see Investors' Suitability for more details) should be aware that the Fund may be treated as a "passive foreign investment company" for U.S. federal income tax purposes and that they may be subject to adverse tax consequences. Potential U.S.

purchasers should consult their own tax advisers regarding the potential tax consequences of an investment in the Participation Shares.

**U.S. FATCA (U.S. Foreign Account Tax Compliance Act).** On 8 May 2014 Gibraltar signed an Intergovernmental Agreement (“IGA”) with the U.S. to improve international tax compliance and to implement the Foreign Account Tax Compliance Act (“FATCA”).

Gibraltar has since enacted legislation such that FATCA has become binding in Gibraltar under the agreed Model 1 IGA. The Model 1 IGA allows relevant non-US Financial Institutions (“Foreign Financial Institutions” or “FFIs”) to provide account and account holder information to the Gibraltar authorities who will then automatically exchange this information with the U.S. authorities.

The FATCA provisions of the US Hiring Incentives to Restore Employment Act impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to an FFI that does not become a “Participating FFI” and is not otherwise exempt or deemed compliant. The Directors believe the Fund should be treated as an FFI for US FATCA purposes. Certain FFIs may be deemed compliant with US FATCA and report to their home authorities if their jurisdiction has entered into a Model 1 IGA with the U.S (as has Gibraltar). The new withholding regime was phased in during a transitional period spanning the 2014 and 2015 calendar years.

Whilst most reporting FFIs subject to a Model 1 IGA will not technically be subject to 30% withholding tax, registration and compliance is required to ensure that the Fund is not treated as a non participating FFI which will then be subject to 30% withholding on all, or a portion of all, payments received, directly or indirectly, from U.S. sources or in respect of U.S. assets including the gross proceeds on the sale or disposition of certain U.S. assets. It is also recommended that the Fund register for reputational purposes and administrative ease to ensure that it does not run the risk of incorrectly being subject to 30% withholding. Any withholding imposed on the Fund will reduce the amounts available to the Fund to make payments to its Investors and would also create an administrative burden by potentially having to claim refunds (where possible). By also complying with US FATCA, the Fund will minimise the impact of any future penalties becoming due as a result of noncompliance.

Though not strictly applicable to reporting FFI’s operating under a Model 1 IGA, payments made after 31 December 2016 from non-U.S. sources may also be subject to withholding to the extent that payments are attributable to U.S. source income and assets. Any amount deducted or withheld as a result of noncompliance with U.S. FATCA would have adverse cash flow implications. In these instances, the Fund may not be able to pay additional amounts as a result of the deduction or withholding and Investors may receive a smaller and/or delayed net investment return from the Fund than expected.

As a Registered Deemed Compliant FFI, the Fund’s Investors may be required to provide certain information to the Fund so that it may comply with its U.S. FATCA reporting obligations.

**UK FATCA.** The UK has enacted legislation with similar effect pursuant to the Finance Act 2013 and regulations issued thereunder (“UK FATCA”) impacting UK residents. The effects of UK FATCA are substantially similar to that of U.S. FATCA in that UK account holder information will need to be disclosed to the UK authorities. There is currently no 30% withholding tax being applied with respect to any payments to a non-UK financial institution (a “foreign financial institution” or “FFI”) that does not become a “Participating FFI” and is not otherwise exempt or deemed compliant under UK FATCA. The Directors believe the Fund is an FFI for UK FATCA purposes. Similar to U.S. FATCA, certain Investors may be required to provide certain information to the Fund so that the Fund may comply with UK FATCA.

US FATCA and UK FATCA are particularly complex and their application to the Fund may be subject to change in the future. In particular the rules are not yet complete and could still be subject to change. Each prospective Investor should consult its own tax adviser to obtain a more detailed explanation of U.S. and UK FATCA and to learn how this legislation might affect the investor in its particular circumstance.

Both the Fund and the Investment Manager have obtained a Global Intermediary Identification Number (“GIIN”).

**Common Reporting Standard.** The Common Reporting Standard (“**CRS**”) is an information standard for the automatic exchange of information developed in the context of the Organisation for Economic Co-operation and Development (“**OECD**”). Endorsing countries include all OECD countries as well as many non-member countries. The CRS operates in a similar fashion to US FATCA and UK FATCA although there are material differences, such as the need to carry out due diligence and reporting for all account holders (whether direct or indirect) that are resident in the participating jurisdictions, and unlike US FATCA and UK FATCA there is no de minimis threshold for pre-existing individual accounts.

The EU has enacted its own directives relating to CRS (“**CRS Directives**”) that apply within the European Union. The CRS Directives apply to all EU member states (including Gibraltar) and requires Reporting Financial Institutions (a term largely akin to Participating FFI’s under FATCA) to disclose to relevant tax authorities in the EU information relating to EU persons and entities covered by the directive. As referred to above, the CRS is an initiative of the OECD and the effects of the CRS Directives will in due course extend to all other countries participating in the OECD initiative. This may require Reporting Financial Institutions in due course to disclose information on shareholders to the relevant tax authorities in all the countries that participate in the OECD initiative.

The Fund is a Registered Deemed Compliant FFI for US FATCA and UK FATCA and CRS purposes. As a Registered Deemed Compliant FFI / Reporting Financial Institution the Fund will disclose to relevant tax authorities in the US information relating to US persons and entities covered by US FATCA, to relevant tax authorities in the UK information relating to UK persons and entities covered by UK FATCA, to relevant tax authorities within the EU relating to EU persons and entities covered by CRS Directives and to relevant tax authorities of those countries participating in the OECD Initiative relating to persons and entities covered by it.

Should the Fund suffer a tax withholding under US FATCA and/or UK FATCA and/or CRS as a consequence of any matter relating to a particular Investor, the Fund shall allocate so far as possible such liability to that Investor.

**Reliance upon Directors and/or the Investment Manager.** The success of the Fund will be dependent to a large extent upon the efforts and skills of the Directors and the appointed Investment Manager, their associates and/or advisors.

**Substantial Expenses.** The Fund and each Cell will pay various fees and other costs regardless of whether it is profitable. Each Cell must therefore generate significant net investment income in order to break even.

**Effect of Redemption.** If significant redemptions of Participation Shares are requested it may not be possible for a Cell to liquidate its investments at the fair value of the investments when the request for redemption is received, resulting in a decreased value of the investments.

**Limited Liquidity/Redemptions.** The shares of the relevant Cell are likely to be illiquid as there is no anticipated secondary market for such shares.

The Board may, in its absolute discretion, refuse to redeem any Participation Shares if in its opinion the relevant Cell does not have sufficient cash resources to complete the redemption. This will restrict the ability of Investors to redeem.

**Protected Cell Company.** The Fund is a protected cell company for the purposes of the Protected Cell Companies Act 2001 (the “**PCC Act**”) which means that under Gibraltar law, provided the conditions laid down in the PCC Act are complied with, assets attributable to each Cell of the Company shall only be available to creditors in respect of that cell and the assets of that cell shall be protected from creditors of the Company who are not creditors in respect of that cell. Potential Investors should be aware that the segregation of assets and liabilities in this manner under Gibraltar law might not necessarily be recognised in jurisdictions where the Company’s assets are located.

**Loss of Investment.** Any investment may not perform as well as forecast, either because of changes in the economic climate or otherwise, resulting in the total loss of the Fund's investment.

**Political, Economical and Environmental Risks.** The Net Asset Value of the Fund may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, acts of god, war or acts of terror and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership of a project.

**Gibraltar Investor Compensation Scheme.** Investors in Gibraltar Experienced Investor Funds are not protected under the provisions of the Financial Services (Investor Compensation Scheme) Act 2002 and are therefore not entitled to recover losses.

**Counterparty Risk.** Any monies or assets held by counterparty on behalf of the Fund may be at risk and be unrecoverable if the counterparty defaults.

**Natural Disasters.** The financial markets are often severely affected by natural disasters such as earthquakes, hurricanes and tsunamis. In the event of a natural disaster in a region of high economic output, financial markets normally sell-off, resulting in a severe decline in market value of all securities. Natural disaster therefore could be detrimental to the Net Asset Value of the Cells.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. ADDITIONAL RISK FACTORS IN RELATION TO A PARTICULAR CELL ARE DETAILED IN THE APPLICABLE PART B OF THIS PRIVATE PLACEMENT MEMORANDUM. PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE MEMORANDUM AND CONSULT WITH THEIR PROFESSIONAL ADVISERS BEFORE DETERMINING WHETHER TO INVEST IN THE FUND.**



## **VI. FEES AND EXPENSES**

### **1. INITIAL ORGANISATION COSTS**

Costs and expenses associated with the initial organisation of the Fund, including government incorporation charges and professional fees and expenses in connection with the preparation of the Fund's information documents, and the preparation of its corporate documents and contracts, did not exceed €50,000 and have been paid by the Fund out of the initial proceeds of the offering of the Fund's shares. Such organisational costs and expenses have been amortised by the Fund over a period of 60 months.

It is important to note that under International Financial Reporting Standards the amortisation of such costs are not allowed and such costs should be expensed in full in the audited financial statements of the Fund in order for the financial statements to be prepared in accordance with IFRS. The Directors acknowledge that amortising such costs are in line with industry practice.

The initial organisational costs will be split between each individual Cell pro-rata based on their net assets or otherwise as the Board of Directors may, in their absolute discretion, determine.

### **2. FEES OF THE DIRECTORS**

The Fund will pay directors fees (the "Directors Fees") to Alexandra Assal and Tim Streatfeild-James of £10,000 each per annum. The Directors Fees will be accrued on each Valuation Day and paid quarterly in arrears. The Directors Fees will be split between each Cell as specified in Part B of this private placement memorandum.

The Fund, in respect of each Cell, shall pay Ralf Huber an annual directors' fee of 0.10% of the AUM of each Cell. The directors' fee shall be accrued on each Valuation Day and paid quarterly in arrears as specified in Part B of this private placement memorandum.

The Fund with respect to each Cell shall pay Huber & Company Limited an annual directors' fee details of which are disclosed in Part B of this private placement memorandum.

The Fund in respect of each Cell may also pay directors fees based on management and/or based on performance, details of which are set out in Part B of this private placement memorandum.

The directors are also entitled to claim reimbursement of any necessary disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs.

### **3. FEES OF THE ADMINISTRATOR**

The Fund with respect to each Cell will pay Velay Financial Services Limited, as the Administrator of the Fund, an administration fee ("Administration Fee") as set out in Part B of this private placement memorandum.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.

### **4. FEES OF THE COMPANY SECRETARY**

The Fund with respect to each Cell will pay Velay Financial Services Limited, as the Company Secretary, a company secretarial fee ("Company Secretarial Fee") as disclosed in Part B of this private placement memorandum. Disbursements and "out of pocket expenses" such as telecommunication, fax, mail and office costs are charged separately.

## **5. FEES OF THE CUSTODIAN**

The Fund with respect to each Cell will pay Lombard Odier & Cie Ltd as the Custodian, a custodian fee ("Custodian Fee") as disclosed in Part B of this private placement memorandum. Disbursements and "out of pocket expenses" such as telecommunication, fax, mail and office costs are charged separately.

## **6. OTHER OPERATING EXPENSES**

The Fund, or, in the discretion of the Directors, the relevant Cell, will bear all other expenses incidental to its operations and business, including:

- i. Bankers' transfer fees; and
- ii. Brokerage commissions; and
- iii. Fees of the Fund's legal advisers and the auditors; and
- iv. Any income tax, withholding taxes, transfer taxes and other governmental charges and duties occurring for the Fund; and
- v. The costs of printing and distributing any prospectuses, reports as well as notices to the Investors.

The Fund's legal, audit and other running expenses are estimated not to exceed €50,000 per annum. These expenses will be split equally between the Cells or otherwise as the Directors, in their sole and absolute discretion, shall determine.

## **7. TRANSACTIONAL COSTS**

For its trading activities, the Fund may use the services of one or more brokerage firms to execute and clear its transactions and to carry its accounts. The Directors will select the brokers for the Fund and will negotiate fees and commissions. The Fund will pay all expenses incurred in connection with its trading and investment activities, including but not limited to all execution, other transaction costs and expenses, custody expenses and all other related expenses and costs.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction. Any rebates received shall be for the benefit of the Fund.

## **8. DIVISION OF FEES BETWEEN CELLS**

The fees payable to the Directors, Auditor, legal advisors and other general running expenses shall be split between the Cells on a pro-rata based on their net assets, or otherwise as the Directors may, in their sole and absolute discretion, determine..

The fees payable to the Investment Manager, Administrator, Company Secretarial and Custodian shall be paid separately by each Cell as set out in Part B of this private placement memorandum.

## VII. INVESTORS RIGHTS, SUBSCRIPTIONS AND REDEMPTIONS

*The rights and obligations of the holders of Participation Shares are governed by the Articles of Association of the Fund. Prospective Investors should examine the documents carefully and consult with their own legal counsel concerning their rights and obligations before subscribing for Participation Shares. Copies of the Articles of Association are available for inspection by an interested Investor at the Administrator's office during normal business hours on any Business Day. The following statements and other statements in this private placement memorandum concerning the Articles of Association and related matters are only a summary, do not purport to be complete, and in no way modify or amend the Articles of Association.*

### 1. SHARE CAPITAL AND VOTING RIGHTS

#### **Characteristics of Shares**

Subject to restrictions contained in the Gibraltar Companies Acts, the Articles and as set out in this Memorandum, all authorised but unissued shares in the share capital of the Fund are under the control of the Directors who may (without prejudice to any special rights for the time being conferred on the holders of any shares or class of shares in the Fund), allot and dispose of, or grant options over the shares, to such persons on such terms (and with such rights or restrictions whether in regard to dividend, return of capital, voting or otherwise as the Fund may determine) and in such manner as the Directors think fit.

The Fund has an authorised share capital of €21,000 divided into:

- a) 2,000,000 Class A redeemable preference shares ("Class A Participation Shares") of €0.001;
- b) 2,000,000 Class B redeemable preference shares ("Class B Participation Shares") of €0.001;
- c) 2,000,000 Class C redeemable preference shares ("Class C Participation Shares") of €0.001;
- d) 2,000,000 Class D redeemable preference shares ("Class D Participation Shares") of €0.001;
- e) 2,000,000 Class E redeemable preference shares ("Class E Participation Shares") of €0.001;
- f) 10,000,000 Nominal Shares of €0.001 (collectively "Nominal Shares"), each which may be issued as separate classes of Nominal Shares;
- g) 1000 Ordinary Shares of €1 each (the "Ordinary Shares").

**Participation Shares.** Each class of Participation Share shall be constituted as a separate cell for the purposes of the PCC Act. In the event of a winding-up of the Cell, each Participation Share carries an entitlement, with respect to the assets of the Cell in which it has been constituted, to a return of the nominal capital paid up in respect of each share in priority to the repayment of the nominal capital paid up on the Nominal and Ordinary Shares. Only Participation Shares carry the right to share in surplus assets legally available for distribution.

Save as provided herein and in the Articles of Association of the Fund, Participation Shares of the same class issued in respect of a Cell shall rank *pari passu* in all respects. However, as set out in the Articles, separate classes of Participation Shares may have different rights as to redemptions and distributions, in accordance with the applicable Cells. Further details as to the Subscription and Redemption policies of each Cell are set out in Part B below.

The holders of Participation Shares are not entitled to be invited to, participate in or vote at any General Meetings of the Fund, except in a meeting on a resolution to change the Memorandum and Articles of Association of the Fund so far as such a change adversely affects the rights and obligations of the respective class of share, or at separate class meetings of the holders of the relevant Participation Share or any class thereof.

The rights of Participation Shares are deemed not to be varied by (a) the creation of a new Cell, the issue or redemption of any other Participation Shares within the same Cell or other Cells, in accordance with the Articles; (b) a reduction of issued share capital of any class of Shares (other than the affected Class); (c) the exercise by the Directors of their discretion under the Articles or, if the Fund should be wound up, the exercise by the liquidator of their powers under the Articles; (d) the payment of a dividend on other class of Participation Shares; (e) the removal and appointment of an investment manager or (f) the removal and appointment of any Director.

If at any time the Participation Shares in issue are divided into separate classes, different amounts of dividends may be payable in respect of the separate classes. No dividend shall be declared or paid other than from the profits or gains of the relevant Cell.

**Ordinary Shares.** The Ordinary Shares shall have voting rights but shall not participate in any profit or distribution of the Fund that is attributable to any of the Cells (save for the repayment of the nominal amount paid up on them in the event of liquidation of the Fund). All Ordinary Shares will be owned by the Facel Asset Management Company S.A.

**Nominal Shares.** Nominal Shares are required in order to maintain the same issued share capital of the Fund following the redemption of Participation Shares. In order to allow such redemption without reducing the Fund's issued share capital, Nominal Shares will be issued at par to the Administrator allowing the redemption of the Participation Shares after set-off of such nominal amount from the redemption proceeds. Nominal Shares shall have no voting rights except on a resolution to wind up the Fund and shall not participate in any profit or distribution of the Fund (except the repayment of the amount paid up on the Nominal Shares in the event of liquidation of the Cell or the Fund).

**All Classes of Shares.** All shares are, when issued, shall be fully paid and non-assessable. No shares have pre-emptive, conversion, exchange or other rights or privileges, save as set out in the Memorandum and Articles of Association of the Fund.

The Fund shall hold its Annual General Meeting each year in addition to any other meeting which may be called in that year. Such meetings may be held at such time and place as may be determined by the Directors.

The Directors may at any time convene a separate meeting of any class of holders of Shares. A separate meeting of any class may also be convened by such requisitionists as provided in section 159 of the Companies Act. Notices of every general meeting of the Fund shall be given in the manner authorised in the Articles to every member. The Articles provide further details of the manner in which meetings of the Fund will be held.

No Investors of any class have rights in respect of any specific property or assets of the Fund or of any Cell. No Investors, for example, have any right to vote at any meeting called by a Fund or other vehicle whose securities or interests are owned by the Cell in question or by the Fund.

Investors are not directly liable for the debts of the Fund, and are not obliged to contribute towards the assets of the Fund (or of any Cell) in any amount in excess of the price which they have agreed to pay for their shares and have not done so yet.

**Protected Cell Company.** The Fund is a protected cell company for the purposes of the PCC Act, which means that under Gibraltar law, provided the conditions laid down in the PCC Act are complied with, assets attributable to each Cell of the Fund shall only be available to creditors in respect of that Cell and shall be protected from creditors of the Fund who are not creditors in respect of that Cell. However, potential Investors should note that the Fund and the Cells are one legal entity and assets and property in the Cells are legally the property of the Fund; therefore the segregation of assets and liabilities in the manner set forth above under Gibraltar law might not necessarily be recognised in

jurisdictions where the Fund's assets are located and a Cell's assets may be subject to attack by any third party.

## 2. SUBSCRIPTIONS

Participation Shares will be available for subscription in each Cell as set out in Part B of this private placement memorandum.

The minimum initial subscription that will be accepted from a new Investor in the Fund will be €100,000, or its equivalent, or €50,000, or its equivalent if the new Investor has been advised by a Professional Adviser to invest in the Fund and the Administrator has received confirmation of such advice.

The Board reserves the right to alter the above-mentioned minimum subscription requirements and any other subscription requirements at its absolute discretion. The Board also reserves the right to receive tradable securities in lieu of or in addition to cash for payment of Subscription monies. The Directors, on the recommendation of the Administrator, shall determine the cash value of any such *in specie* subscription as at the Valuation Date.

The Board may, on an exceptional basis and provided that it is satisfied, at its sole discretion, that the terms of any such subscription would be for the benefit of the remaining Investors, elect that instead of subscribing for Participation Shares in cash, the subscription shall be made *in specie* by the transfer to the applicable Cell of certain investments, provided that:

- (a) in the case of a person who is not an existing Investor no Participation Shares shall be issued until the person concerned shall have completed and delivered to the Administrator the Subscription Agreement required under this Memorandum (or otherwise) and/or otherwise satisfied all the requirements of the Directors and Administrator as to such person's application;
- (b) the nature of the investments transferred into the Cell are such as would qualify as investments of such Cell in accordance with the investment objectives, policies and restrictions of such Cell;
- (c) no Participating Shares shall be issued until the investments shall have been vested in the Custodian to the Custodian's satisfaction; and
- (d) any exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Participation Shares issued for cash) that the number of Participation Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the investments concerned calculated in accordance with the procedures for the valuation of the assets of the Fund. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for duties and charges which would have been incurred by the Fund in the acquisition of the investments by purchase for cash or decreased by such amount as the Directors may consider represents any duties or charges to be paid to the Fund as a result of the direct acquisition by the Fund of the investments.

Subscription Amounts and relevant documentation should be received at least two Business Days prior to the relevant Subscription Day. The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Cell's subscription account with the Custodian. The Board reserves the right to reject subscriptions in its absolute discretion. Any interest earned by the Fund on Subscription Amounts will be for the benefit of the applicable Cell and the Investor shall have no right to receive interest or other sums from the Cell in respect of such sums.

A Subscription Fee may be charged by the Administrator on subscription to the Fund as set-out in Part B of the private placement memorandum.

### **Subscriptions Received in Non-Base Currency**

Subscriptions received in non-base currency of the Fund will be accepted by the Fund and valued as follows:

- The Directors will make an assessment if the non-base currency received can be used by the Fund;
- Any non-base currency received that can be used by the Fund will be accepted in the non-base currency and shall remain in non-base currency and be valued according to the exchange rates produced by Bloomberg on the date the Participation Shares are issued;
- Any non-base currency received that cannot be used by the Fund will be exchanged into base currency within at least two (2) Business Days of the date the Participation Shares are issued and the amount of base currency obtained as a result of the exchange is the rate assigned to the respective Investor;
- The Directors may at their discretion apply a combination of the aforementioned treatments for the non-base currency subscriptions. The value of which will be pro-rate among the non-base currency Investors at each date the Participation Shares are issued; and
- The determination of whether or not the non-base currency can be used by the Fund will be at the sole and absolute discretion of the Directors.

### **3. REDEMPTIONS**

Detailed description of the manner and terms for the redemption of Participation Shares in respect of each Cell are set out in Part B of this private placement memorandum.

The Directors may, in their absolute discretion refuse to redeem any Participation Shares if in their opinion the respective Cell does not have sufficient cash resources to complete the redemption and/or in the event the Directors believe that such an action will be materially detrimental to the remaining Investors, as described in "suspension of redemption" below. The Directors will notify the Investor of such refusal. The Directors shall not be required to sell any assets or borrow any monies to obtain the resources to redeem any Participation Shares. If the Fund does not complete the redemption on the first Redemption Day requested then the Redemption Notice shall be deemed withdrawn by the member who shall be required to submit a new Redemption Notice in order to redeem the shares.

Save if allowed in relation to a Cell, a partial redemption request for an amount of less than €10,000 or equivalent will not be accepted. The Board has the right to require the compulsory redemption of all Participation Shares held by an Investor who is a U.S. Person, or otherwise, at its sole discretion. Any such compulsory redemption will be made at the Net Asset Value per Share on the Valuation Day next following the issuance of a notice of redemption to the Investor.

Save if otherwise decided in relation to a Cell, the redemption price is equal to the Net Asset Value of the applicable Participation Shares of the Cell at the relevant Redemption Day.

The Board may, on an exceptional basis and provided that it is satisfied, at its sole discretion, that the terms of any such exchange would be for the benefit of the remaining Investors and with the agreement of an Investor seeking the realisation of Participation Shares in any Fund, elect that instead of the Participation Shares being redeemed in cash, the redemption shall be satisfied *in specie* by the transfer to the Investor a portion of the underlying investments which equal to an amount not exceeding the amount which otherwise would have been payable on a cash redemption. The shortfall (if any) between the value of the investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash.

If the discretion conferred upon the Board by the above paragraph is exercised, the Board shall notify the Custodian and shall supply to the Custodian particulars of the investments to be transferred and

the amount of cash to be paid to the Investor. All stamp duties, transfer and registration fees in respect of such transfers shall be payable by the Investor.

The redemption proceeds will be normally remitted within five Business Days, unless otherwise specified in Part B hereto, after the approval by the Board of the relevant Net Asset Value on the Valuation Day on which the redemption is based, without interest for the period from this date to the payment date.

The proceeds of the redemption will be retained and held by the Fund in its bank account in trust for the relevant Investor (but without interest or further obligation whatsoever), and will be paid against surrender of the certificate or certificates (if issued) representing the Participation Shares previously held by such person or the proffering of such other evidence as to title as the Directors may require. In the normal course of events, the Fund or its service providers will retain all share certificates at the time of issue or transfer of Participation Shares in order to assist in the redemption procedure.

Redemption payments will be made in the base currency of the Cell and will be remitted to the Investor by wire transfer to such account as specified by the Investor in his Redemption Notice.

A Redemption Fee may be charged by the Administrator on redemption of Participation Shares as set-out in Part B of the private placement memorandum.

The Board reserves the right to vary any of the redemption requirements of the Fund.

#### **4. SUSPENSION OF REDEMPTIONS AND SALE**

The Board may suspend the calculation of the Net Asset Value of the Participation Shares and consequently may suspend the sale of Participation Shares and the right of Investors to require the Fund to redeem Participation Shares, and/or in their discretion refuse to redeem Participation Shares in any of the following events:

- a) When any securities exchange or organised inter-dealer market on which a significant portion of a Cell's assets is regularly quoted or traded is closed (other than for holidays) or trading thereon has been restricted or suspended;
- b) When as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Fund, disposal of the assets of a Cell is not reasonable or normally practicable without being seriously detrimental to Investors' interests;
- c) If it is not reasonably practicable to determine the Net Asset Value of the Participation Shares on an accurate and timely basis;
- d) If, as a result of exchange restrictions or other restrictions affecting the transfer of funds, transactions on behalf of a Cell are rendered impracticable or if purchases and sales of a Cell's assets cannot be effected at normal rates of exchange;
- e) Upon the decision to liquidate and dissolve the Fund or any Cell; or
- f) In the event the Directors deem such action will be materially detrimental to the remaining Investors.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## **5. REGISTRATION AND TRANSFER OF SHARES**

The Fund will maintain a current list of the registered names and addresses of the Fund's Investors at the registered office of the Fund in Gibraltar.

Share certificates representing Participation Shares (if such certificates were issued) will be held by the Administrator in trust for the Investors, unless an original share certificate has been specifically requested by the Investor.

Transfers of Participation Shares can only take effect by serving upon the Fund an instrument of transfer signed by or on behalf of the transferor and the transferee. In the event that any share certificates in respect of Participation Shares which are to be transferred are held by Investors, those share certificates must be endorsed by the Investor and returned to the Fund.

The Fund has designated the Administrator under the terms of the Administration Agreement to perform the above-mentioned duties in connection with the registration and transfer of Participation Shares.

Any transferee will be required to provide the Administrator the same information which would be required in connection with a direct subscription in order for a transfer application to be considered by the Administrator. Violation of applicable ownership and transfer restrictions may at the discretion of the Board result in compulsory redemption of the relevant Participation Shares.

As of the date of this private placement memorandum it is not anticipated that there will be any secondary market for trading in the Participation Shares.

Participation Shares may not be transferred to any U.S. Person.

## **6. DIVIDEND POLICY**

The dividend policy of each Cell is set out in Part B of this private placement memorandum.



## VIII. INVESTOR SUITABILITY

### ***Experienced Investors***

The Fund is an Experienced Investor Fund as defined under the Financial Services (Experienced Investor Funds) Regulations 2012. No person shall be accepted as an Investor in the Fund, unless they are deemed to be an “experienced investor” in accordance with the Financial Services (Experienced Investor Funds) Regulations 2012.

An “experienced investor” is a person or body who, at the time of the investment falls into one of the following categories–

- (a) a person or partnership whose ordinary business or professional activity includes, or it is reasonable to expect that it includes, acquiring, underwriting, managing, holding or disposing of investments, whether as principal or agent, or the giving of advice concerning investments; or
- (b) a body corporate which has net assets in excess of €1,000,000 or which is part of a group which has net assets in excess of €1,000,000; or
- (c) an unincorporated association which has net assets in excess of €1,000,000; or
- (d) the trustee of a trust where the aggregate value of the cash and investments which form part of the trust’s assets is in excess of €1,000,000; or
- (e) an individual whose net worth, or joint net worth with that person’s spouse, is greater than €1,000,000, excluding that person’s principal place of residence; or
- (f) a participant who has a current aggregate of €100,000 invested in one or more experienced investor funds; or
- (g) a participant who invests a minimum of €50,000 in an experienced investor fund and who has been advised by a Professional Adviser to invest in the fund and the fund’s administrator has received confirmation of such advice; or
- (h) a participant who is a professional client, as defined under the Financial Services (Markets In Financial Instruments) Act 2006; or
- (i) a participant in a fund that has re-domiciled to Gibraltar where the Financial Services Commission of Gibraltar has permitted the inclusion of such participant either in respect of a specific fund or generally in respect of funds or a category of funds from a certain jurisdiction.

The Financial Services Commission of Gibraltar may, with the prior approval of the Minister, approve other categories or descriptions of experienced investor where it considers that it is reasonable to expect that persons within that category or description at the time of the investment are sufficiently experienced to understand the risks associated with an investment in the Fund.

### ***U.S Investors***

Unless consented to by the Directors, Participation Shares may be purchased only by persons who are not “U.S. Persons” as defined below and are not, directly or indirectly “U.S. Shareholders” as defined in Section 957 of the United States Internal Revenue Code.

Each prospective Investor will be required to certify that the Participation Shares are not being acquired directly or indirectly for the account or benefit of a U.S. Person, unless such U.S. Person is an “Accredited Investor” as defined in Regulation D under the U.S. Securities Act of 1933 and a “Qualified Client” as defined under the U.S. Investment Adviser Act of 1940.

*“Accredited Investor” means:*

- a bank, insurance company, registered investment company, business development company, or small business investment company;
- an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
- a charitable organization, corporation, or partnership with assets exceeding \$5 million;
- a director, executive officer, or general partner of the company selling the securities;
- a business in which all the equity owners are accredited investors;
- a natural person who has individual net worth, or joint net worth with the person’s spouse, that exceeds \$1 million at the time of the purchase (excluding the value of his or her primary residence);
- a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or
- a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

*“Qualified Client” means:*

- A natural person who or a company that immediately after entering into the contract has at least \$ 1,000,000 under the management of the Fund;
- A natural person who or a company that the Directors (and any person acting on their behalf) reasonably believes, immediately prior to entering into the contract, either:
  - i. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$ 2,000,000 (excluding the value of his or her primary residence) at the time the contract is entered into; or
  - ii. Is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 at the time the contract is entered into; or
- A natural person who immediately prior to entering into the contract is:
  - i. An executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser; or
  - ii. An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.
- The term *company* has the same meaning as in section 202(a)(5) of the Act, but does not include a company that is required to be registered under the Investment Company Act of 1940 but is not registered.
- The term *executive officer* means the president, any vice president in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions, for the investment adviser.

*“U.S. Persons” means:*

A U.S. Person is (i) a natural person who is a resident in the United States; (ii) a partnership or corporation organized or incorporated under the laws of the United States; (iii) any organization or entity controlled, directly or indirectly, by a person or persons described in (i) or (ii) or of which such person or persons described in (i) or (ii) are known to be the owners, directly or indirectly, of a majority of the beneficial interests therein; (iv) an estate of which any executor or administrator is a U.S. person; (v) a trust of which any trustee is a U.S. person; (vi) an agency or branch of a foreign entity located in the United States; (vii) a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (viii) a discretionary or similar account (other than an estate or trust) held by a dealer or other fiduciary (A) for the benefit or account of a U.S. Person, or (B) organized, incorporated, or (if an individual) resident in the United States; or (ix) a partnership or corporation if - (A) organized or incorporated under the laws of any non-U.S. jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by persons that (x) are accredited investors as defined in SEC Rule 501 under the Securities Act, and (y) they are not natural persons, estates or trusts (other than certain employee benefit plan trusts).

*“Politically Exposed Person”:*

Each prospective Investor will be required to certify that the Participation Shares are not being acquired directly or indirectly for the account or benefit of a politically exposed person such as a senior political figure or the spouse or associate of a senior political figure, unless the Directors decide otherwise, or a person on any European Union, United States of America, Swiss or UK Foreign Office Money Laundering or Terrorism “Watch List”.

It is the responsibility of each Investor to verify that the purchase of and payment for the Participation Shares is in compliance with all relevant laws of the Investor’s jurisdiction of residence.

## IX. NET ASSET VALUATIONS

The value of the assets and liabilities attributable to classes of Participation Shares and the method of valuation of such assets and liabilities shall be determined by the Directors.

In accordance with the Fund's Memorandum and Articles of Association Net Asset Valuations in respect of each Cell will be calculated by the Administrator at the close of business in Gibraltar on each Valuation Day, based on the guidelines set forth herein and as determined by the Board which may consult with and rely on the advice of the Administrator and/or the Auditors, and shall be approved by the Board.

### 1. NAV CALCULATION METHODOLOGY

Net Asset Value calculations are determined in the following manner:

**Aggregate Net Asset Value.** The Aggregate Net Asset Value of the relevant Cell at a particular Valuation Day is computed by subtracting from the total value of the assets attributable to the Cell an amount equal to all liabilities and contingencies for which the Administrator determines that reserves or accruals should be made.

**Net Asset Value per Share.** The Net Asset Value per Share on any Valuation Day is equal to the Aggregate Net Asset Value of the relevant Cell divided by the total number of Participation Shares outstanding in respect of such Cell on the Valuation Day, calculated prior to the recording of issuances and redemption of Participation Shares requests for which have been delivered effective as of that date. The Net Asset Value per Share will be rounded to two decimal places.

#### ***Methods of Valuation***

Calculations are made by the Administrator as set out herein in accordance with international accounting standards, including provision for proper accruals and reserves.

Equities are valued on the Valuation Day at the last traded price on the principal exchanges on which the equities are traded. For derivatives and long option positions, the Net Asset Value will be calculated based on the closing price for the relevant day. For short option positions, the Net Asset Value will be calculated based on the closing price for the relevant day. For bonds, both long and short, the Net Asset Value will be calculated based on the closing price as stated on Bloomberg or such other reputable reporting agency.

If an investment is quoted, listed or normally dealt in on more than one regulated market, the Directors may, in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value unless the Directors otherwise determine.

#### ***Foreign Exchange Rates***

The Fund's accounts are maintained in EUROS and the accounts for each of the Cells are maintained in the base currency of that Cell. Assets and liabilities denominated in other currencies are translated at the rate of exchange in effect at the relevant Valuation Day and translation adjustments are reflected in the results of operations. Portfolio transactions and income and expenses are translated at the rates of exchange in effect at the time of each transaction.

#### ***Valuation Adjustments***

The Administrator will determine the net asset valuation (NAV) of the Fund in accordance with the Valuation Policy as stated in this private placement memorandum and using the best information available to it on the Valuation Day. The Administrator shall then send the NAV to the Directors of the fund for approval. Only after the NAV has been approved in this manner will this be released to Investors of the Fund.

It is possible that an NAV after being released to the Investors of the Fund may need to be amended due to a material valuation error. The Directors consider “valuation errors” to be omission from, and misstatements in, the Fund’s NAVs or financial statements arising from a failure to use, or misuse of, reliable information that was available when the NAV or financial statement was authorised for issue. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of fact, and fraud.

Any valuation error may not be considered to be material if it is less than 50 bps (0.5%) of the current NAV. If the error is more than 50bps of the current NAV the Directors will decide whether the valuation in the calculation of the NAV of the Fund should be considered a “material valuation error” on a case-by-case basis. Only in cases where the valuation error is considered material will investors be notified and corrective action taken. In determining whether a valuation error should be considered material, the Directors will consider such factors as magnitude of the valuation error, whether the valuation error has had a material financial impact on the Investors (or any particular Investor) and also the costs and complexities involved with rectifying the valuation error.

Where the Directors consider a valuation error to be material, the net asset valuation will be corrected and any further corrective action made to rectify the situation will be taken. Investors who have been affected by such material valuation errors will be informed in writing.

## **X. GIBRALTAR ANTI-MONEY LAUNDERING AND DATA PROTECTION REQUIREMENTS**

### **Anti-Money Laundering**

As part of the Fund's responsibility for the prevention of money laundering and protection of the Investor, the Fund shall require a detailed verification of an Investor's identity and origin of their investment funds, and is required to document the investment objectives, financial situation, knowledge and experience of the Investor as follows:

An individual shall be required to produce a copy of a passport and a copy of an identification card and proof of residence certified by a lawyer, accountant, or banker. The Fund may require that such document be certified by a notary public.

In the case of corporate applicants, they may be required to produce a certified copy of the certificate of incorporation (and any change of name), Memorandum and Articles of Association (or equivalent), the names, occupations, nationality, dates of birth and current residential and business addresses of all directors, Investors and beneficial owners, along with certified copies of a passport or ID card and proof of residence as detailed for individual Investors.

The Administrator may request an Investor produce a letter of reference from a banker, lawyer or accountant in the attached format. Please note the different formats for individual and corporate Investors.

An individual shall be required to complete a Subscription form detailing their investment objectives, their financial situation (including origin of funds and expected activity on the account) and their knowledge and experience of financial investments.

In the case of corporate applicants, they shall be required to complete a Subscription form detailing (for their beneficial owners) their investment objectives, their financial situation (including origin of funds and expected activity on the account) and their knowledge and experience of financial investments.

The Fund or the Custodian reserves the right to request such information as is necessary to verify the identity of an applicant, origin of funds and appropriateness of the investment. In the event of delay or failure by the applicant to produce any information required for verification and protection of Investor purposes, the Fund may refuse to accept the application and the subscription monies relating thereto.

Any information supplied to the Fund will, subject to any legal restrictions, be made available by the Fund to the Administrator and Depositaries.

### **Data Protection**

As part of the application process all Investors are required to submit various documents to the Administrator. These are required to enable completion of the application process and to comply with all relevant legislation. Any information received will be kept by the Administrator in accordance with any applicable Data Protection legislation and, in the normal course of business, will not be made available to anyone other than the Administrator and the Company.

However, it may become necessary to transfer data at any time to comply with legislation in force either now or at any time in the future (see under 'Anti Money Laundering Legislation' for further details). Further, should the administrative functions, in whole or in part, be transferred to another entity, data will be transferred to the extent necessary for such new entity to carry out its functions effectively.

By subscribing to the Fund all Investors should note the above, and also note that, by completion of the application form, they are agreeing to any transfer of data carried out for any of the reasons given above, or for any reason that the Administrator deems necessary to comply with legislation in force at the time.

Further, the Investors, the Company and its service providers consent that any and all data required by the Administrator (in its capacity as such or in its capacity as Registrar or Company Secretary) in exercise of its duties on behalf of the Fund may be transferred to and/or from the Administrator (in its capacity as such or in its capacity as Registrar or Company Secretary) in accordance with any applicable data protection legislation.

## **XI. TAXATION**

*The following is a summary of certain material Gibraltar tax consequences to purchasers of Participation Shares. This summary does not discuss all the aspects of Gibraltar tax law that may be relevant to a particular Investor in light of his or her personal investment circumstances or to some types of Investors subject to special treatment under Gibraltar law. To the extent that the discussion is based on new tax legislation that has not been subject to judicial or administrative interpretation, we cannot assure you that the tax authorities will accept the views expressed in the discussion in question. The discussion is not intended, and should not be taken, as legal or professional tax advice and is not exhaustive of all possible tax considerations. In addition, the tax discussion herein assumes that the Fund will not conduct its business in Gibraltar or with Gibraltarians.*

### **1. THE FUND**

The affairs of the Fund and its Cells will be managed so as to minimise the possibility of any tax liability arising in Gibraltar. There can be no assurance that all potential tax liability will be fully eliminated.

The Fund may apply to the Commissioner of Income Tax for a certificate of exemption from income tax under the Income Tax (Allowances, Deductions and Exemptions) Rules, 1992. There can be no assurance that the Fund will obtain an exemption certificate.

However, even if the Fund does not obtain the certificate of exemption set forth above, and although the Fund is managed and controlled in Gibraltar, it will not be liable for Gibraltar income tax on profits arising from property situated outside of Gibraltar or profits which are generated by sources of income the activities of which take place outside Gibraltar. The Fund will also not be liable for Gibraltar income tax on dividends from quoted companies or dividends arising from unquoted companies in which it has a 10.00% holding as long as the Fund has a relevant participation in a subsidiary that is registered and managed within the European Union.

Dividends, interest and capital gains (if any) the Fund receives with respect to its investments may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located.

No stamp duty is currently levied in Gibraltar on the issue or transfer of Shares in the Fund. There is a capital duty of £10 on the creation of share capital of the Fund and on any increase thereof, the costs of which form part of the establishment expenses which are borne by the Fund.

There is no withholding tax on dividends distributed by the Fund. Accordingly, payments made on the issuance of dividends may be paid without deduction of any withholding taxes to Investors.

No death duties, capital gains tax, gift, inheritance or capital transfer taxes are presently levied in Gibraltar. Investors that are not fiscally resident in Gibraltar are not liable to Gibraltar tax on dividends or capital gains received as a result of their ownership of the Participation Shares.

### **2. THE INVESTORS**

Persons interested in purchasing the Participation Shares should inform themselves as to any tax consequences particular to their circumstances and arising in the jurisdiction in which they are resident or domiciled in connection with the acquisition, ownership, redemption or disposition of the Participation Shares.

Each Investor should consult a tax adviser as to his or her own tax position.



## XII. ADDITIONAL INFORMATION

### 1. REPORTING

The reporting details for each Cell are contained in Part B of this private placement memorandum.

The Fund's financial year ends on 31<sup>st</sup> of December each year. The first financial period of the Fund was the 31<sup>st</sup> of December 2009.

The accounts for the Fund will be produced in the operating currency for the Fund, which is EUROS.

### 2. RELEVANT DOCUMENTATION

This private placement memorandum is not intended to provide a complete description of the Fund's Memorandum and Articles of Association or the agreements with its Directors, Administrator, or Custodian. Copies of all such documents are available for inspection by interested Investors who have lawfully received this private placement memorandum, at the office of the Administrator during normal business hours.

Investors may inspect copies of the annual audited report and accounts, when available, and the register of Investors of the Fund at the offices of the Administrator.

### 3. ENQUIRIES

Enquiries concerning the Fund and its Participation Shares (including information concerning subscription and valuation of the Participation Shares) should be directed to the Administrator at:

210 Neptune House  
P.O. Box 300  
Marina Bay  
Gibraltar

Tel: +350 200 51431  
Fax: +350 200 51429  
[info@vfs.gi](mailto:info@vfs.gi)

### 4. MATERIAL CONTRACTS

The following contracts have been entered into by the Fund since incorporation and are, or may be, material.

**Directors Service Agreements.** The Fund and the Directors have entered into Directors Service Agreements dated 1st January 2011, 9th November 2009, 15th April 2012, 21<sup>st</sup> June 2016 and 10 January 2018 which specify the terms whereby the Directors agree to act as Directors of the Fund and, as such, are responsible for the investments of the Fund's assets. The agreements will continue in force unless and until terminated by any party giving to the other not less than 90 days' written notice, except that the agreements may be terminated immediately by either of the parties if the other shall commit any material breach of its obligations under it subject or go into liquidation or otherwise become insolvent. The Directors are empowered under the respective agreements to delegate their functions, powers, discretions, privileges and duties as they deem appropriate and as permitted by law. The Directors are required to ensure compliance by the Fund with all laws and regulations that are applicable to it.

**Administration Agreement.** The Fund and the Administrator have entered into an Administration Agreement dated 21st January 2009 (amended on 1<sup>st</sup> January 2011) which specifies the terms whereby the Administrator agrees to act as administrator for the Fund. This agreement will continue in effect until terminated at any time by either party without the payment of any penalty, upon not less than 90 days written notice to the other party, except that this agreement may be terminated immediately by either party if the other shall commit any breach of its obligations under it. The agreement contains an indemnity from the Administrator to the Fund in respect of all liabilities, losses, damages, actions, proceedings and claims which may be brought against, suffered or incurred by the Fund to the extent that they are directly attributable to the gross negligence, fraud or wilful misconduct on the part of the Administrator in the performance of its duties.

**Secretarial Services Agreement.** The Fund and the Company Secretary have entered into a Company Secretarial Agreement dated 21st January 2009 (amended 1<sup>st</sup> January 2011) specifies the terms under which Velay Financial Services Limited has agreed, to act as Company Secretary. This agreement will continue in effect until terminated at any time by either party without the payment of any penalty, upon not less than 90 days written notice to the other party, except that this agreement may be terminated immediately by the Company if the Secretary is no longer permitted to discharge its duties hereunder pursuant to any applicable law in Gibraltar. The agreement contains an indemnity from the Administrator to the Fund in respect of all liabilities, losses, damages, actions, proceedings and claims which may be brought against, suffered or incurred by the Fund to the extent that they are directly attributable to the gross negligence, fraud or wilful misconduct on the part of the Administrator in the performance of its duties.

**Custodian Agreement.** The Fund and the Custodian have entered into a Custodian Agreement dated [ ] 2018 which specifies the terms whereby the Custodian agrees to act as custodian for the Fund and the Cells assets. The Fund may appoint additional depositaries in the future if the Directors deem that this would assist the running of the Fund, and will inform all Investors accordingly of the appointment.

The Custodian Agreement shall be for an indefinite period unless terminated by either party giving to the other 90 days written notice of the date upon which the Custodian Agreement is to terminate (the "Termination Date"). At least 15 days prior to the Termination Date, the Fund shall give to the Custodian instructions specifying the names of the persons or institutions to whom the Custodian shall deliver the relevant assets.

The Custody Agreement may be terminated forthwith by the Custodian if a regulatory body or supervisory authority imposes terms, conditions, limitations or restrictions directly or indirectly to the Custodian with respect to its appointment as custodian of the Fund other than those specified in this Agreement.

The Custody Agreement may be terminated forthwith by either party giving notice in writing to the other party if at any time that other party goes into liquidation or a receiver, examiner or administrator (or equivalent) is appointed over all or any part of either party or its assets or either party commits a breach of any provision hereof, which is capable of remedy and shall not have been remedied within 30 days from the service of notice to do so.

The Custodian terminate the Custodian Agreement with effect on the date as of which the Fund ceases to qualify as "registered deemed compliant FFI" for US FATCA and UK FATCA and CRS purposes or becomes subject to the AIFMD.

Any termination of the appointment of the Custodian under the provision of the Custodian Agreement shall be without prejudice to any antecedent liability of the Custodian and the Fund respectively. The Custodian shall be entitled to receive all fees and other money due until the Termination Date. Neither party shall be entitled to compensation in respect of such termination.

Any termination shall not affect any right or liability arising out of events occurring prior to his effectiveness of the termination.

**Brokerage Services.** Brokerage Services supplied by the Custodian to the Fund are governed by the Custodian's account opening documents, including its general conditions, as amended from time to time.

## **5. CONFLICTS OF INTEREST**

There may arise instances where the interest of the Directors, the Administrators or their affiliates conflict with interests of the Fund and its Investors. Such conflicts include, but are not limited to the following:

The Directors may be engaged in other substantial activities apart from the activities with respect to the Fund and may devote to the Fund only as much time as is reasonably necessary, in their judgement, for its management.

- One of the Directors of the Fund is also a director of the Administrator.
- One of the Directors of the Fund is also an employee of the Administrator.
- Two of the Directors of the Fund are also directors of Huber & Company Limited.
- One or more of the Directors are directors of other companies or funds that trade similar instruments and/or invest in similar assets to that traded by the Fund.
- One of the Directors is also the beneficiary of Facel Asset Management Company S.A, the Ordinary Shareholder

The Directors are being appointed or removed by the holders of Ordinary Shares of the Fund. The Ordinary Shares of the Fund are currently held by the Facel Asset Management Company S.A.

In the event of a conflict of interest between its duties and offices as Ordinary Shareholder in and Directors of the Fund, the Directors' duty to act in the interests of the Investors of the Fund shall prevail.

There may be circumstances where an investment opportunity may be open to more than one Cell but the amount that can be invested is limited. In such circumstances the Board will determine any allocation between Cells. None of the service providers are in receipt of any benefits from third parties by virtue of providing any services to the Fund.

Any Director or service provider of the Fund may invest into any Cell of the Fund with no additional rights to that of a regular investor.

## **6. VOTING OF THE FUND ASSETS**

Any options or rights, including voting rights, in any of the assets owned by the Fund and/or any of the Cells will be exercised by the Directors, in a manner which in their opinion is in the best interests of the Fund.

## **7. GOVERNING LAW**

The Fund is governed by the law of Gibraltar and any dispute relating to the Fund shall be submitted in first instance to a competent court of Gibraltar.

## **8. MATERIAL CHANGES**

This private placement memorandum may be amended and any material change will be notified to the Gibraltar Financial Services Commission within 20 Business Days of the material change taking

place. Neither the delivery of this document, nor the offer, issue or sale of Participation Shares in the Fund shall under any circumstances constitute a representation that the affairs of the Fund have not changed since the date of this private placement memorandum.

A Material Change is considered as being a change to any aspect of the Fund or the Fund with respect to a specific Cell which would potentially have a significant impact on Investors. This includes for example:

- Any change to material relationships the Fund has with persons performing any function in relation to the Fund;
- Any significant changes to the structure of the Fund;
- Any significant changes to the investment objectives, strategy, or restrictions of the Fund;
- Changes that will affect how the NAVs are calculated;
- Changes which are likely to affect Investors negatively.

Minor changes in fees or subscription arrangements would not be considered a Material Change.

If, in the absolute discretion of the Directors, in order to protect the Investors' interests, the Directors feel that a Material Change must to be made, Investors will be given 20 Business Days' notice prior to the Material Change. Where the Directors, in their absolute discretion are of the opinion that extraordinary circumstances dictate the implementation of a Material Change in a time sensitive or urgent manner, Investors will be given less than 20 Business Days' notice or no prior notice at all. Investors shall be informed of such Material Changes as soon as practicable.

However, in the case of a material change to the investment objectives and policies of the Fund, the consent of a majority of the affected Investors will be obtained in advance.

## **PART B**

**Part B contains particulars relating to the Cells launched as part of Aero Fund PCC Limited (the “Fund”).**

**The Fund launched Cell A - Aero Fixed Income on the 1<sup>st</sup> February 2009.**

**The Fund launched Cell C - Aero Asia (formerly Aero China) on 1<sup>st</sup> December 2009, however this Cell was closed in September 2014.**

**The Fund launched Cell B - Aero Patrimony (formerly Aero Equity) on 28<sup>th</sup> February 2011.**

**The Fund Launched Cell D – World Global Bonds on 15<sup>th</sup> April 2012.**

**Further details of all Cells of Aero Fund PCC Limited are described in this Part B.**

**The Fund may launch additional Cells at various times in the future, when suitable Investor interest has been identified. Subject to any legal restrictions the Fund reserves the right to amalgamate or merge existing Cells into or with other Cells of the Fund. The details set out in this Part B should be read together with Part A of this PPM as one document.**

## CELL A

### AERO FIXED INCOME

This Part B contains particulars relating to the Cell entitled "Aero Fixed Income" which is launched as Cell A (the "Cell") of Aero Fund PCC Limited (the "Fund").

The Cell will be open to Investors on a monthly basis.

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## I. SUMMARY OF TERMS

### CELL A: AERO FIXED INCOME

Cell A – Aero Fixed Income - is a segregated cell of Aero Fund PCC Limited, a Gibraltar registered experienced investor fund established as a protected cell company (“PCC”) pursuant to the Protect Cell Companies Act 2011.

### INVESTMENT OBJECTIVE

Cell A - Aero Fixed Income - seeks to achieve a positive absolute return through investment in fixed income vehicles which will, in the opinion of the Board of Directors, give above market returns while retaining a good level of security. The Board of Directors will implement different strategies it feels will make the best return such as barbell/bullet, duration, maturity and/or credit strategies, but it is anticipated that the Cell will not be involved in active trading and turnover.

### SUBSCRIPTIONS

The Fund is offering Class A Participation Shares for subscription at a net price per Share equal to the Net Asset Value per Share at the close of business on the Valuation Day immediately preceding the relevant Subscription Day.

Class A Participation Shares may be subscribed for on each Subscription Day after the Subscription Agreement and any monies due in respect of such shares have been received by the Fund.

The minimum initial investment by each Investor is €100,000, or its equivalent, or €50,000, or its equivalent, if the Investor has been advised by a Professional Adviser to invest in the Fund and the Administrator has received confirmation of such advice. Additional subscriptions are permitted, subject to a minimum of €10,000 per transaction or its equivalent.

A Subscription Fee of up to 1.00% may be charged by the Administrator on subscription to Class A Participation Shares. The Subscription Fee is based on the value of, and added to the purchase price of the Class A Participation Shares. Any fees may be split with any broker or other introducer introducing Investors to the Cell or retained by the Cell.

The Board reserves the right to vary any of the subscription requirements of the Cell.

Further information in respect of subscriptions to each Cell is contained in this Part B of this private placement memorandum.

### REDEMPTIONS

Class A Participation Shares may be redeemed at the Net Asset Value per Share on the Redemption Day, following the expiry of not less than seven days' Redemption Notice from the Investor to the Fund. The Fund may, in the absolute discretion of the Board, redeem Class A Participation Shares within less than the seven day notice period.

The minimum redemption amount is €10,000 or equivalent.

The redemption of Class A Participation Shares by an Investor resulting in the value of Class A Participation Shares held by the Investor totalling less than €100,000 or equivalent may cause redemption of the whole position of the entire holding of the Investor in that class.

A Redemption Fee of up to 1.00% may be charged by the Administrator on redeeming Class A Participation Shares. The Redemption Fee is based on the value of, and subtracted from the redemption proceeds of the Class A Participation Shares. Any fees may be split with any broker or other introducer introducing Investors to the Cell or retained by the Cell.

The Board reserves the right to vary any of the redemption requirements of the Fund.

Further information in respect of subscriptions to each Cell is contained in this Part B of this private placement memorandum.

## **FEES AND EXPENSES**

### ***Initial Organisational Costs***

The Fund with respect to Cell A will pay a proportional part of the initial organisational costs of the Fund, as disclosed in Part A of this private placement memorandum, pro-rata based on net assets of Cell A as against any other Cell or otherwise as the Board of Directors may, in their absolute discretion, determine.

### ***Fees of the Directors***

The Fund with respect to Cell A will pay £4,200 to Alexandra Assal and Tim Streatfeild-James towards the directors fees (the "Directors Fees"), as set out in Part A of this private placement memorandum.

The Fund with respect to Cell A shall pay Ralf Huber an annual directors' fee of 0.10% of the AUM of Cell A. The directors' fee shall be accrued on each Valuation Day and paid quarterly in arrears as from 1<sup>st</sup> May 2012.

The Fund with respect to Cell A shall pay Huber & Company Limited an annual directors' fee of 1.50% of the Net Assets of Cell A. This fee will be accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.

### ***Fees of the Administrator***

The Fund with respect to Cell A shall pay the Administrator an annual administration fee (the "Administration Fee") of 0.15% of the Net Asset Value of Cell A per annum. The Administration fee shall be accrued on each Valuation Day and paid quarterly in arrears. The Administration Fee was subject to a minimum annual fee



of €20,000 prior to 31 August 2017 and is now subject to a minimum annual fee of €15,000.

Disbursements and “out of pocket expenses” such as telecommunication, fax, mail and office costs will be charged separately.

#### ***Fees of the Company Secretary***

The Fund with respect to Cell A shall pay the Company Secretary an annual company secretarial fee (the “Company Secretarial Fee”) of €2000 per annum for the provision of company secretarial services. The Company Secretarial Fee shall be accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

#### ***Fees of the Custodian***

The Fund with respect to Cell A will pay Bank Lombard Odier & Co Ltd as Custodian an annual fee of 0.15 % of the total assets of Cell A, calculated and accrued on each Valuation Day and paid quarterly in arrears (no minimum fees will apply)

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

#### ***Legal, Audit and Other Expenses***

The Fund with respect to Cell A will pay its own legal, audit and other expenses. These are estimated not to exceed €50,000 per annum. These expenses will be split equally between the Cells or otherwise as the directors may, in their absolute discretion determine.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction and other banking charges. Any rebates shall be for the benefit of the Fund and the relevant Cell.

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

#### ***Subscription Fees***

A Subscription Fee of 1.00% may be charged by the Administrator on the subscription to Class A Participation Shares of the Fund. The Subscription Fee will be based on the Subscription Amount. The Subscription Fee shall be deducted from the subscription monies received by the Cell, and only the net Subscription Amount shall be considered as amount paid for the Participation Shares.

***Redemption Fees***

A Redemption Fee of 1.00% may be charged on the redemption of Class A Participation Shares of the Fund. The Redemption Fee is based on the redemption proceeds. The Redemption Fee shall be deducted from the redemption proceeds, and only the net Redemption Amount shall be paid to the redeeming Investor.

## II. DEFINITIONS

In this Part B - Cell A – Aero Fixed Income - unless the context otherwise requires the following expressions shall have the following meanings in addition to the definitions disclosed in Part A of this private placement memorandum:

<b>“Assets Under Management” and/or “AUM”</b>	gross value of assets under management.
<b>“Cell A”</b>	Cell A – Aero Fixed Income.
<b>“Class A Participation Shares”</b>	Class A redeemable preference shares of the Fund issued in consideration for subscription to Cell A.
<b>“Professional Advisor”</b>	a person who is authorised or entitled in the European Economic Area, or in such other jurisdiction that is in the opinion of the Authority regulated under and in accordance with a legislative and regulatory regime that provides at least equivalent protection to that of the legislative and regulatory regime in Gibraltar, to provide investment advice by way of business in respect of collective investment schemes.
<b>“Redemption”</b>	the redemption of Class A Participation Shares in accordance with the terms of redemption as disclosed in Part B of this private placement memorandum.
<b>“Redemption Day”</b>	the first working day following a Valuation Day unless otherwise determined by the Board of Directors.
<b>“Redemption Fee”</b>	a fee of 1.00% charged to Investors when they redeem Class A Participation Shares in the Fund, details of which are set out in Part B of this private placement memorandum.
<b>“Redemption Notice”</b>	a written notice served by a Investor on the Fund requesting the redemption of Class A Participation Shares.
<b>“Investor”</b>	any individual who subscribes to Participation Shares in the Fund.
<b>“Subscription Agreement”</b>	the agreement (Appendix A) which sets out the terms by which an Investor subscribes to Class A Participation Shares in the Fund.
<b>“Subscription Amount”</b>	the amount paid by a Investor on subscription the Fund, less any Subscription Fee.
<b>“Subscription Day”</b>	the first working day following a Valuation Day unless otherwise determined by the Board of Directors.
<b>“Subscription Fee”</b>	a fee of 1.00% charged to Investors when they subscribe to Class A Participation Shares in the Fund, details of which are set out in Part B of this private placement memorandum.
<b>“Valuation Day”</b>	the last working day of each calendar month in each year, unless otherwise determined by the Board of Directors.

Capitalized terms not defined herein shall have the meaning ascribed to them in Part A of this private placement memorandum.

### **III. INVESTMENT OBJECTIVES AND RESTRICTIONS**

#### **Investment Objective**

Aero Fixed Income seeks to achieve a positive absolute return through investment in fixed income vehicles which will give above market returns while retaining a good level of safety. The fixed-income vehicles will include, but will not be limited to, bonds, notes, subordinated debt, fixed-income funds and non-bearing interest debt from issuers such as Governments, agencies, municipalities, supranational entities and corporations. The Board of Directors will implement different strategies it feels will make the best return such as barbell/bullet, duration, maturity and/or credit strategies, but it is anticipated that the Cell will not be involved in active trading and turnover.

#### **Investment Restrictions**

The following investment restrictions will apply to the Cell:

- No more than 20% of the gross assets of the Cell may be invested in the securities of any one issuer at the time of purchase. If the portfolio grows and the securities of a single issuer in the Fund's portfolio increases above 20%, the Fund will not be required to sell securities to reduce its holding to 20%. The 20% limit is only required to be observed at the time when the investment is made. However, this restriction shall not apply to securities issued or guaranteed by a government, government agency or instrumentality of any European Union or OECD Member State or by any supranational authority of which one or more European Union or OECD Member States are members. The restriction will also not apply to new issues.
- The Cell may arrange for a credit facility from the Custodian but may only use such facility up to a limit equal to 10% of the gross assets of the Cell.
- There will not be a minimum rating required for the Cell to be able to invest in a fixed income vehicle.

#### **Breach of Investment and/or Borrowing Restrictions**

The Directors will ensure that corrective action is taken where the Cell is in breach of any of the above investment or borrowing restrictions. The Directors will decide whether a breach in the investment restrictions or borrowing restrictions of the Fund should be considered material on a case-by-case basis. Only where a breach is considered a "material breach" will the Directors consider informing the FSC and/or Investors. In determining whether a breach of the investment restrictions is material, the Directors will consider factors such as whether the breach has the potential to have a financial impact on Investors (or any particular Investor) and also the costs involved in rectifying the breach.

#### IV. INVESTOR INFORMATION

The Directors of the Fund in relation to Cell A agree to compute and provide the following reports to Investors, or their nominees, each in a form acceptable to the Directors and prepared in accordance with International Accounting Standards.

**Net Asset Value:** The Net Asset Value per Share of the Cell on each Valuation Day will be computed by the Administrator and reported to the Investors within 5 business days of the Net Asset Value having been approved by the Directors.

**Audited Statements:** Annual audited financial statements will be provided, upon request, within six months of the financial year-end.

Whilst the Cell will endeavour to provide the aforementioned by the time deadlines stated, the Cell shall not be held liable for any delays in providing the relevant reports and/or publishing the relevant information which result from unexpected contingencies, such as delays in receiving necessary information from which to prepare such reports or information; equipment failure; fire or other physical damage to office or equipment or power failures.

The audited financial statements shall be kept at the administrator's office and filed with the FSC within 6 months of the financial statement period end, or any such other time as determined by the FSC.

None of the audit reports of the accounts for financial years since inception had any qualifications.

## V. SPECIFIC RISK FACTORS

In addition to the risk factors set forth in Part A of this private placement memorandum, the following additional specific risk factors exist in connection with the Cell's investment policy to invest fixed-income vehicles.

**Management Risk.** The success of the Cell's investments in fixed-income vehicles is subject to the ability of the Board of Directors to achieve the Portfolio Fund's investment objectives.

**Inflation Risk.** Inflation risk is the risk that the value of assets or income from fixed-income investments will be worth less in the future as inflation decreases the value of money. Inflation also tends to lead to higher interest rates which in turn cause bond prices to fall.

**Non-Diversification Risk.** If the Cell's investment in fixed-income vehicles represents a relatively significant percentage of the Cell's portfolio, the value of the portfolio will be more impacted by a loss on that vehicle than if the portfolio were more diversified.

**Interest Rate Risk.** Interest rate risk is the risk that the value of fixed-income vehicles will fall if interest rates increase. These securities typically fall in value when interest rates rise and rise in value when interest rates fall. Fixed income securities with longer periods before maturity are often more sensitive to interest rate changes. Hence when interest rates rise, fixed-income vehicles prices fall and conversely when interest rates fall, fixed-income vehicles prices rise. The longer the time to a bond maturity, the greater the interest rate risks.

**Economic Climate.** The reporting of weak economic data such as unemployment figures, house buying, consumer confidence, gross domestic product, inflation etc. can have a direct or indirect impact on the value of a chosen stock.

**Past Performance.** Past performance is no indication of future performance, although investment decisions may contribute some weight to a stocks past performance when deciding to invest in the stock.

**Taxation Risks.** Taxation risk involves the taxation laws of the jurisdiction in which a corporation is domiciled. Local tax laws may impose withholding taxes or other taxes on the payment of dividends on a stock or the payment of interest on a fixed-income security.

**Political Risk.** The value of a specific stock may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, acts of god, war or acts of terror and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership of a project.

**Counterparty Risk.** Any monies or assets held by counterparties on behalf of the Fund may be at risk and be unrecoverable if the counterparty defaults.

**Default Risk.** Default risk is the risk that the issuer of the fixed income vehicle defaults with any payment in relation to the fixed income vehicle issued. Lenders and Investors are exposed to default risk in virtually all forms of credit extensions. The global economy is currently experiencing a "sovereign debt crisis" whereby certain member states of the European Union are on the verge of technically defaulting on their sovereign debt.

**Emerging/Developing Country Risks.** The relevant Cell may invest in certain emerging market countries which are more speculative in nature, are subject to greater market fluctuations and risk of loss than normally associated with investments in more developed and more politically and economically stable jurisdictions with more sophisticated capital markets and regulatory regimes, such as the United States and Western Europe.

**Currency Exchange Risk.** Investments may be made which are denominated in currencies other than the base currency of the Cell. Due to currency exchange, there is a risk that any gains in investment value will be off-set against a change in exchange rate.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE MEMORANDUM AND CONSULT WITH THEIR PROFESSIONAL ADVISERS BEFORE DETERMINING WHETHER TO INVEST IN THE FUND.**

## VI. FEES AND EXPENSES

In addition to the Fees set out in Part A of this private placement memorandum, the following fees apply to this Cell.

### 1. INITIAL ORGANISATION COSTS

The Fund with respect to Cell A will pay a proportional part of the costs and expenses associated with the initial organisation of the Fund as disclosed in Part A of this private placement memorandum, pro-rata based on the Net Assets Value of Cell A as against any other Cell or otherwise as the Board of Directors may, in their absolute discretion, determine. These costs include government incorporation charges and professional fees and expenses in connection with the preparation of the Fund's information documents, and the preparation of its corporate documents and contracts, which did not to exceed €50,000 and have been paid by the Fund out of the initial proceeds of the offering of the Fund's shares. Such organisational costs and expenses have been amortised by the Fund over a period of 60 months from commencement of investment activity.

### 2. FEES OF THE DIRECTORS

The Fund with respect to Cell A will pay £4,200 to Alexandra Assal Tim Streatfeild-James towards the directors fees (the "Directors Fees"), as set out in Part A of this private placement memorandum.

The Fund with respect to Cell A shall pay Ralf Huber an annual directors' fee of 0.10% of the AUM of Cell A. The directors' fee will be accrued on each Valuation Day and paid quarterly in arrears as from 1<sup>st</sup> May 2012.

The Fund with respect to Cell A shall pay Huber & Company Limited an annual directors' fee of 1.50% of the Net Assets of Cell A. This fee will be accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.

### 3. FEES OF THE ADMINISTRATOR

The Fund with respect to Cell A shall pay the Administrator an annual administration fee (the "Administration Fee") equal to:

- 0.15% of the Net Assets Value of Cell A per annum. The Administration Fee shall be accrued on each Valuation Day and payable quarterly in arrears. The Administration Fee was subject to a minimum annual fee of €20,000 prior to 31 August 2017 and is now subject to a minimum annual fee of €15,000.

Disbursements and "out of pocket expenses" such as telecommunication, fax, mail and office costs will be charged separately.

### 4. FEES OF THE COMPANY SECRETARY

The Fund with respect to Cell A shall pay the Company Secretary an annual company secretarial fee (the "Company Secretarial Fee") of €2000 per annum for the provision of company secretarial services to Cell A. The Company Secretarial Fee shall be accrued on each Valuation Day and payable quarterly in arrears.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.



## **5. FEES OF THE CUSTODIAN**

The Fund with respect to Cell A shall pay Bank Lombard Odier & Co Ltd pursuant to the Custodian Agreement a fee based on the total assets of the Fund with respect to Cell A.

The Custodian will receive from the Fund with respect to Cell A an annual fee of 0.15 % of the total assets of the Cell, calculated and accrued on each Valuation Day and paid quarterly in arrears (no minimum fees will apply).

Additional transaction fees will be charged by the Custodian as agreed with the Fund from time to time.

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

## **6. FEES OF THE BROKER**

The fees of the Broker shall be in accordance with their standard terms and conditions of appointment.

## **7. TRANSACTIONAL COSTS**

For its trading activities, the Fund with respect to Cell A may use the services of the Custodian to execute and clear its transactions and to carry its accounts. The Fund will pay the Custodian brokerage fees at agreed commercial rates.

The Fund with respect to Cell A may appoint additional brokers and will negotiate fees and commissions. The Fund will pay all expenses incurred in connection with its trading and investment activities, including but not limited to all execution, other transaction costs and expenses, custody expenses and all other related expenses and costs.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction. Any rebates received shall be for the benefit of the Fund.

## VII. ADDITIONAL INFORMATION

### 1. SUBSCRIPTIONS

The Fund is offering Class A Participation Shares for subscription at a net price per Share equal to the Net Asset Value per Share of Cell A at the close of business on the Valuation Day immediately preceding the relevant Subscription Day.

Subscriptions will be accepted on the first Subscription Day after an executed copy of the Subscription Agreement and the applicable Subscription Amounts due in respect of the Participation Shares have been received by the Fund. The minimum initial investment per Investor is €100,000 or its equivalent, or €50,000, or its equivalent, if the Investor has been advised by a Professional Adviser to invest in the Fund and the Administrator has received confirmation of such advice. Additional subscriptions are permitted, subject to a minimum of €10,000 per transaction or its equivalent.

Subscription Amounts and relevant documentation should be received at least two Business Days prior to the relevant Subscription Day. The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Cell's subscription account with the Custodian. The Board of Directors reserves the right to reject subscriptions in its absolute discretion. Any interest earned by the Fund on subscription monies will be for the benefit of the Cell and the Investor shall have no right to receive interest or other sums from the Cell in respect of such sums.

A Subscription Fee of 1.00% may be charged by the Administrator on the subscription to the Cell. The fee is based on the Subscription Amount. The Subscription Fee shall be deducted from the subscription monies received by the Cell, and only the net Subscription Amount shall be considered as amount paid for the Participation Shares.

The Board reserves the right to alter the above-mentioned subscription requirements at its absolute discretion. The Board reserves the right to receive tradable securities *in lieu* of or in addition to cash for payment of Subscription monies. The Administrator shall determine the cash value of any such *in specie* subscription.

### 2. REDEMPTIONS

Class A Participation Shares may be redeemed on the Redemption Day following the expiry of not less than seven days' Redemption Notice from the Investor of Class A Participation Shares. The Fund may, in the sole and absolute discretion of the Board, redeem Participation Shares within less than the seven day notice period.

The redemption price is equal to the Net Asset Value per Share of the Participation Shares in respect of the Cell at the relevant Valuation Day.

The Directors may, in their absolute discretion, refuse to redeem any Participation Shares if in their opinion the respective Cell does not have sufficient cash resources to complete the redemption and/or in the event the Directors believe that such an action will be materially detrimental to the remaining Investors. The Directors will notify the Investor of such refusal. The Directors shall not be required to sell any assets or borrow any monies to obtain the resources to redeem any Participation Shares. If the Fund does not complete the redemption on the first Redemption Day requested then the Redemption Notice shall be deemed withdrawn by the member who shall be required to submit a further notice of redemption to redeem any shares.

A partial redemption request for an amount of less than €10,000 or equivalent will not be accepted. The Board has the right to require the compulsory redemption of all Participation Shares held by a Investor who is a U.S. Person (see "Investor Suitability"), or otherwise at its sole discretion. Any such compulsory redemption will be made at the Net Asset Value per Share on the Valuation Day next following the issuance of a notice of redemption to the Investor.

A Redemption Fee of 1.00% may be charged on the redemption of Class A Participation Shares of the Cell. The Redemption Fee is based on the redemption proceeds. The Redemption Fee shall be deducted from the redemption proceed, and only the net Redemption Amount shall be paid to the redeeming Investor.

The Board reserves the right to vary any of the redemption requirements of the Fund.

### **3. DIVIDEND POLICY**

The Directors do not anticipate that any dividends shall be paid to Investors out of the Cell's earnings and profits, but rather such income will be reinvested. The Directors reserve the right to change this policy.

### **4. ADDITIONAL INFORMATION**

**ISIN Number:** GI000A0Q6545  
**WKN:** A0Q654  
Class A Participation Shares  
Issuer: Aero Fund PCC Limited – Cell A: Aero Fixed Income  
Type: Participation Shares

### **5. MATERIAL CONTRACTS**

No other contracts deemed to be material have been entered into by the Fund on behalf of the Cell (other than in the ordinary course of business) since incorporation in addition to those contracts referred to in Part A above.

### **6. CONFLICTS OF INTEREST**

There are no conflicts of interest in respect of this Cell in addition to those referred to in Part A.

## VIII. PAYMENTS INSTRUCTIONS

Once the Subscription Agreement and other required documents have been filled in and faxed and then sent to the Fund with respect to a subscription to Cell A, subscription funds should be sent to the Fund at the following address:

**Bank:** [ ]  
**CURRENCY:** EURO  
**Remit to:** [ ]  
**Swift Code:** [ ]  
**For the a/c of:** [ ]  
**IBAN:** [ ]  
**Account Name:** Aero Fund PCC Limited Subscribers Account  
**Account Number:** [ ]  
**Ref: A/C** CELL A - AERO FIXED INCOME [Investor's Name]

Please remember to add the name of the Investor as a reference on the fund wiring instructions to ensure proper crediting of funds.

Please also advise the Administrator that the funds have been sent:

Velay Financial Administrators Limited  
210 Neptune House  
P.O. Box 300  
Marina Bay  
Gibraltar

## CELL B

### AERO PATRIMONY

This Part B contains particulars relating to the Cell entitled "Aero Patrimony", which is launched as Cell B (the "Cell") of Aero Fund PCC Limited (the "Fund").

The Cell will be open to Investors on a bi-monthly basis.

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## I. SUMMARY OF TERMS

### **CELL B: AERO PATRIMONY**

Cell B is a segregated cell of Aero Fund PCC Limited, a Gibraltar registered experienced investor fund established as a protected cell company (“PCC”) pursuant to the Protect Cell Companies Act 2011.

### **INVESTMENT OBJECTIVE**

Cell B - Aero Patrimony - seeks to achieve a positive absolute return through long term investments in a broad range of equities. Cell B will only invest in those markets, which in the sole judgement of the Board of Directors at the time of making such investments have sufficient liquidity to enable the Board of Directors to open and close positions without causing excessive movements.

### **SUBSCRIPTIONS**

The Fund is offering Class B Participation Shares for subscription at a net price per Share equal to the Net Asset Value per Share of Cell B at the close of business on the Valuation Day immediately preceding the relevant Subscription Day.

Class B Participation Shares may be subscribed for on each Subscription Day after the subscription agreement and any monies due in respect of such shares have been received by the Fund.

The minimum initial investment by each Investor is €100,000, or its equivalent, or €50,000, or its equivalent, if the Investor has been advised by a Professional Adviser to invest in the Fund and the Administrator has received confirmation of such advice. Additional subscriptions are permitted, subject to a minimum of €10,000 per transaction or its equivalent.

A Subscription Fee of up to 1.00% may be charged by the Administrator on subscription to Class B Participation Shares. The Subscription Fee is based on the value of, and added to the purchase price of the Class B Participation Shares. Any fees may be split with any broker or other introducer introducing Investors to the Cell or retained by the Cell.

The Board reserves the right to vary any of the subscription requirements of the Cell.

Further information in respect of subscriptions to each Cell is contained in this Part B of this private placement memorandum.

### **REDEMPTIONS**

Class B Participation Shares may be redeemed at the Net Asset Value per Share on the Redemption Day following the expiry of not less than seven day's Redemption Notice from the Investor to the Fund. The Fund may, in the absolute discretion of the Board, redeem Class B Participation Shares within less than the seven day notice period.

The minimum redemption amount is €10,000 or equivalent. The redemption of Class B Participation Shares by an Investor resulting in the value of Class B Participation Shares held by the Investor totalling less than €100,000 or equivalent may cause redemption of the whole position of the entire holding of the Investor in that class.

A Redemption Fee of up to 1.00% may be charged by the Administrator on redemption of Class B Participation Share of the Cell. The Redemption Fee is based on the value of, and subtracted from the redemption proceeds of the Class B Participation Shares. Any fees may be split with any broker or other introducer introducing Investors to the Cell or retained by the Cell.

The Board reserves the right to vary any of the redemption requirements of the Fund.

Further information in respect of subscriptions to each Cell is contained in this Part B of this private placement memorandum.

## **FEES AND EXPENSES**

### ***Initial Organisational Costs***

The Fund with respect to Cell B will pay a proportional part of the initial organisational costs of the Fund, as disclosed in Part A of this private placement memorandum, pro-rata based on net assets of Cell B as against any other Cell or otherwise as the Board of Directors may, in their absolute discretion, determine.

### ***Directors Fees***

The Fund with respect to Cell B will pay £2,900 to Alexandra Assal and Tim Streatfeild-James towards the directors fees (the "Directors Fees"), as set out in Part A of this private placement memorandum.

The Fund with respect to Cell B shall pay Ralf Huber an annual directors' fee of 0.10% of the AUM of Cell B. This fee will be accrued on each Valuation Day and paid quarterly in arrears as from 1<sup>st</sup> May 2012.

The Fund with respect to Cell B shall pay Huber & Company Limited director fees as follows for the provision of its services:

- A base fee (the "Base Fee") of 2.00% of the Net Asset Value of Cell B per annum. The Base Fee shall be accrued on each Valuation Day and paid quarterly in arrears; and
- A performance fee (the "Performance Fee") of 20.00% of any increase in the Net Asset Value of Cell B per annum. The Performance Fee shall be accrued on each Valuation Day and paid quarterly in arrears. The Performance Fee will be subject to a high water mark (the "High Water Mark").

The “High Water Mark” means the highest Net Asset Value per Class B Participation Share in the Fund on any previous Valuation Day.

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

#### ***Administration Fees***

The Fund with respect to Cell B shall pay the Administrator an annual administration fee (the “Administration Fee”) of an amount equal to 0.20% of the Net Asset Value of Cell B. The Administration Fee shall be accrued on each Valuation Day and paid quarterly in arrears. The Administration Fee is subject to a minimum annual fee of €20,000.

Disbursements and “out of pocket expenses” such as telecommunication, fax, mail and office costs will be charged separately.

#### ***Company Secretary Fees***

The Fund with respect to Cell B shall pay the Company Secretary a company secretarial fee (the “Company Secretarial Fee”) of €3500 per annum for the provision of company secretarial services. The Company Secretarial Fee shall be accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

#### ***Custodian Fees***

The Fund with respect to Cell B shall pay Bank Lombard Odier & Co Ltd as Custodian an annual fee of 0.15 % of the total assets of Cell B, calculated and accrued on each Valuation Day and paid quarterly in arrears (no minimum fees will apply).

#### ***Legal, Audit and Other Expenses***

The Fund with respect of Cell B will pay its own legal, audit and other expenses. These are estimated not to exceed €50,000 per annum. These expenses will be split equally between the Cells or otherwise as the directors may, in their absolute discretion determine.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction and other banking charges. Any rebates shall be for the benefit of the Fund and the relevant Cell.

Disbursements such as telecommunication, fax, mail and office costs are charged separately.



***Subscription Fees***

A Subscription Fee of 1.00% may be charged by the Administrator on the subscription to Class B Participation Shares of the Fund. The Subscription Fee will be based on the Subscription Amount. The Subscription Fee shall be deducted from the subscription monies received by the Cell, and only the net Subscription Amount shall be considered as amount paid for the Participation Shares.

***Redemption Fees***

A Redemption Fee of 1.00% may be charged on the redemption of Class B Participation Shares of the Fund. The Redemption Fee is based on the redemption proceeds. The Redemption Fee shall be deducted from the redemption proceed, and only the net Redemption Amount shall be paid to the redeeming Investor.

## II. DEFINITIONS

In this Part B - Cell B – Aero Patrimony - unless the context otherwise requires the following expressions shall have the following meanings in addition to the definitions disclosed in Part A of this private placement memorandum:

<b>“Assets Under Management” and/or “AUM”</b>	gross value of assets under management.
<b>“Cell B”</b>	Cell B – Aero Patrimony.
<b>“Class B Participation Shares”</b>	Class B redeemable preference shares of the Fund issued in consideration for subscription to Cell B.
<b>“Professional Advisor”</b>	a person who is authorised or entitled in the European Economic Area, or in such other jurisdiction that is in the opinion of the Authority regulated under and in accordance with a legislative and regulatory regime that provides at least equivalent protection to that of the legislative and regulatory regime in Gibraltar, to provide investment advice by way of business in respect of collective investment schemes.
<b>“Redemption”</b>	the redemption of Class B Participation Share in accordance with the terms of redemption as disclosed in Part B of this private placement memorandum.
<b>“Redemption Day”</b>	the first working day following a Valuation Day unless otherwise determined by the Board of Directors.
<b>“Redemption Fee”</b>	a fee of 1.00% charged to Investors when they redeem Class B Participation Shares in the Fund, details of which are set out in Part B of this private placement memorandum.
<b>“Redemption Notice”</b>	a written notice served by an Investor on the Fund requesting the redemption of Class B Participation Shares.
<b>“Investor”</b>	any individual who subscribes to Participation Shares in the Fund.
<b>“Subscription Agreement”</b>	the agreement (Appendix A) which sets out the terms by which an Investor subscribes to Class B Participation Shares in the Fund.
<b>“Subscription Amount”</b>	the amount paid by an Investor on subscription the Fund, less any Subscription Fee.
<b>“Subscription Day”</b>	the first working day following a Valuation Day unless otherwise determined by the Board of Directors.
<b>“Subscription Fee”</b>	a fee of 1.00% charged to Investors when they subscribe to Class B Participation Shares in the Fund, details of which are set out in Part B of this private placement memorandum.
<b>“Valuation Day”</b>	the 15 <sup>th</sup> and the last day of each calendar month in each year, unless otherwise determined by the Board of Directors.

Capitalized terms not defined herein shall have the meaning ascribed to them in Part A of this private placement memorandum.

### III. INVESTMENT OBJECTIVES AND RESTRICTIONS

#### Investment Objectives

Cell B - Aero Patrimony - seeks to achieve a positive absolute return through investment in equities such as stocks, certificates, warrants, funds, funds of funds, ETFs, future bonds and commodities and exchange-traded option contracts, or any equity related vehicle that the Board of Directors deems appropriate. The Fund will only invest in those markets, which in the sole judgement of the Board of Directors at the time of making such investments have sufficient liquidity to enable the Board of Directors to open and close positions without causing excessive movements. The strategy will be of a buy and hold approach, with a bias on value. The Fund on behalf of the Cell could, opportunistically, engage in some active trading (i.e. buying/selling a position several times a week), but this will be the exception rather than the norm.

#### Investment Restrictions

The following investment restrictions will apply to the Cell:

- No more than 20% of the gross assets of the Cell may be invested in the securities of any one issuer at the time of purchase. If the portfolio grows and the securities of a single issuer in the Fund's portfolio increases above 20%, the Fund will not be required to sell securities to reduce its holding to 20%. The 20% limit is only required to be observed at the time when the investment is made. However, this restriction shall not apply to securities issued or guaranteed by a government, government agency or instrumentality of any European Union or OECD Member State or by any supranational authority of which one or more European Union or OECD Member States are members. The restriction will also not apply to new issues;
- The Cell may arrange for a credit facility from the Custodian but may only use such facility up to a limit equal to 10% of the gross assets of the Cell;
- A minimum cash position of 5.00% of the Gross assets of the Cell will be available for redemptions at any time;
- The Cell will not take legal or management control of the issuers of underlying investments;
- The Cell will not invest in real Estate;
- The Cell will not invest in physical commodities other than gold & precious metals;
- There is no limitation on trading liquid currencies.
- The manager can invest 0 – 40.00% in defensive assets.
- The manager can invest 0 – 60.00% in dynamic assets taking into consideration macro economic structures.

#### Breach of Investment and/or Borrowing Restrictions

The Directors will ensure that corrective action is taken where the Cell is in breach of any of the above investment or borrowing restrictions. The Directors will decide whether a breach in the investment restrictions or borrowing restrictions of the Fund should be considered material on a case-by-case basis. Only where a breach is considered a "material breach" will the Directors consider informing the FSC and/or Investors. In determining whether a breach of the investment restrictions is material, the Directors will consider factors such as whether the breach has the potential to have a financial impact on Investors (or any particular Investor) and also the costs involved in rectifying the breach.

#### IV. INVESTOR INFORMATION

The Directors with respect to Cell B agree to compute and provide the following reports to Investors, or their nominees, each in a form acceptable to the Directors and prepared in accordance with International Accounting Standards.

**Net Asset Value:** The Net Asset Value per Share of the Cell on any Valuation Day will be computed by the Administrator and reported to the Investors within 5 days of the Net Asset Value having been approved by the Directors.

**Audited Statements:** Annual audited financial statements will be provided, upon request, within six months of the financial year-end.

Whilst the Cell will endeavour to provide the aforementioned by the time deadlines stated, the Cell shall not be held liable for any delays in providing the relevant reports and/or publishing the relevant information which result from unexpected contingencies, such as delays in receiving necessary information from which to prepare such reports or information; equipment failure; fire or other physical damage to office or equipment or power failures.

The audited financial statements shall be kept at the administrator's office and filed with the FSC within 6 months of the financial statement period end, or any such other time as determined by the FSC.

None of the audit reports of the accounts for financial years since inception had any qualifications.

## V. SPECIFIC RISK FACTORS

In addition to the risk factors set forth in Part A of this private placement memorandum, the following additional specific risk factors exist in connection with the Cell's investment policy to invest mainly in equities and their derivatives:

**Speculative Position Limits.** Some exchanges have established speculative position limits, which govern the maximum position, which any person may hold or control. It is possible that the Investment Manager may have to modify trading strategies or liquidate positions in order to avoid exceeding speculative position limits. Such modification or liquidation, if required, could adversely affect the Cell's objective to achieve capital appreciation.

**Forward Markets.** Although the forward markets, including the foreign currency markets, may not necessarily be more volatile than the markets in other assets, the forward markets offer less protection against defaults in trading than is available when trading occurs on an exchange. Forward contracts are not guaranteed by an exchange or clearing house, and therefore, a non-settlement or default on the contract would deprive the Cell of unrealised profits or force the Fund to cover its commitment for purchase and resale, if any, at the current market price.

The low margin normally required in forward trading permit an extremely high degree of leverage, since margin requirements for futures trading in some cases are as little as 2.00% of the face value (or "exposure") of the contracts traded. Therefore the gross value of positions held may be several times the value of the assets under management. Consequently, even a slight movement in the prices of commodities to which the assets under management are exposed could result in immediate and substantial losses to the Investor .

**Management Risk.** The success of the Cell's investments is subject to the ability of the Board of Directors to achieve the Portfolio Fund's investment objectives.

**Non-Diversification Risk.** If the Cell's investment in fixed-income vehicles represents a relatively significant percentage of the Cell's portfolio, the value of the portfolio will be more impacted by a loss on that vehicle than if the portfolio were more diversified.

**Natural Disasters.** The financial markets are often severely affected by natural disasters such as earthquakes, hurricanes and tsunamis. In the event of a natural disaster in a region of high economic output, financial markets normally sell-off, resulting in a severe decline in market value of all securities. Natural disaster therefore could be detrimental to the Net Asset Value of the Cell.

**Economic Climate.** The reporting of weak economic data such as unemployment figures, house buying, consumer confidence, gross domestic product, inflation etc. can have a direct or indirect impact on the value of a chosen stock.

**Past Performance.** Past performance is no indication of future performance, although investment decisions may contribute some weight to a stocks past performance when deciding to invest in the stock.

**Taxation Risks.** Taxation risk involves the taxation laws of the jurisdiction in which a corporation is domiciled. Local tax laws may impose withholding taxes or other taxes on the payment of dividends on a stock or the payment of interest on a fixed-income security.

**Political Risk.** The value of a specific stock may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, acts of god, war or acts of terror and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership of a project.

**Counterparty Risk.** Any monies or assets held by counterparties on behalf of the Fund may be at risk and be unrecoverable if the counterparty defaults.

**Emerging/Developing Country Risks.** The relevant Cell may invest in certain emerging market countries which are more speculative in nature, are subject to greater market fluctuations and risk of loss than normally associated with investments in more developed and more politically and economically stable jurisdictions with more sophisticated capital markets and regulatory regimes, such as the United States and Western Europe.

**Currency Exchange Risk.** Investments may be made which are denominated in currencies other than the base currency of the Cell. Due to currency exchange, there is a risk that any gains in investment value will be off-set against a change in exchange rate.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE MEMORANDUM AND CONSULT WITH THEIR PROFESSIONAL ADVISERS BEFORE DETERMINING WHETHER TO INVEST IN THE FUND.**

## VI. FEES AND EXPENSES

In addition to the fees set out in Part A of this private placement memorandum, the following fees apply to this Cell.

### 1. ORGANISATION COSTS

The Fund with respect to Cell B will pay a proportional part of the costs and expenses associated with the initial organisation of the Fund as disclosed in Part A of this private placement memorandum, pro-rata based on the Net Assets Value of Cell B as against any other Cell or otherwise as the Board of Directors may, in their absolute discretion, determine. These costs include government incorporation charges and professional fees and expenses in connection with the preparation of the Fund's information documents, and the preparation of its corporate documents and contracts, which did not exceed €50,000 and have been paid by the Fund out of the initial proceeds of the offering of the Fund's shares. Such organisational costs and expenses will be amortised by the Fund over a period of 60 months from commencement of investment activity.

### 2. FEES OF THE DIRECTORS

The Fund with respect to Cell B will pay £2,900 to Alexandra Assal and Tim Streatfeild-James towards the directors fees (the "Directors Fees"), as set out in Part A of this private placement memorandum.

The Fund with respect to Cell B shall pay Ralf Huber an annual directors' fee of 0.10% of the AUM of Cell B. The directors' fee will be accrued on each Valuation Day and paid quarterly in arrears as from 1<sup>st</sup> May 2012.

The Fund with respect to Cell B shall pay Huber & Company Limited director fees as follows for the provision of its services:

- 2.00% of the Net Asset Value of Cell B per annum. The Base Fee shall be accrued on each Valuation Day and paid quarterly in arrears; and
- 20.00% of any increase in the Net Asset Value of Cell B per annum above the high water mark (the "High Water Mark") (the "Performance Fee"). The Performance Fee shall be accrued on each Valuation Day and paid quarterly in arrears.

The "High Water Mark" means the highest Net Asset Value per Participation Share of a Cell B as calculated on any previous Valuation Day.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.

### 3. FEES OF THE ADMINISTRATOR

The Fund with respect to Cell B shall pay the Administrator an administration fee (the "Administration Fee") equal to:

- 0.20% of the Net Asset Value of Cell B per annum. The Administration Fee shall be accrued on each Valuation Day and paid quarterly in arrears. The Administration Fee is subject to a minimum annual fee of €20,000.

Disbursements and "out of pocket expenses" such as telecommunication, fax, mail and office costs will be charged separately.

#### **4. FEES OF THE COMPANY SECRETARY**

The Fund with respect to Cell B shall pay the Company Secretary a company secretarial fee (the "Company Secretarial Fee") of €3500 per annum for the provision of company secretarial services to Cell A. The Company Secretarial Fee will be accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.

#### **5. FEES OF THE CUSTODIAN**

The Fund with respect to Cell B shall pay Bank Lombard Odier & Co Ltd a fee pursuant to the Custodian Agreement based on the total assets of the Fund.

The Custodian will receive from the Fund an annual fee of 0.15 % of the total assets of the Cell, calculated and accrued on a monthly basis, paid quarterly in arrears (no minimum fees will apply).

Additional transaction fees will be charged by the Custodian as agreed with the Fund from time to time.

These fees will be accrued on each Valuation Day and paid quarterly in arrears.

#### **6. FEES OF THE BROKER**

The fees of the Broker shall be in accordance with their standard terms and conditions of appointment.

#### **7. TRANSACTIONAL COSTS**

For its trading activities, the Fund may use the services of the Custodian to execute and clear its transactions and to carry its accounts. The Fund will pay the Custodian brokerage fees at agreed commercial rates.

The Fund may appoint additional brokers and will negotiate fees and commissions. The Fund will pay all expenses incurred in connection with its trading and investment activities, including but not limited to all execution, other transaction costs and expenses, custody expenses and all other related expenses and costs.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction. Any rebates received shall be for the benefit of the Fund.



## VII. ADDITIONAL INFORMATION

### 1. SUBSCRIPTIONS

The Fund is offering Class B Participation Shares for subscription at a net price per Share equal to the Net Asset Value per Share of Cell B at the close of business on the Valuation Day immediately preceding the relevant Subscription Day. Subscription will be accepted on the first Subscription Day after an executed copy of the Subscription Agreement and the applicable Subscription Amounts due in respect of the Class B Participation Shares have been received by the Fund.

The minimum initial investment by each Investor is €100,000, or its equivalent, or €50,000, or its equivalent, if the Investor has been advised by a Professional Adviser to invest in the Fund and the Administrator has received confirmation of such advice. Additional subscriptions are permitted, subject to a minimum of €10,000 per transaction or its equivalent.

Subscription Amounts and relevant documentation should be received at least two Business Days prior to the relevant Subscription Day. The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Cell's subscription account with the Custodian. The Board of Directors reserves the right to reject subscriptions in its absolute discretion. Any interest earned by the Fund on subscription monies will be for the benefit of the Cell and the Investor shall have no right to receive interest or other sums from the Cell in respect of such sums.

A Subscription Fee of 1.00% may be charged by the Administrator on the subscription to the Cell. The fee is based on the Subscription Amount. The Subscription Fee shall be deducted from the subscription monies received by the Cell, and only the net Subscription Amount shall be considered as amount paid for the Participation Shares.

The Board reserves the right to alter the above-mentioned subscription requirements at its absolute discretion. The Board reserves the right to receive tradable securities *in lieu* of or in addition to cash for payment of Subscription monies. The Administrator shall determine the cash value of any such *in specie* subscription.

### 2. REDEMPTIONS

Class B Participation Shares may be redeemed on the Redemption Day following the expiry of not less than seven days' Redemption Notice from the Investor of Cell B. The Fund may, in the absolute discretion of the Board, redeem Participation Shares within less than the seven day notice period.

The redemption price is equal to the Net Asset Value per Share of the Participation Shares in respect of the Cell at the relevant Valuation Day.

The Directors may, in their absolute discretion refuse to redeem any Participation Shares if in their opinion the respective Cell does not have sufficient cash resources to complete the redemption and/or in the event the Directors believe that such an action will be materially detrimental to the remaining Investors, as described in "Redemption" and "Suspension of Redemption" in Part A above. The Directors will cause the Cell to notify the Investor of such refusal. The Directors shall not be required to sell any assets or borrow any monies to obtain the resources to redeem any Participation Shares. If the Fund does not complete the redemption on the first Redemption Day requested then the Redemption Notice shall be deemed withdrawn by the member who shall be required to submit a further notice of redemption to redeem any shares.

A partial redemption request for an amount of less than €10,000 or equivalent will not be accepted. Redemption of Participation Shares resulting in a remaining balance with a Net Asset Value of less than €100,000 or equivalent will give the Board the right to require the compulsory redemption of all the Participation Shares held by the relevant Investor. The Board further has the right to require the compulsory redemption of all Participation Shares held by an Investor who is a U.S. Person (see "Investor Suitability"), or otherwise at its sole discretion. Any such compulsory redemption will be made at the Net Asset Value per Share on the Valuation Day next following the issuance of a notice of redemption to the Investor.

A Redemption Fee of 1.00% may be charged on the redemption of Class B Participation Shares of the Cell. The Redemption Fee is based on the redemption proceeds. The Redemption Fee shall be deducted from the redemption proceeds, and only the net Redemption Amount shall be paid to the redeeming Investor.

The Board reserves the right to vary any of the redemption requirements of the Fund.

### **3. DIVIDEND POLICY**

The Directors do not anticipate that any dividends shall be paid to Investors out of the Cell's earnings and profits, but rather such income will be reinvested. The Directors reserve the right to change this policy.

### **4. ADDITIONAL INFORMATION**

**ISIN Number:** GI000A0Q6552

**WKN:** A0Q655

Class B Participation Shares

Issuer: Aero Fund PCC Limited – Cell B: Aero Patrimony

Type: Participation Shares

### **5. MATERIAL CONTRACTS**

No other contracts deemed to be material have been entered into by the Cell (other than in the ordinary course of business) since incorporation in addition to those contracts referred to in Part A of this private placement memorandum.

### **6. CONFLICTS OF INTEREST**

There are no conflicts of interest in respect of this Cell in addition to those referred to in Part A of this private placement memorandum.

## VIII. PAYMENTS INSTRUCTIONS

Once the Subscription Agreement and other required documents have been filled in and faxed and then sent to the Fund with respect to a subscription to Cell B, subscription funds should be sent to the Fund at the following address:

**Bank:** [ ]  
**CURRENCY:** EURO  
**Remit to:** [ ]  
**Swift Code:** [ ]  
**For the a/c of:** [ ]  
**IBAN:** [ ]  
**Account Name:** Aero Fund PCC Limited Subscribers Account  
**Account Number:** [ ]  
**Ref: A/C** CELL B - AERO PATRIMONY [Investor's Name]

Please remember to add the name of the Investor as a reference on the fund wiring instructions to ensure proper crediting of funds.

Please also advise the Administrator that the funds have been sent:

Velay Financial Services Limited  
210 Neptune House  
P.O. Box 300  
Marina Bay  
Gibraltar

## CELL D

### WORLD GLOBAL BONDS

This Part B contains particulars relating to the Cell entitled "World Global Bonds" which is launched as Cell D (the "Cell") of Aero Fund PCC Limited (the "Fund").

The Cell will be open to Investors on a bi-monthly basis.

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## I. SUMMARY OF TERMS

**CELL D: WORLD GLOBAL BONDS** Cell D – World Global Bonds - is a segregated cell of Aero Fund PCC Limited, a Gibraltar registered experienced investor fund established as a protected cell company (“PCC”) pursuant to the Protect Cell Companies Act 2011.

**INVESTMENT OBJECTIVE** Cell D - World Global Bonds - seeks to achieve a positive absolute return through investment in fixed income vehicles which will, in the opinion of the Board of Directors, give above market returns while retaining a good level of security. The Directors will implement different strategies that they feel will produce the best returns such as barbell/bullet, duration, maturity and/or credit strategies, but it is anticipated that the Cell will not be involved in active trading and turnover.

**SUBSCRIPTIONS** The Fund is offering subscription to Class D Participation Shares in Cell D at a net price per Share equal to the Net Asset Value per Share at the close of business on the Valuation Day immediately preceding the relevant Subscription Day.

Class D Participation Shares may be subscribed for on each Subscription Day after the subscription agreement and any monies due in respect of such shares have been received by the Fund.

The minimum initial investment by each Investor is €100,000, or its equivalent, or €50,000, or its equivalent, if the Investor has been advised by a Professional Adviser to invest in the Fund and the Administrator has received confirmation of such advice. Additional subscriptions are permitted, subject to a minimum of €10,000 per transaction or its equivalent.

A Subscription Fee of up to 1.00% may be charged by the Administrator on subscription to Class D Participation Shares. The Subscription Fee is based on the value of, and added to the purchase price of the Class D Participation Shares. Any Subscription Fee may be split with any broker or other introducer introducing Investors to the Cell or retained by the Cell.

The Board reserves the right to vary any of the subscription requirements of the Cell.

Further information in respect of subscriptions to each Cell is contained in this Part B of this private placement memorandum.

**REDEMPTIONS** Class D Participation Shares may be redeemed at the Net Asset Value per Share on the Redemption Day, following the expiry of not less than seven days' Redemption Notice from the Investor of Class D Participation Shares. The Fund may, in the sole and absolute discretion of the Board, redeem Class D Participation Shares within less than the seven day notice period.

The minimum redemption amount is €10,000 or equivalent. The redemption of Class D Participation Shares by a Investor resulting in the value of Class D Participation Shares held by the Investor in any one class totalling less than €100,000 or equivalent may cause redemption of the whole position of the entire holding of the Investor in that class.

A Redemption Fee of up to 1.00% may be charged by the Administrator on redeeming Class D Participation Shares. The Redemption Fee is based on the value of, and subtracted from the redemption proceeds of the Class D Participation Shares. Any fees may be split with any broker or other introducer introducing Investors to the Cell or retained by the Cell.

The Board reserves the right to vary any of the redemption requirements of the Fund.

Further information in respect of subscriptions to each Cell is contained in this Part B of this private placement memorandum.

## **FEES AND EXPENSES**

### ***Initial Organisational Costs***

The Fund with respect to Cell D will pay a proportional part of the initial organisational costs of the Fund, as set out in Part A of this private placement memorandum, pro-rata based on net assets of Cell D as against any other Cell or otherwise as the Board of Directors may, in their absolute discretion, determine.

### ***Fees of the Directors***

The Fund with respect to Cell D will pay £2,900 to Alexandra Assal and Tim Streatfeild-James towards the directors fees (the "Directors Fees"), as set out in Part A of this private placement memorandum.

The Fund with respect to Cell D shall pay Ralf Huber an annual directors' fee of 0.10% of the Net Asset Value of Cell D. The directors' fee will be accrued on each Valuation Day and paid quarterly in arrears as from 1<sup>st</sup> May 2012.

The Fund with respect to Cell D shall pay Huber & Company Limited director fees as follows for the provision of its services:

- 1.10% of the Net Asset Value of Cell D per annum (the "Base Fee"). The Base Fee shall be accrued on each Valuation Day and paid quarterly in arrears; and
- 10.00% of any increase in the Net Asset Value of Cell D per annum above the high water mark ("High Water Mark") (the "Performance Fee"). The Performance Fee shall be accrued on each Valuation Day and paid quarterly in arrears.

The “High Water Mark” means the highest Net Asset Value per Class D Participation Share on any previous Valuation Day.

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

#### ***Fees of the Administrator***

The Fund with respect to Cell D shall pay the Administrator an annual administration fee (the “Administration Fee”) of 0.20% of the Net Asset Value of Cell D per annum subject to a minimum of €18,000 per annum for the first year of operations. After the first year of operations the Administration Fee will be subject to a minimum of €20,000 per annum. The Administration Fee shall be accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and “out of pocket expenses” such as telecommunication, fax, mail and office costs will be charged separately.

#### ***Fees of the Company Secretary***

The Fund with respect to Cell D shall pay the Company Secretary a company secretarial fee (the “Company Secretarial Fee”) of €2000 per annum for the provision of company secretarial services. The Company Secretarial Fees are accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

#### ***Fees of the Custodian***

The Fund with respect to Cell D will pay Bank Lombard Odier & Co LTd Ltd as Custodian an annual fee of 0.15 % of the total assets of Cell D, calculated and accrued on a monthly basis, paid quarterly in arrears (no minimum fees will apply).

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

#### ***Legal, Audit and Other Expenses***

The Fund with respect to Cell D will pay its own legal, audit and other expenses. These are estimated not to exceed €50,000 per annum. These expenses will be split equally between the Cells or otherwise as the directors may, in their absolute discretion determine.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction and

other banking charges. Any rebates shall be for the benefit of the Fund and the relevant Cell.

Disbursements and “out of pocket expenses” such as telecommunication, facsimile and mail costs are charged separately.

***Subscription Fees***

A Subscription Fee of 1.00% may be charged by the Administrator on the subscription to Class D Participation Shares of the Fund. The Subscription Fee will be based on the Subscription Amount. The Subscription Fee shall be deducted from the subscription monies received by the Cell, and only the net Subscription Amount shall be considered as amount paid for the Participation Shares.

***Redemption Fees***

A Redemption Fee of 1.00% may be charged by the Administrator on the redemption of Class D Participation Shares of the Fund. The Redemption Fee is based on the redemption proceeds. The Redemption Fee shall be deducted from the redemption proceed, and only the net Redemption Amount shall be paid to the redeeming Investor.



## II. DEFINITIONS

In this Part B - Cell D – World Global Bonds - unless the context otherwise requires the following expressions shall have the following meanings in addition to the definitions disclosed in Part A of this private placement memorandum:

<b>“Assets Under Management” and/or “AUM”</b>	gross value of assets under management.
<b>“Cell D”</b>	Cell D – World Global Bonds.
<b>“Class D Participation Shares”</b>	Class D redeemable preference shares of the Fund issued in consideration for subscription to Cell D.
<b>“Redemption”</b>	the redemption of Class D Participation Share in accordance with the terms of redemption as disclosed in Part B of this private placement memorandum.
<b>“Professional Advisor”</b>	a person who is authorised or entitled in the European Economic Area, or in such other jurisdiction that is in the opinion of the Authority regulated under and in accordance with a legislative and regulatory regime that provides at least equivalent protection to that of the legislative and regulatory regime in Gibraltar, to provide investment advice by way of business in respect of collective investment schemes.
<b>“Redemption Day”</b>	the first working day following a Valuation Day unless otherwise determined by the Board of Directors.
<b>“Redemption Fee”</b>	a fee of 1.00% charged to Investors when they redeem Class D Participation Shares in the Fund, details of which are set out in Part B of this private placement memorandum.
<b>“Redemption Notice”</b>	a written notice served by an Investor on the Fund requesting the redemption of Class D Participation Shares.
<b>“Investor”</b>	any individual who subscribes to Participation Shares in the Fund.
<b>“Subscription Agreement”</b>	the agreement (Appendix A) which sets out the terms by which an Investor subscribes to Class D Participation Shares in the Fund.
<b>“Subscription Amount”</b>	the amount paid by an Investor on subscription the Fund, less any Subscription Fee.
<b>“Subscription Day”</b>	the first working day following a Valuation Day unless otherwise determined by the Board of Directors.
<b>“Subscription Fee”</b>	a fee of 1.00% charged to Investors when they subscribe to Class D Participation Shares in the Fund, details of which are set out in Part B of this private placement memorandum.
<b>“Valuation Day”</b>	the 15 <sup>th</sup> and the last day of each calendar month in each year, unless otherwise determined by the Board of Directors.

### III. INVESTMENT OBJECTIVES AND RESTRICTIONS

#### Investment Objective

World Global Bond seeks to achieve a positive absolute return through investment in international fixed income vehicles which will give above market returns while retaining a good level of safety. The international fixed income vehicles will include, but will not be limited to, bonds, notes, subordinated debt, fixed income funds and non-bearing interest debt from issuers such as Governments, agencies, municipalities, supranational entities and corporations, currency markets. Cell D may invest in inflation indexed bonds and in units of UCITS and other collective investments (UCIs) up to 20.00% of its assets. The Board of Directors will implement different strategies it feels will make the best return such as barbell/bullet, duration, maturity and/or credit strategies, but it is anticipated that the Cell will not be involved in active trading and turnover

#### Investment Restrictions

The following investment restrictions will apply to the Cell:

- No more than 20% of the gross assets of the Cell may be invested in the securities of any one issuer at the time of purchase. If the portfolio grows and the securities of a single issuer in the Fund's portfolio increases above 20%, the Fund will not be required to sell securities to reduce its holding to 20%. The 20% limit is only required to be observed at the time when the investment is made. However, this restriction shall not apply to securities issued or guaranteed by a government, government agency or instrumentality of any European Union or OECD Member State or by any supranational authority of which one or more European Union or OECD Member States are members. The restriction will also not apply to new issues.
- The Cell may arrange for a credit facility from the Custodian but may only use such facility up to a limit equal to 10% of the gross assets of the Cell.
- There will not be a minimum rating required for the Cell to be able to invest in a fixed income vehicle.

#### Breach of Investment and/or Borrowing Restrictions

The Directors will ensure that corrective action is taken where the Cell is in breach of any of the above investment or borrowing restrictions. The Directors will decide whether a breach in the investment restrictions or borrowing restrictions of the Fund should be considered material on a case-by-case basis. Only where a breach is considered a "material breach" will the Directors consider informing the FSC and/or Investors. In determining whether a breach of the investment restrictions is material, the Directors will consider factors such as whether the breach has the potential to have a financial impact on Investors (or any particular Investor) and also the costs involved in rectifying the breach.

#### IV. INVESTOR INFORMATION

The Directors of the Fund in relation to Cell D agree to compute and provide the following reports to Investors, or their nominees, each in a form acceptable to the Directors and prepared in accordance with International Accounting Standards.

**Net Asset Value:** The Net Asset Value per Share of the Cell will be computed by the Administrator on each Valuation Day and reported to the Investors within 5 business days of the Net Asset Value having been approved by the Directors.

**Audited Statements:** Annual audited financial statements will be provided, upon request, within six months of the financial year-end.

Whilst the Cell will endeavour to provide the aforementioned by the time deadlines stated, the Cell shall not be held liable for any delays in providing the relevant reports and/or publishing the relevant information which result from unexpected contingencies, such as delays in receiving necessary information from which to prepare such reports or information; equipment failure; fire or other physical damage to office or equipment or power failures.

The audited financial statements shall be kept at the administrator's office and filed with the FSC within 6 months of the financial statement period end, or any such other time as determined by the FSC.

None of the audit reports of the accounts for financial years since inception had any qualifications.

## V. SPECIFIC RISK FACTORS

In addition to the risk factors set forth in Part A hereto, the following additional specific risk factors exist in connection with the Cell's investment policy to invest fixed-income vehicles.

**Management Risk.** The success of the Cell's investments in fixed-income vehicles is subject to the ability of the Board of Directors to achieve the Portfolio Fund's investment objectives.

**Inflation Risk.** Inflation risk is the risk that the value of assets or income from fixed-income investments will be worth less in the future as inflation decreases the value of money. Inflation also tends to lead to higher interest rates which in turn cause bond prices to fall.

**Non-Diversification Risk.** If the Cell's investment in fixed-income vehicles represents a relatively significant percentage of the Cell's portfolio, the value of the portfolio will be more impacted by a loss on that vehicle than if the portfolio were more diversified.

**Interest Rate Risk.** Interest rate risk is the risk that the value of fixed-income vehicles will fall if interest rates increase. These securities typically fall in value when interest rates rise and rise in value when interest rates fall. Fixed income securities with longer periods before maturity are often more sensitive to interest rate changes. Hence when interest rates rise, fixed-income vehicles prices fall and conversely when interest rates fall, fixed-income vehicles prices rise. The longer the time to a bond maturity, the greater the interest rate risks.

**Natural Disasters.** The financial markets are often severely affected by natural disasters such as earthquakes, hurricanes and tsunamis. In the event of a natural disaster in a region of high economic output, financial markets normally sell-off, resulting in a severe decline in market value of all securities. Natural disaster therefore could be detrimental to the Net Asset Value of the Cell.

**Economic Climate.** The reporting of weak economic data such as unemployment figures, house buying, consumer confidence, gross domestic product, inflation etc. can have a direct or indirect impact on the value of a chosen stock.

**Past Performance.** Past performance is no indication of future performance, although investment decisions may contribute some weight to a stocks past performance when deciding to invest in the stock.

**Taxation Risks.** Taxation risk involves the taxation laws of the jurisdiction in which a corporation is domiciled. Local tax laws may impose withholding taxes or other taxes on the payment of dividends on a stock or the payment of interest on a fixed-income security.

**Political Risk.** The value of a specific stock may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, acts of god, war or acts of terror and other political and economic developments in law or regulations and, in particular, the risk of, and change in, legislation relating to the level of foreign ownership of a project.

**Counterparty Risk.** Any monies or assets held by counterparties on behalf of the Fund may be at risk and be unrecoverable if the counterparty defaults.

**Default Risk.** Default risk is the risk that the issuer of the fixed income vehicle defaults with any payment in relation to the fixed income vehicle issued. Lenders and Investors are exposed to default risk in virtually all forms of credit extensions. The global economy is currently experiencing a "sovereign debt crisis" whereby certain member states of the European Union are on the verge of technically defaulting on their sovereign debt.

**Emerging/Developing Country Risks.** The relevant Cell may invest in certain emerging market countries which are more speculative in nature, are subject to greater market fluctuations and risk of loss than normally associated with investments in more developed and more politically and economically stable jurisdictions with more sophisticated capital markets and regulatory regimes, such as the United States and Western Europe.

**Currency Exchange Risk.** Investments may be made which are denominated in currencies other than the base currency of the Cell. Due to currency exchange, there is a risk that any gains in investment value will be off-set against a change in exchange rate.

**THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE MEMORANDUM AND CONSULT WITH THEIR PROFESSIONAL ADVISERS BEFORE DETERMINING WHETHER TO INVEST IN THE FUND.**

## VI. FEES AND EXPENSES

In addition to the Fees set out in Part A of this private placement memorandum, the following fees apply to this Cell.

### 1. ORGANISATION COSTS

The Fund with respect to Cell D will pay a proportional part of the costs and expenses associated with the initial organisation of the Fund, pro-rata based on the Net Assets Value of Cell D as against any other Cell or otherwise as the Board of Directors may, in their absolute discretion, determine. These costs include government incorporation charges and professional fees and expenses in connection with the preparation of the Fund's information documents, and the preparation of its corporate documents and contracts, did not exceed €50,000 and have been paid by the Fund out of the initial proceeds of the offering of the Fund's shares. Such organisational costs and expenses will be amortised by the Fund over a period of 60 months from commencement of investment activity.

### 2. FEES OF THE DIRECTORS

The Fund with respect to Cell D will pay £2,900 to Alexandra Assal and Tim Streatfeild-James towards the directors fees (the "Directors Fees"), as set out in Part A of this private placement memorandum.

The Fund with respect to Cell D shall pay Ralf Huber an annual directors fee of 0.10% of the AUM of Cell D. The directors' fee will be accrued on each Valuation Day and paid quarterly in arrears.

The Fund with respect to Cell D shall pay Huber & Company Limited director fees as follows for the provision of its services:

- 1.10% of the Net Asset Value of Cell D per annum (the "Base Fee"). The Base Fee shall be accrued on each Valuation Day and paid quarterly in arrears; and
- 10.00% of any increase in the Net Asset Value of Cell D per annum above the high water mark ("High Water Mark") (the "Performance Fee"). The Performance Fee will be accrued on each Valuation Day and paid quarterly in arrears.

The "High Water Mark" means the highest Net Asset Value per Class D Participation Share on any previous Valuation Day.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.

### 3. FEES OF THE ADMINISTRATOR

The Fund with respect to Cell D shall pay the Administrator an annual administration fee (the "Administration Fee") equal to 0.20% of the Net Asset Value of Cell D per annum subject to a minimum of €18,000 per annum for the first year of operations. After the first year of operations the Administration Fee will be subject to a minimum of €20,000 per annum. The Administration Fee shall be accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and "out of pocket expenses" such as telecommunication, fax, mail and office costs will be charged separately.

#### **4. FEES OF THE COMPANY SECRETARY**

The Fund with respect to Cell D shall pay the Company Secretary a company secretarial fee (the "Company Secretarial Fee") of €2000 per annum for the provision of company secretarial services to Cell D. The Company Secretarial Fee is accrued on each Valuation Day and paid quarterly in arrears.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.

#### **5. FEES OF THE CUSTODIAN**

The Fund with respect to Cell D shall pay a Custodian Fee pursuant to the Custodian Agreement to Bank Lombard Odier & Co Ltd based on the total assets of the Fund.

The Custodian will receive from the Fund an annual fee of 0.15 % of the total assets of the Cell, calculated and accrued on each Valuation Day and paid quarterly in arrears (no minimum fees will apply).

Additional transaction fees will be charged by the Custodian as agreed with the Fund from time to time.

Disbursements and "out of pocket expenses" such as telecommunication, facsimile and mail costs are charged separately.

#### **6. FEES OF THE BROKER**

The fees of the Broker shall be in accordance with their standard terms and conditions of appointment.

#### **7. TRANSACTIONAL COSTS**

For its trading activities, the Fund may use the services of the Custodian to execute and clear its transactions and to carry its accounts. The Fund will pay the Custodian brokerage fees at agreed commercial rates.

The Fund may appoint additional brokers and will negotiate fees and commissions. The Fund will pay all expenses incurred in connection with its trading and investment activities, including but not limited to all execution, other transaction costs and expenses, custody expenses and all other related expenses and costs.

The Directors may negotiate and receive rebates of commission in respect of each brokerage transaction. Any rebates received shall be for the benefit of the Fund

## VII. ADDITIONAL INFORMATION

### 1. SUBSCRIPTIONS

The Fund is offering Class D Participation Shares for subscription at a net price per Share equal to the Net Asset Value per Share of Cell D at the close of business on the Valuation Day immediately preceding the relevant Subscription Day. Subscription will be accepted on the first Subscription Day after an executed copy of the Subscription Agreement and the applicable Subscription Amounts due in respect of the Participation Shares have been received by the Fund.

The minimum initial investment by each Investor is €100,000, or its equivalent, or €50,000, or its equivalent, if the Investor has been advised by a Professional Adviser to invest in the Fund and the Administrator has received confirmation of such advice. Additional subscriptions are permitted, subject to a minimum of €10,000 per transaction or its equivalent.

Subscription Amounts and relevant documentation should be received at least two Business Days prior to the relevant Subscription Day. The acceptance of subscriptions is subject to confirmation of the prior receipt of cleared funds credited to the Cell's subscription account with the Custodian. The Board of Directors reserves the right to reject subscriptions in its absolute discretion. Any interest earned by the Fund on Subscription monies will be for the benefit of the Cell and the Investor shall have no right to receive interest or other sums from the Cell in respect of such sums.

A Subscription Fee of 1.00% may be charged by the Administrator on the subscription to the Cell. The fee is based on the Subscription Amount. The Subscription Fee shall be deducted from the subscription monies received by the Cell, and only the net Subscription Amount shall be considered as amount paid for the Participation Shares.

The Board reserves the right to alter the above-mentioned subscription requirements at its absolute discretion. The Board reserves the right to receive tradable securities *in lieu* of or in addition to cash for payment of Subscription monies. The Administrator shall determine the cash value of any such *in specie* subscription.

### 2. REDEMPTIONS

Class D Participation Shares may be redeemed on the Redemption Day following the expiry of not less than seven days' Redemption Notice from the Investor to the respective Cell (such Valuation Day on which the redemption of the shares is calculated is referred to herein as the "Redemption Day"). The Fund may, in the absolute discretion of the Board, redeem Participation Shares within less than the seven day notice period.

The redemption price is equal to the Net Asset Value per Share of the Class D Participation Shares in respect of the Cell at the relevant Valuation Day.

The Directors may, in their absolute discretion refuse to redeem any Participation Shares if in their opinion the respective Cell does not have sufficient cash resources to complete the redemption and/or in the event the Directors believe that such an action will be materially detrimental to the remaining Investors, as described in "Redemption" and "Suspension of Redemption" in Part A above. The Directors will cause the Cell to notify the Investor of such refusal. The Directors shall not be required to sell any assets or borrow any monies to obtain the resources to redeem any Participation Shares. If the Fund does not complete the redemption on the first Redemption Day requested then the Redemption Notice shall be deemed withdrawn by the member who shall be required to submit a further notice of redemption to redeem any shares.

A partial redemption request for an amount of less than €10,000 or equivalent will not be accepted. The Board has the right to require the compulsory redemption of all Participation Shares held by an Investor who is a U.S. Person (see "Investor Suitability"), or otherwise at its sole discretion. Any such



compulsory redemption will be made at the Net Asset Value per Share on the Valuation Day next following the issuance of a notice of redemption to the Investor.

A Redemption Fee of 1.00% may be charged on the redemption of Class D Participation Shares of the Cell. The Redemption Fee is based on the redemption proceeds. The Redemption Fee shall be deducted from the redemption proceed, and only the net Redemption Amount shall be paid to the redeeming Investor.

The Board reserves the right to vary any of the redemption requirements of the Fund.

### **3. DIVIDEND POLICY**

The Directors do not anticipate that any dividends shall be paid to Investors out of the Cell's earnings and profits, but rather such income will be reinvested. The Directors reserve the right to change this policy.

### **4. ADDITIONAL INFORMATION**

**ISIN Number:** GI000A1JWVZ8

**WKN:** A1JWVZ

Class D Participation Shares

Issuer: Aero Fund PCC Limited – Cell D: World Global Bonds

Type: Participation Shares

### **5. MATERIAL CONTRACTS**

No other contracts deemed to be material have been entered into by the Fund on behalf of the Cell (other than in the ordinary course of business) since incorporation in addition to those contracts referred to in Part A above.

### **6. CONFLICTS OF INTEREST**

There are no conflicts of interest in respect of this Cell in addition to those referred to in in Part A.

## VIII. PAYMENT INSTRUCTIONS

Once the Subscription Agreement and other required documents have been filled in and faxed and then sent to the Fund with respect to a subscription to Cell D, subscription funds should be sent to the Fund at the following address:

**Bank:** [ ]  
**CURRENCY:** EURO  
**Remit to:** [ ]  
**Swift Code:** [ ]  
**For the a/c of:** [ ]  
**IBAN:** [ ]  
**Account Name:** Aero Fund PCC Limited Subscribers Account  
**Account Number:** [ ]  
**Ref: A/C** CELL D – WORLD GLOBAL BONDS [Investor's Name]

Please remember to add the name of the Investor as a reference on the fund wiring instructions to ensure proper crediting of funds.

Please also advise the Administrator that the funds have been sent:

Velay Financial Services Limited  
210 Neptune House  
P.O. Box 300  
Marina Bay  
Gibraltar

**APPENDIX A**  
**SUBSCRIPTION AGREEMENT**

**Aero Fund PCC Limited**

c/o Velay Financial Services Limited,  
210 Neptune House,  
P.O. Box 300,  
Marina Bay,  
Gibraltar.

Dear Sirs,

The undersigned (“the Investor”) acknowledges having received the private placement memorandum originally issued on 21 January 2009 and last amended on 14 March 2018 for the offering of redeemable preference shares (the “Participation Shares”) in **Aero Fund PCC Limited** (the “Fund”) on the terms of the private placement memorandum and subject to the provisions of the Memorandum and Articles of Association of the Fund.

The undersigned confirms that he is an “experienced investor” within the meaning of the Financial Services (Experienced Investor Funds) Regulations, 2012 and acknowledges that he has received and accepted the investment warnings set out in the private placement memorandum.

The Investor wishes to subscribe for **Class ..... Participation Shares** which relates to an investment in the Fund with respect to **Cell ....** on the terms of the private placement memorandum and subject to the provisions of the Memorandum and Articles of Association of the Fund and this Subscription Agreement (which includes the attached Subscription Information).

The undersigned acknowledges that except as provided under applicable securities laws, this subscription is and shall be irrevocable, except that the undersigned shall have no obligations hereunder if this subscription is for any reason rejected or this offering is for any reason cancelled.

The Investor represents and warrants that:

- 1) Participation Shares are not being purchased with a view to immediate resale or active trading;
- 2) all consents required to be obtained and all legal requirements necessary to be complied with or observed in order for this Agreement or the issuance of Participation Shares to be lawful and valid under the laws of any jurisdiction to which the Investor is subject have been obtained, complied with or observed;
- 3) Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a Politically Exposed Person (“PEP”) such as a senior political figure or the spouse or associate of a senior political figure, unless the Directors have determined otherwise;
- 4) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a person on any European Union, United States of America, Swiss or Foreign Office or any other OECD Money Laundering or Terrorism “Watch List”;
- 5) the Investor has not relied on any representations or other information purported to be given on behalf of the Fund except as set forth in the private placement memorandum which he has fully read and hereby acknowledges, any documents referred to therein or the published financial accounts of the Fund, and has consulted his/her/its own attorney, accountant and/or investment manager with respect to the investment contemplated hereby and its suitability for the Investor;
- 6) none of the Participation Shares (nor any interest therein) are being acquired or will at any time be held, directly or indirectly, for the account or benefit of a U.S. Person and none of the Participation Shares will be transferred to any person who has failed to supply a similar representation. “U.S. Person” means:

- i) Any natural person resident in the United States of America, its territories and possessions, any State of the United States, and the District of Columbia (the “United States”)
- ii) Any partnership or corporation organized or incorporated under the laws of the United States;
- iii) Any estate of which any executor or administrator is a U.S. person;
- iv) Any trust of which any trustee is a U.S. person;
- v) Any agency or branch of a foreign entity located in the United States;
- vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- viii) Any partnership or corporation if:
  - A. Organized or incorporated under the laws of any foreign jurisdiction; and
  - B. Formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended, (the “Securities Act”), unless it is organized or incorporated, and owned, by accredited Investors (as defined in Rule 501(a) of the Securities Act) who are not natural persons, estates or trusts

PROVIDED THAT a person or entity shall not be considered a U.S. Person if he or she or it qualifies under any exemption in the Securities Act.

- 7) None of the Participation Shares (nor any interest therein) are being acquired or will be acquired at any time by a person who is Gibraltarian or who is a resident of Gibraltar, excluding any person which has been granted the status of a category 2 individual or any company which has been granted the status of a tax-exempt company.
- 8) The Fund has made available to the Investor, during the course of this transaction and prior to the purchase of any of the Participation Shares, the opportunity to ask questions of and receive answers from any Director of the Fund concerning the terms and conditions of the offering described in the private placement memorandum and in any documents referred to therein, and to obtain any additional information necessary to verify the information contained therein or otherwise relative to the financial data and business of the Fund, to the extent that such parties possess such information or can acquire it without unreasonable effort or expense, and all such questions, if asked, have been answered satisfactorily and all such documents, if examined, have been found to be fully satisfactory.

The Investor will promptly inform the Fund of any changes to the information disclosed, or to any of the above representations.

- 9) The Investor represents and warrants to the Fund:
  - a) to provide promptly such information as the Fund or its service providers may request to enable the Fund to comply with US FATCA and/or UK FATCA and/or CRS and to enter into and comply with any Foreign Financial Institution Agreement (“FFI Agreement”);
  - b) to provide promptly such information as the Fund or its service providers may request to determine if the Investor is itself a Foreign Financial Institution (“FFI”);
  - c) if the Investor is a FFI, to provide promptly such information as may be requested to determine if the Investor has entered into its own FFI Agreement, providing details of their GIIN;
  - d) to indemnify the Fund for any liabilities, losses or expenses (including the payment of or the suffering of withholding taxes) incurred or suffered by the Fund as a consequence of the

Investor's failure to comply with any of its obligations under this Subscription Agreement, including any withholding tax imposed under US FATCA, UK FATCA and CRS (if applicable).

The Investor acknowledges that:

- a. the Fund will make disclosures concerning the Investor to the relevant authorities under obligations contained in US FATCA, UK FATCA and CRS and any similar legislation applicable to the Fund, and/or any FFI Agreement entered into by or on behalf of the Fund.
- b. disclosures to the relevant authorities will also be made in instances where the investor fails to provide sufficient information by the specified date and the Fund has reason to believe the investor may be a reportable person under US FATCA, UK FATCA or CRS (or any similar legislation applicable to the Fund);
- c. if the Investor fails to comply with any of its obligations set out in this Subscription Agreement, the Fund may mandatorily redeem the Investor's Participating Shares.

The Directors may, at their sole discretion, compulsorily redeem Shares held by a shareholder who is not an eligible investor (as stated in the PPM), or if the Directors are of the opinion that having such a shareholder is not in the best interests of the Company and/or the other shareholders. Participation Shares may be compulsorily redeemed at the option of the Directors, giving such notice to the relevant Shareholder(s) as stated in the PPM or as otherwise determined by the Directors, on the next Dealing Day following the expiry of the relevant notice period to the Shareholder. Any compulsory redemption must be made at the Net Asset Value per Share calculated on the next applicable Valuation Day following the expiry of the notice of redemption to the Shareholder.

**The Investor agrees to indemnify and hold harmless the Fund, its promoters, directors and officers and each other person or entity, if any, who controls it, against any and all loss, liability, claim, damage, costs and expense whatsoever (including but not limited to any and all expenses whatsoever reasonably incurred in investigating preparing or defending against any litigation commenced or threatened or any claim whatsoever) arising out of or based upon any false representation or warranty or breach or failure by the Investor to comply with the covenant or agreement made by the Investor herein or in any other document in connection with this transaction.**

The Investor has evaluated the risks of investing in the Participation Shares, and has determined that the Participation Shares are a suitable investment for the Investor. The Investor acknowledges that there can be no assurance that appreciation of the Fund's assets will occur or that losses will not be realized and that the value of Participation Shares may be subject to volatile movements and may fall as well as rise. Accordingly, the Investor can bear the economic risk of this investment and can afford a complete loss of the Investor's investment. The Investor agrees that any information supplied by them to the Fund will, subject to any legal restrictions, be made available by the Fund to the Administrator and any Depositaries of the Fund. The Investor agrees that any information supplied by them to the Fund will be made available by the Fund to the Administrator and any Depositaries of the Fund.

This Agreement shall be governed by and interpreted in accordance with the laws of Gibraltar. Any dispute or controversy arising out of, under, in connection with or in relation to this Agreement shall be determined and settled by the Gibraltar court of competent jurisdiction. The unsuccessful party shall be responsible for all costs of such action, including but not limited to fees associated with the arbitration proceeding, reasonable attorneys' fees, court costs (if any), any filing fees, any associated disbursements, and any other fees and charges incurred in connection therewith.

Date:

Signature:



Details of Bank account for transfers and payments of redemptions in case of redemption (if different from above):

Bank Name & Address: .....

Swift Code: .....

Account name & number: .....

IBAN: .....

Is the Investor the exclusive beneficial owner of the assets?  yes  no

(if no, please complete financial details below in relation to the beneficial owner)

.....  
.....

Is the Investor a Politically Exposed Person  yes  no

Name and address of employer or business (if individual Investor) or business (if corporate Investor):

.....  
.....

Investor's Position with employer or business: .....

Origin of assets deposited with the bank (please tick)

- |  |   |
|--|---|
| <input type="checkbox"/> sale of business          | <input type="checkbox"/> investment profits |
| <input type="checkbox"/> life time earnings/salary | <input type="checkbox"/> (lottery) winnings |
| <input type="checkbox"/> gift/inheritance          | <input type="checkbox"/> others *           |
| <input type="checkbox"/> sale of real estate       |   |

\* For others please specify:

Estimated total income p.a. (please tick)

- |  |  |
|--|--|
| <input type="checkbox"/> <€100 000           | <input type="checkbox"/> €700,000 –€1.5 Million. |
| <input type="checkbox"/> €100 000 – €300 000 | <input type="checkbox"/> > €1.5 Million*         |
| <input type="checkbox"/> €300 000 – €700 000 |  |

\* Please specify:.....

Estimated total assets (please tick)

- |  |  |
|--|--|
| <input type="checkbox"/> <€700 000               | <input type="checkbox"/> €5 Million – €10 Million  |
| <input type="checkbox"/> €700 000 – €2 Million   | <input type="checkbox"/> €10 Million – €40 Million |
| <input type="checkbox"/> €2 Million – €5 Million | <input type="checkbox"/> >€40 Million *            |

\* Please specify:.....

Report frequency (please tick)

monthly  
 yearly

quarterly  
 none

\* Please specify how often do you want to receive fund reports

Signed:..... Date:.....

Name: .....

Entity (if corporate Investor): ..... Position of signatory: .....

**Fund's use only: Accepted and confirmed:**



## APPENDIX C

### SUBSCRIPTION CHECKLIST

#### All Investors:

- Original Subscription Agreement (Appendix A)
- Original Subscription Information Form (Appendix B)
- Certified true copy/ Original copy of investment advice if that Investor is investing as a “Professionally Advised” Investor
- Automatic Exchange of Information self-certification form

Independent verification may be required on any of the information received with regards to details of sources of wealth and income and sources of funds.

#### Individual Investors:

- Certified true copy\* of passport or national identity card
- Two certified true copies\* of proof of residential address\*\* or one together with an additional certified true copy\* of proof of identity

#### Corporate Investors

- Copy of certificate of incorporation or company search confirming full name and registered number
- Copy of latest report and accounts (audited where applicable)
- Documentation relating to legal form, structure and ownership
- Extract from registry confirming the company is in good standing and registered office business addresses
- Copy of board resolution to open the relationship and the empowering authority for those who will operate it

For each beneficial owner owning or controlling the shares or voting rights:

- Documents as above for Individual Investors

For each individual exercising control over the management of the corporate applicant e.g. director, signatory:

- Certified true copy\* of passport or national identity card
- Certified true copy\* of proof of residential address\*

If the applicant is a publically listed company or an EU financial institution, verification of this together with a copy of the board resolution and the empowering authority for those who will operate it will only be required.

#### Trusts/Foundations:

- Copy of documentation evidencing the structure by way of copy of relevant pages evidencing parties together with signature page

- Copy of the resolution to open the relationship and the empowering authority for those who will operate it

For each individual who is a settlor or founder:

- Documents as above for Individual Investor

For each individual exercising control over the trust/foundation e.g. trustee, foundation council member protector:

- Certified true copy\* of passport or national identity card
- Certified true copy\* of proof of residential address\*\*

**Regulated Gibraltar or EU Financial Institution or equivalent:**

- Confirmation that the institution or intermediary is conducting relevant financial business as defined in Article 13(2) of the Third Money Laundering Directive (3MLD); and
- Evidence to the satisfaction of the Administrator that the institution is supervised for that activity; and
- Evidence to the satisfaction of the Administrator that the institution is based, or incorporated in, or formed under the law of, a country other than an EU member State in which there are in force provisions at least equivalent to those required by 3MLD, particularly in respect of verification of identity and record keeping; and
- Confirmation that the underlying identification documentation can be made available immediately upon request.

The Administrator may at its discretion waive certain due diligence requirements for an applicant who is an existing client of the Administrator or of its related Group of companies and for whom due diligence has already been obtained, or for an applicant who has already subscribed to the Fund.

\* Certified true copies are acceptable from the following individuals: Members of a professional body or officers of a company or organisation where professional standards apply and operating in a country with effective money laundering measures to Gibraltar; lawyer/solicitor/barrister; medical doctor; qualified accountant; director of trust or company manager company duly licensed by a regulatory body in a country with effective anti-money laundering legislation; bank manager or official; compliance officer; certified insurer; member of clergy; Government official such as police officer, British Embassy or Consulate; Embassy official from country with effective anti-money laundering legislation; notary public; or member of parliament.

The person certifying proof of identity will need to have sight of the original document in their presence and state on the certified copy “I certify that this is a true copy of the original document and that the photograph is a true likeness of the applicant.”

The person certifying original proof of residential address should state on the certified copy “I certify that this is a true copy of the original document”. The certifier must also state their name, profession/occupation, address and contact details and date and sign the document.

\*\* Examples of proof of residential address include: utility bills i.e. telephone; water; electricity (a mobile telephone and satellite subscription is unacceptable); bank/mortgage statement or credit card statement.

**APPENDIX D**  
**INDIVIDUAL INVESTOR**

[THE FOLLOWING LETTER MUST BE PROVIDED FOR EACH INDIVIDUAL INVESTOR]

**[Letterhead of banker/lawyer/accountant]**

[Date]

Dear Sir

This letter is to confirm that \_\_\_\_\_ of \_\_\_\_\_ [insert Residential Address] has been known to me/us for \_\_\_\_ years [must be minimum of two years] and to confirm that during that time he has always proved reliable, honest and trustworthy in his financial and business dealings.

Yours faithfully

[MUST BE SIGNED BY A BANKER, LAWYER OR ACCOUNTANT]

**APPENDIX E**

**CORPORATE INVESTOR**

[THE FOLLOWING LETTER MUST BE PROVIDED FOR EACH OF THE DIRECTORS, INVESTORS (IF THEIR SHAREHOLDING IS IN EXCESS OF 25.00% + 1 SHARE) AND BENEFICIAL OWNERS (IF THEIR SHAREHOLDING IS IN EXCESS OF 25.00% + 1 SHARE) OF THE CORPORATE INVESTOR]

**[Letterhead of banker/lawyer/accountant]**

[Date]

Dear Sir

This letter is to confirm that \_\_\_\_\_ of \_\_\_\_\_ [insert Residential Address] has been known to me/us for \_\_\_\_ years [must be minimum of two years] and to confirm that during that time he has always proved reliable, honest and trustworthy in his financial and business dealings.

Yours faithfully

[MUST BE SIGNED BY A BANKER, LAWYER OR ACCOUNTANT]

**APPENDIX F**

**REDEMPTION REQUEST FORM**

Investors wishing to redeem all or any of their shareholding must serve a Redemption Request to the Administrator of the Fund at the following address:

Velay Financial Services Limited,  
210 Neptune House,  
Marina Bay,  
Gibraltar.  
Tel: +350 200 51431  
Fax: +350 200 51429  
E-mail: [info@vfs.gi](mailto:info@vfs.gi)

A Redemption Request so given shall be in writing signed by the Investor or an authorised signatory thereof and shall include full details of the shareholding including the name(s) and address(es) of the Investor, the number of shares held and the number of shares being redeemed.

If a redemption would otherwise result in an Investor having a residual holding of Participation Shares valued at less than €100,000 the Directors, at their absolute discretion, may deem the Redemption Request to have been made in respect of all the Participation Shares held by that Investor.

A Redemption Request should be sent to the Administrator of the Fund. The Redemption Request be sent to the Administrator in the form of a letter (including the following information).

**For a Redemption Request to be effective must be sent to the Administrator in original form bearing an original signature of the Investor or an authorised signatory thereof. Redemption Requests should be sent by courier ONLY. Redemption Requests should not be sent by post or any other alternative means.**

*Details of Redemption Request:*

*Investors Name:* \_\_\_\_\_

*Cell to which shares are being redeemed:* \_\_\_\_\_

*Number of shares being requested to be redeemed:* \_\_\_\_\_

*Number of shares remaining after the redemption:* \_\_\_\_\_

*Signed:* .....

*Date:* .....

*Name:* .....

*Entity (if corporate Investor):* .....

*Position of signatory (if corporate Investor):* .....