



# PLETHORA

## PRIVATE EQUITY

Plethora Private Equity is an initiative of Plethora Private Equity Fund Management

## Information Memorandum

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May 2022

**Attention! This investment falls outside AFM supervision.  
No license and no prospectus required for this activity.**



## DEFINITIONS

Capitalised terms in this Information Memorandum (IM) shall have the following meaning:

Term	Description
Administrator	AssetCare Fund Services B.V.
AFM	Stichting Autoriteit Financiële Markten, the financial regulatory authority of the Netherlands
Business Day	a day on which the banks in the Netherlands are open for business
DNB	De Nederlandsche Bank N.V., the central bank of the Netherlands
EUR	Euro, the base currency of the Fund
Fund	Plethora Private Equity
Fund Documents	This IM including the appendix, the subscription and redemption form
Fund Manager	Hephaistos B.V., or its duly appointed successor
High Water Mark	The threshold NAV per Unit, being € 1.000 (fixed)
Information Memorandum (IM)	this IM, including the appendix, as amended from time to time
Lead Series	the first Series issued
Legal Owner	Stichting Legal Owner Plethora Private Equity, or its duly appointed successor
Net Asset Value (NAV)	the intrinsic value of the Fund or a Series, calculated in accordance with section 8 of this IM
Series	a separately administered part of the assets and liabilities
Transaction Day	a day on which Units may be issued or redeemed, being: (I) the first Business Day of each calendar quarter or (II) another Business Day as determined by the Fund Manager
Unit Holder	the holder of one or more Units in the Fund
Unit	a participation (deelnemingsrecht) in the Fund, each Unit reflecting the right to an equal percentage of the NAV of a Series
Valuation Day	a day on which the NAV and the NAV per Unit are calculated, being: (i) the last Business Day of each calendar quarter or (ii) another Business Day as determined by the Fund Manager
Wft	the Financial Supervision Act (" <i>Wet op het financieel toezicht</i> "), as amended from time to time

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## IMPORTANT INFORMATION

### Warning

Potential investors in the Fund are explicitly warned about the financial risks involved in investing in the Fund. They should take good notice of the full content of this IM and, if necessary, obtain independent advice in order to be able to make a good assessment of those risks. The value of an investment in the Fund may fluctuate. It is possible that an investor loses money invested in the Fund. Past performance offers no guarantee for future results.

### Responsibility for the contents of this IM

The Fund Manager accepts responsibility for the accuracy and completeness of the information contained in this IM. This information is in accordance with the facts to the best knowledge and belief of the Fund Manager. No facts are omitted that would materially change the content of this IM, had such information been included. The distribution and delivery of this IM do not imply that all information contained herein is still correct at the time of distribution or delivery or at any time thereafter.

### Information about the Fund provided by third parties

The Fund Manager is not responsible for the accuracy of any information concerning the Fund provided by third parties.

### Selling restrictions regarding other countries

The distribution of this IM may be restricted by law in certain jurisdictions. The same applies to the subscription and redemption of Units in the Fund. The Fund Manager requests persons who obtain this IM to inform themselves about any such restrictions and to observe them. This IM does not constitute an offer or a solicitation of an offer in any jurisdiction in which such an offer or solicitation is against the law, or to any person to whom it is unlawful to make such an offer or solicitation. The Fund Manager is not liable for any infringement of such restrictions by any person whatsoever.

### No supervision by AFM and DNB

Section 1 of article 2:66a of the Wft is applicable (the minimum subscription amount to be invested is € 100,000). Therefore, the Fund Manager, and consequently the Fund, are not subject to supervision by the AFM and DNB. The Fund Manager is however registered with the AFM as an exempt manager. The register can be found on the website of the AFM, by searching on 'register collective investment schemes'.

### Applicable law

This IM is governed by the laws of the Netherlands. The courts of the Netherlands have exclusive jurisdiction in case of a conflict arising under or in connection with this IM.

## PROFILE OF THE UNIT HOLDER

Investing in the Fund is, in principle, suitable for investors:

- that have considerable experience in investing;
- that are willing and able to accept a (considerable) reduction in the value of their investment in the Fund;
- whose investment in the Fund represents only a limited percentage of their total investable assets;
- who have investable assets over € 100,000;
- whose risk appetite for investments is high;
- that do not require any income from their investment in the Fund and that intend to invest on a long term basis; and
- that accept the limited liquidity of their investment in the Fund since (i) redemptions are possible only with a notice period of one year and (ii) the Fund applies a lock-up period of two years following the issue of Units to a Unit Holder during which redemptions are not possible.

The value of a Unit in the Fund may fluctuate. It is possible that Unit Holders may lose (part of) their investment. Results achieved in the past offer no guarantee of future results.

## 1 STRUCTURE OF THE FUND, GENERAL INFORMATION

### Date of foundation

The Fund was founded on January 1, 2018.

### Legal form

Under the laws of the Netherlands, the Fund has no legal personality. It is not a partnership (*maatschap*), a commercial partnership (*vennootschap onder firma*) or a limited partnership (*commanditaire vennootschap*), but an agreement *sui generis* between the Fund Manager (*beheerder*), the legal owner (*juridisch eigenaar*) and each of the Unit Holders (*deelnemers*). Therefore, this agreement does not constitute a partnership, a commercial partnership or a limited partnership. This agreement governs the relations between the Fund Manager, the Legal Owner and each of the Unit Holders as well as their rights and obligations. The Fund's assets and liabilities are acquired and assumed by the Legal Owner for the collective account and risk of the Unit Holders (as the Fund has no legal personality, the Legal Owner is the legal owner of all assets and liabilities of the Fund). Under this arrangement the Fund Manager is mandated to invest the contributions of the Unit Holders for their collective account and risk. The obligation of a Unit Holder to pay the subscription amount for Units issued to it is only an obligation towards the Legal Owner and not an obligation to contribute or a commitment to contribute (*inbreng of verbintenis tot inbreng*). By signing the subscription form, a prospective Unit Holder agrees to be bound by the IM. Becoming a Unit Holder only constitutes rights and obligations of the Unit Holder with respect to the Fund Manager and the Legal Owner and not with respect to other Unit Holders.

### Not-listed

The Fund is not listed on a stock exchange or other regulated market.

### Open-end

The Fund will issue or redeem Units, pursuant to an application submitted in the proper form and in a timely manner, on a Transaction Day, barring certain exceptional circumstances. The Fund applies a lock-up period of two years from the date Units were first issued to a Unit Holder, during which time a redemption of Units by that Unit Holder is not possible.

(See section 9, "*Subscription*" and section 10, "*Redemption, limited transferability*".)

### Fund Manager

The most important tasks and responsibilities of the Fund Manager are:

- to determine and execute the investment policy;
- to conduct (or have conducted) the administration of the Fund;
- to determine (or have determined) the Net Asset Value (NAV) timely and correctly; and
- to verify that the Fund complies with the IM and applicable laws and regulations.

(See section 4, "*The Fund Manager*".)

### Legal owner

The Legal Owner's primary responsibility is to hold legal title to the Fund's assets and liabilities.

(See section 5, "*The Legal Owner*".)

### Administrator

The Fund Manager has delegated the following tasks to the Administrator:

- conducting the financial and investment administration of the Fund;
- calculating the NAV of the Fund; and
- processing subscriptions and redemptions of Unit Holders and keeping the register of Unit Holders.

(See section 6, "*The Administrator*".)

### Unit Holders

The Unit Holders in a certain Series are jointly economically entitled (each proportionally according to the number of Units owned) to the NAV of that Series of the Fund. The combined assets of the Unit Holders invested in the Fund are intended for collective investment for their own account and risk.

(See section 7, "*Unit Holders, register of Unit Holders, meetings*".)

### Contractual arrangement between Unit Holders, Fund Manager and Legal Owner

The contractual arrangement between Unit Holders, Fund Manager and Legal Owner is governed by the IM.

### Base currency

The reference currency of the Fund is EUR.

### Net Asset Value and initial offering period

The NAV is calculated at least once a quarter by the Administrator. The initial offering period, during which Units in the Lead Series will be offered and issued on any Business Day with a value of € 1,000 per Unit, ended on June 29, 2018. Afterwards, a first NAV was determined as of Valuation Day June 30, 2018.

(See section 8, "*Determination of Net Asset Value*".)

### Minimum subscription amount

The minimum subscription amount for initial subscriptions is € 100,000. The minimum subscription amount for additional subscriptions is € 25,000.

### Application for issue or redemption

Applications for the issue or redemption of Units must be made to the Administrator by means of forms provided by the Administrator. The Fund Manager may not be obliged to honour a request for issue or redemption under certain exceptional circumstances. As the Fund applies a lock-up period of two years, redemptions are not possible for two years after the Units have been issued to a Unit Holder.

(See section 9, "*Subscription*" and section 10, "*Redemption, limited transferability*".)

### Limited transferability Units

Units can only be transferred to the Fund and to persons that are next of kin or direct in-law (*bloed- of aanverwant in de rechte lijn*) of the transferring Unit Holder.

### Tax position of the Fund

Due to the limited transferability of Units, the Fund qualifies as a tax transparent (*fiscaal transparant*) fund for joint account (*besloten fonds voor gemene rekening*) for Dutch income tax purposes. Consequently, the Fund is not subject to Dutch (corporate) income tax. The assets, liabilities, income, expenses and capital gains of the Fund are deemed to be assets, liabilities, income, expenses and capital gains of the Unit Holders, pro rata their interest in the Fund.

### Distributions

The Fund will pay out distributions to the Unit Holders on a quarterly basis after a Valuation Day if and in as far as the NAV of a Series exceeds the High Water Mark. The High Water Mark is fixed at € 1.000. Such distributions will consist of a minimum of fifty percent (50%) of the net new realised profits of the Fund. The NAV per Unit shall never drop below the High Watermark as a result of a distribution. Distributions will normally be paid in EUR within fifteen (15) Business Days of the Transaction Day immediately following the applicable Valuation Day and to the Unit Holder's account as known by the Fund Manager and / or the Administrator.

The Fund Manager, at its sole discretion, may decide to suspend the payment of distributions for any quarterly period or for an indefinite period of time if such a payment would be detrimental to the interests of the Fund or the Unit Holder.

### Wft

The Fund Manager has opted to not obtain a license from the AFM, in accordance with article 2:65 of the Wft, to manage the Fund. Therefore the Fund Manager, and consequently the Fund, is not regulated by any financial regulator in the Netherlands. Such a license is not required as article 2:66a of the Wft is applicable to the Fund Manager, which states that no license is required if, simply put, (i) the total value of the assets under management is less than € 100,000,000 and (ii) the minimum subscription amount for Units is € 100,000.

The Fund is considered an alternative investment fund within the meaning of the Alternative Investment Fund Managers Directive (Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, the "AIFMD"). It is exempted from most of the obligations under the AIFMD as it qualifies as an exempted alternative investment fund within the meaning of article 3(2)(a) of the AIFMD (which is implemented in the laws and regulations of the Netherlands by way of the aforementioned article 2:66a of the Wft).

As the Fund Manager supports the objectives and content of the Wft and the underlying regulations there will be as much consistency as possible with their content.

The Wft and the underlying regulations, or any other law or regulation in the Netherlands, do not require the Fund's financial statements to be audited, as the Fund is exempted under article 2:66a of the Wft.



Address details

Company	Address
Business address Fund	<p><b>Plethora Private Equity</b>            Maliebaan 50B            3581 CS Utrecht            The Netherlands</p>
Fund Manager	<p><b>Hephaistos B.V.</b>            Maliebaan 50B            3581 CS Utrecht            The Netherlands</p>
Administrator	<p><b>AssetCare Fund Services B.V.</b>            Eurocenter I, 7<sup>th</sup> floor            Barbara Strozziilaan 310            1083 HN Amsterdam            The Netherlands</p>
Legal Owner	<p><b>Stichting Legal Owner Plethora Private Equity</b>            Eurocenter I, 7<sup>th</sup> floor            Barbara Strozziilaan 310            1083 HN Amsterdam            The Netherlands</p>
Bank	<p><b>Alpha FX Group plc</b>            Brunel Building            2 Canalside Walk            London W2 1 DG            United Kingdom</p>

## 2 INVESTMENT OBJECTIVE, STRATEGY AND RESTRICTIONS

### Investment objective

The primary investment objective of the Fund is to obtain double digit annualised returns mainly via private investments in the natural resources sector. Secondly, the Fund has the objective to return capital to Unit Holders by paying out a (regular) distribution starting three years after its inception on January 1, 2018.

### Investment strategy

The Fund aims to realise its investment objective by using the following strategy.

The Fund focuses on investing in early stage “grassroots” natural resource projects over the globe. Creating a pipeline of, mainly private, natural resource companies will expose investors to the value creation of a resource project moving from the private, target generation stage to the drill ready, public stage (e.g. listing on the TSX Venture exchange).

Specifically this means the Fund will incubate and fund new Canadian holding companies which in turn will fund the acquisition of projects via outright acquisition or staking through a subsidiary in the target jurisdiction. New project ideas will be generated by the Fund’s technical advisors and third parties. The Fund’s technical advisors, primarily geologists, will also assist in the due diligence on projects brought to the Fund by these third parties.

Given the high risk nature of grassroots exploration for natural resources it is expected a considerable amount of the investments will fail getting to the public stage and will be written off. To offset these losses the Fund expects to realise significant revaluations of investments that do make it to the public stage.

The Fund also aims to obtain royalties on possible future mineral production (e.g. a net smelter return) on projects generated by its incubated natural resource companies. These royalties will be held by an entity which will be (majority) owned by the Fund.

To mitigate risks the Fund:

- Will involve third party financiers throughout the whole private investment cycle;
- Will not invest in jurisdictions the Fund Manager deems to be risky;
- Intends to incubate at least five new private natural resource companies during its first year after inception;
- Will set a firm budget for the private resource companies and will monitor this budget;
- Will invest in phases, so that the Fund can exit before the next investing phase, in case progress is unsatisfactory; and
- Aims to obtain a minimum 400% revaluation of investments making it to the public stage.

On average it is expected to take between eighteen and thirty-six months to go from the private, target generation stage to the drill ready, public stage. Normally a selected project should be drill ready after two working seasons. But market sentiment could dictate that a project will stay in inventory for longer.

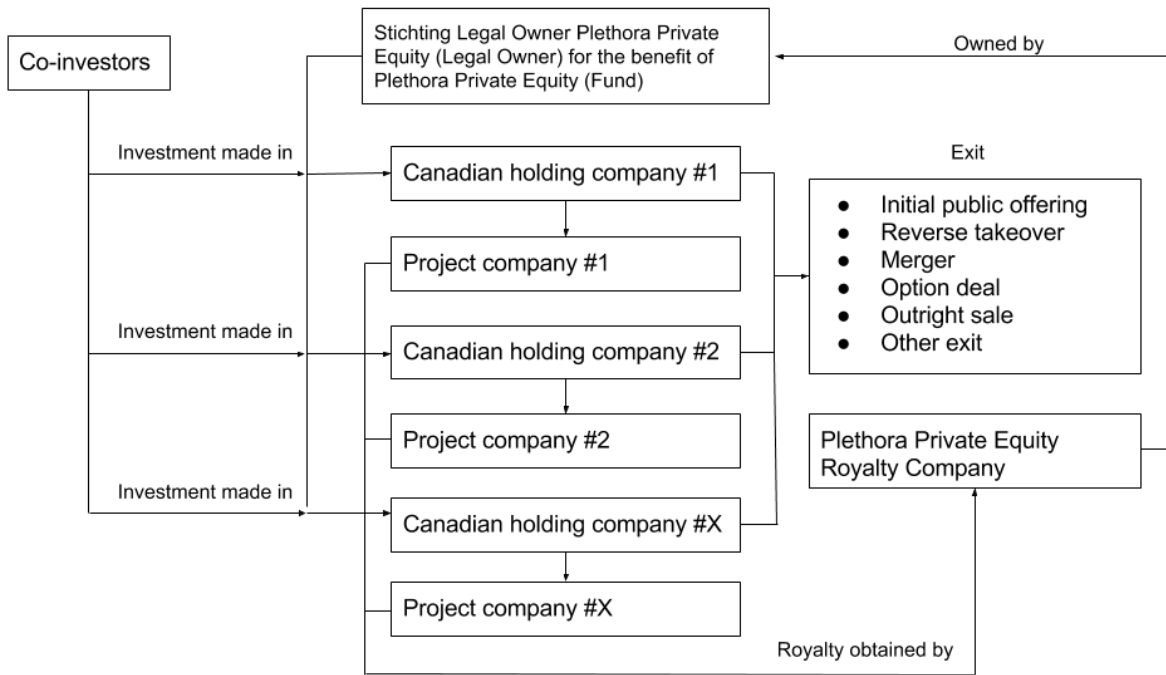


Chart 1: flowchart of intended structure of investments

The due diligence process of each project consists of, but is not limited by:

- The geological prospectivity of the (targeted) project;
- The jurisdiction (e.g. mining law, infrastructure, costs of doing business, etc.);
- Risk/reward analysis (e.g. the proposed budget in relationship to the geological target); and / or
- The promotional value: the primary goal is to take projects public, it is important to assess market appetite beforehand.

### Chief Operating Officer

#### Daniel P. James

Mr. James started his exploration career in 1997 working as an exploration geologist in Tanzania with Ashanti Goldfields. He spent 5 years working in London for Bloomberg and Yahoo on various debt and equity roadshows. In 2005 he joined ACA Howe and consulted on various exploration projects across Africa, Europe and Asia. He joined Stratex International in 2007 managing exploration on the Inlice gold deposit in Turkey before establishing operations and exploration projects in Ethiopia, leading teams to the discovery of the Afar Epithermal Province, which is now under a JV agreement with Thani Ashanti (a JV company of Anglo Ashanti). Mr. James is a member of the Society of Economic Geologists and a fellow of the Geological Society of London.

## Technical advisors

### **Dr. Richard Sillitoe**

A world-renowned economic geologist. Over 45 years' experience, has worked in over 100 countries, and authored over 100 technical papers with a focus on epithermal gold and porphyry copper environments.

### **Michael Skead**

+30 years mineral exploration experience. Leading teams to major gold discoveries across Africa and North America. Most recently was VPEX with GT Gold. Previously was Global Director of Exploration for Newmont.

### **David Clark**

Mr. Clark holds BSc and MSc degrees in geology from McGill University (Montreal), and has 20 years of experience in mineral exploration. He has explored for Ni-Cu-PGE magmatic sulphide, intrusion-hosted PGE, and orogenic and epithermal precious metals on projects in Canada, Mexico & Central America, USA, and Europe. David is a registered professional geoscientist in British Columbia and Newfoundland & Labrador

## Advisor

### **Peter Vermeulen**

Mr. Vermeulen attended the University of Groningen (the Netherlands) and obtained a M.Sc. in Finance in 2007. Mr. Vermeulen was co-founder of the Plethora Precious Metals Fund and is an advisor to that fund since December 2014. Mr. Vermeulen will advise the Fund Manager on investing strategies and specific investments.

## Investment restrictions

The Fund has built in the following quantitative restrictions to manage the risks inherent to the Fund's investment portfolio:

- The Fund will in principle not use leverage;
- The Fund Manager does not intend to use leverage; however, the Fund is allowed to allocate a maximum of 20% of the NAV to short positions.

## Changes to the investment objective, strategy and restrictions

Any (intended) changes to the investment objective, strategy or restrictions will be announced as foreseen in section 15 of this IM.

### 3 RISK FACTORS

This IM does not purport to identify, and does not necessarily identify, all of the risk factors associated with investing in the Fund. Furthermore, certain risks not identified herein may be substantially greater than those that are. Accordingly, each prospective Unit Holder, prior to making any investment decision, must conduct and subsequently rely upon its own investigation of risk factors associated with the proposed investment. The value of the investments may fall or rise. Investing in the Fund should therefore be regarded as long term and should only form part of a diversified investment portfolio. Units of the Fund are suitable for purchase only by sophisticated investors for which an investment in the Fund does not constitute a complete investment program and which fully understand, are willing to assume and have the financial resources necessary to withstand the risks involved in the Fund's investment program and which are able to bear the potential loss of their entire investment. Prospective Unit Holders should maintain investment holdings with risk characteristics different than those of the Fund. Each prospective Unit Holder is urged to consult its own professional advisors to determine the suitability of an investment in the Fund and the relationship of such an investment to the prospective Unit Holder's overall investment program and financial and tax position. There can be no assurance that the investment objective of the Fund will be achieved. The following risk factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the Fund.

Each prospective Unit Holder should consider the risks associated with an indirect investment in the financial instruments listed in section 2, "*Investment objective, strategy and restrictions*". While the prospective Unit Holder should make its own evaluation of the risks of investing in the Fund, it must consider, among other things, the following matters before making a decision to invest in the Fund:

#### **Risks of a general economic and political nature**

Investments made by the Fund are subject to general economic and political risks, such as reduced economic activity, rising interest rates, inflation, rising prices of commodities, deflation, natural disasters, pandemics, political developments, acts of terrorism and war. The financial operations of the Fund may be adversely affected by the impact of general economic and political conditions, by conditions within the financial markets or by the particular financial condition of parties doing business with the Fund.

#### **Inflation risk**

There is a risk that the purchasing power of the amount invested in the Fund decreases as a result of inflation.

#### **Capital market/systemic risk**

This is the risk that the market as a whole does not function for a shorter or longer period, as in the case of a global financial crisis, which will have a negative influence on the prices of the investments of the Fund. Certain events in the world or certain activities from one or more important parties in the financial system can lead to market disruptions, resulting in illiquidity and counterparties not being able to fulfil their obligations. As a consequence, considerable losses may arise.

#### **Volatility risk**

Financial risks are involved with investing in Units. Unit Holders have to realise that the market value of underlying investments of the Fund may fluctuate. The prices of financial instruments can and will rise and fall. A careful selection and spread of financial instruments offers no guarantee of (relatively) positive performance. In the past the markets have shown positive results (in certain periods). This implies no indication or guarantee for future results. As a result of fluctuations of the markets, the NAV of the Fund may fluctuate, which means that it is possible that Unit Holders, upon redemption, will not get back the full amount invested in the Fund.

### **Risk of using derivatives**

The Fund can use derivatives to efficiently implement the investment objective or to reduce exposure to certain risks. The use of derivatives may involve risks different from, and possibly greater than, the risks associated with investing directly in the underlying asset, rate or index. Derivatives may be subject to a interest rate risk, liquidity risk, market risk and default risk. They may also involve the risk of improper valuation and the risk that the changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. The loss on a derivative could exceed the initial principal amount invested. Derivatives can behave in a volatile manner, which means their use can have great impact (both positive and negative) on the value of the Fund.

### **Short Selling**

The Fund could engage in selling securities short. A short sale of a security is the sale of a security not owned by the seller. The seller borrows a security for delivery at the time of the short sale. Thus, the seller must buy the securities at a later date in order to replace the securities borrowed. If the price of the security at such later date is lower than that at the date of the short sale, the seller realises a profit; if the price of the security has risen, however, the seller realises a loss. Selling a security short exposes the seller to unlimited risk with respect to the security due to the lack of an upper limit on the price to which the security can rise.

### **Liquidity risk investments**

Under normal circumstances, some of the financial instruments in which the Fund may invest are exchange traded. These financial instruments will be bought and sold based on the ongoing demand and supply on an exchange. If, due to unforeseen circumstances, normal liquidity conditions do not apply, the Fund could face a liquidity risk. This could imply that financial instruments cannot be sold or bought under normal conditions, leading to significant direct and indirect transaction costs. Prospective Unit Holders should be aware that liquidity of their investment cannot be guaranteed. The Fund may be prevented from concluding an investment transaction on satisfactory terms and in certain circumstances, subscriptions for and redemption of Units may be suspended.

### **Settlement risk**

This is the risk that settlement through a payment system does not take place as expected, because the payment or delivery of the financial instruments by a counterparty does not take place, does not take place on time or does not take place as expected.

### **Investments in non-publicly traded assets**

The Fund expects to primarily invest in non-publicly traded assets. In the absence of any liquid trading market for these investments, such assets may be hard to liquidate and the Fund and the Unit Holders may not realise the full value thereof. The same adverse effect on the Fund may follow from contractual or other legal restrictions on the Fund's ability to divest. Furthermore, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements applicable to companies whose securities are publicly traded. Valuations of investments in non-publicly traded assets will be made with all appropriate care and diligence and in accordance with market standards. However, no guarantee can be given that the value attributed to such asset is entirely accurate. Therefore, the NAV may not accurately describe the amount, which may be realised upon sale of the investments of the Fund.

### Availability of investment opportunities

The success of the Fund depends upon the ability of the Fund Manager to identify and consummate investments that it believes offer the potential for superior returns and subsequently to realise such returns. The activities of identifying and consummating an attractive investment opportunity is competitive and involves a high risk of uncertainty. There can be no assurance that the AIFM or the Investment Advisor will be able to identify and consummate a sufficient number of opportunities to permit the Fund to invest all of its funds available for investment to the extent described herein.

### Counterparty risk

There is a risk that an issuer of securities or a counterparty is not able to fulfil its obligations to the Fund, which may result in a loss for the Fund. Such a loss might for instance arise if and when the Bank enters into bankruptcy (or any other similar insolvency and/or liquidation procedure) and the Bank's creditors, among others the Fund, might not be able to recover any assets held by the Bank. Assets (excluding any financial instruments which may be clearly identified as owned by the Fund, such as the Fund's investments, and which are thus separated from the bankruptcy estate) held in an account with the Bank might be part of the bankruptcy estate and the Fund might be an unsecured creditor ranking behind secured creditors and pari passu with other unsecured creditors. In case of bankruptcy, these assets might only be recovered in part or might not be recovered at all.

### Concentration risk

Because the Fund might have a limited investment portfolio of financial instruments (as to (i) number of different financial instruments, (ii) geographical focus of financial instruments and/or (iii) nature of industry of the underlying investments), this may lead to stronger fluctuations in the NAV of the Fund than would be the case if the Fund's investment portfolio would be more diversified. As a result the returns of the Fund can deviate significantly from the returns of other similar structures.

### Risks associated with investment policy

The Fund Manager may trade a broad range of financial instruments, some of which could be deemed risky. The Fund Manager may change the investment policy over time depending on market opportunities, under the conditions stated in this IM. There can be no guarantee that the stated investment objective of the Fund will be achieved.

### Currency risk

Potential investors whose assets and liabilities are predominantly denominated in another currency than EUR should take into account the possibility of foreign exchange losses arising from fluctuations in the exchange rate between the EUR and their home currency. The Fund may invest in financial instruments denominated in or exposed to currencies other than EUR. Such currency exposures are not hedged by the Fund at all times. This may result in fluctuations in the NAV.

### Risk that investments do not develop as expected

There is no guarantee that the targeted returns will be achieved. No guarantee of any kind can be given that the Fund Manager's analysis of expected developments in the short or long term is correct. If the Fund Manager assesses the development of an investment's value wrongly, this can result in a loss for the Fund if the market value of a purchased investment declines. There can be no certainty as to the valuation of the Fund's investments or the future value of the investments. The value of the investments and the corresponding value of the Units can go down as well as up.

### Dependency on Fund Manager

The Fund relies on the investment management services, expertise and trading experience of the Fund Manager. The Fund Manager relies heavily on its principal(s). If the principal(s) were to leave the Fund Manager or would no longer be involved with the Fund Manager for any other reason (including, but not limited to, death or serious illness), there can be no assurance that the Fund Manager may find an adequate replacement. Unit Holders are unable to participate in the day to day management and investment of the underlying assets of the Fund. As such, they will not be able to approve individual management or investment decisions.

### Limited operating history, track record

The Fund was established in 2018. Accordingly, the Fund has a limited operating history upon which potential investors may evaluate their likely performance.

### Subscription risk

Unit Holders should be aware that subscription monies may be automatically invested by the Fund as soon as they have been credited in the Fund's bank account (i.e. before a contract note evidencing the investor's holding in the Fund has been issued). In this respect, should the Fund experience any difficulties in its investment portfolio (e.g. illiquidity, fraud or bankruptcy) and despite the possibility that the investor is ultimately not accepted by the Fund (for failure to provide the requested information to verify its identity or any other reason as described in this IM), the Fund may not be able to return the subscription monies to the investor.

### Risk of limited redemption possibilities

Units may only be transferred to the Fund or to persons that are next of kin or direct in-laws of the Unit Holder. The Fund is in principle obliged to redeem Units on a quarterly basis with a redemption notice period of one year, whereby the Fund Manager is authorised to delay redemption or to honour applications for redemption only partly (see section 10 of this IM) under certain circumstances.

### Risk of loss of deposited assets

In case of insolvency or negligent or fraudulent actions of the Legal Owner, the risk exists that there is a loss of Fund assets.

### Operational risks

The Fund may experience a loss as a result of inadequate or failing internal systems, processes, controls or persons or as a result of external events. Operational risks include compliance and legal risks, tax risks, regulatory risks, fraud risks, business risks, administrative risks, staff risks, system risks and process risks.



#### Legal, tax and regulatory risk

This is the risk that the fiscal treatment of the Fund adversely changes or that new laws or regulations come into force that negatively affect the Fund or its Unit Holders. Legal, tax and other regulatory changes occurring during the life of the Fund could have an adverse effect on the Fund, its portfolio or the Unit Holders. There can be no assurance that the structure of the Fund will be tax efficient for any particular investor and the returns to Unit Holders could be affected by a change in the tax treatment of the Fund.

#### Risk of fund structure

The Fund does not have legal personality but comprises a contractual arrangement between the Fund Manager, the Legal Owner and the Unit Holders in the Fund. It is determined that the Fund is not a partnership, a commercial partnership or a limited partnership. The general legal opinion is that there is no joint and several liability of the Unit Holders in such a Fund and the creditors of such a Fund only have recourse against the assets of the Fund. Accordingly, the Unit Holders can therefore lose no more than their investment in the Fund. However, it cannot be said with absolute certainty that the Fund will under no circumstance be considered as a partnership, a commercial partnership or a limited partnership for no clear case law exists on this matter.

## 4 THE FUND MANAGER

The Fund Manager is Plethora Private Equity Fund Management (a trade name of Hephaistos B.V.), a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) having its offices in Utrecht, the Netherlands. The Fund Manager was incorporated on June 29, 2012 and is registered in the commercial register of the Chamber of Commerce under number 55609511. The articles of association are deposited at the offices of the Fund Manager and shall be sent free of charge to Unit Holders upon request.

### Tasks and responsibilities of the Fund Manager

The most important tasks and responsibilities of the Fund Manager are:

- to determine and execute the investment policy;
- to conduct (or have conducted) the administration of the Fund;
- to determine (or have determined) the NAV correctly and on time; and
- to verify that the Fund complies with the relevant regulations.

The Fund Manager is responsible for the execution of the investment policy and for the marketing of the Fund. In fulfilling these responsibilities the Fund Manager may engage and rely on the services of consultants and advisers. The Fund Manager will bear the costs of such consultants and advisers. Nevertheless, all investment and divestment decisions will be taken by the Fund Manager, in line with the investment policy. The authority to make investment and divestment decisions will lie solely in the hands of the Fund Manager.

### No Wft license

The Fund Manager has opted not to obtain a license as defined under article 2:65 of the Wft and is exempt from the requirement to obtain a license under article 2:66a of the Wft. The Fund consequently does not fall under the supervision of the AFM and DNB.

### The director of the Fund Manager

The director of the Fund Manager is Dappies Holding B.V., a limited liability company having its offices in Utrecht, the Netherlands. The Fund Manager was incorporated on November 20, 2012 and is registered in the commercial register of the Chamber of Commerce under number 56511051. The director of Dappies Holding B.V. is Douwe van Hees (1986). He was in recent years active as a private investor in junior mining companies and he worked for a junior exploration company in Canada. He is a regular visitor of mining and exploration sites and trade shows. Currently he is active as fund manager of Plethora Precious Metals Fund.

### Fund Manager's other activities

At the time of publication of this IM, the Fund Manager manages one other fund, namely Plethora Precious Metals Fund. Aside from this, it performs no other activities.

### Limitation of liability

The Fund Manager is only liable to the Unit Holders for damage suffered by them insofar as such damage is the consequence of wilful intent or gross negligence (*opzet of bewuste roekeloosheid*) by the Fund Manager.

### Resignation Fund Manager

If the Fund Manager desires to end its activities with regard to the Fund or if Mr. Van Hees were to leave the Fund Manager or would no longer be involved with the Fund Manager for any other reason (including, but not limited to, death or serious illness), the Fund Manager shall resign and will notify the Unit Holders thereof and convene a meeting of Unit Holders at least three (3) calendar months in advance. The meeting of Unit Holders may decide to appoint another fund manager or to dissolve the Fund. If the meeting does not decide to dissolve the Fund but no successor of the Fund Manager is appointed within three (3) calendar months after the meeting, the Fund will be dissolved in accordance with section 13 of this IM, unless the meeting of Unit Holders decides to prolong this period. In case the Fund will be dissolved, the Legal Owner will be authorised to solely perform the necessary actions as required under section 13 of this IM in order to liquidate and dissolve the Fund.

## 5 THE LEGAL OWNER

The Legal Owner of the Fund is Stichting Legal Owner Plethora Private Equity, a foundation (*stichting*) having its offices at Eurocenter I, 7<sup>th</sup> floor, Barbara Strozilaan 310, 1083 HN, Amsterdam, the Netherlands. The Legal Owner was incorporated on October 25, 2017 and is registered in the commercial register of the Chamber of Commerce under number 69922217. The articles of association are deposited at the offices of the Legal Owner and shall be sent free of charge to Unit Holders upon request.

The Legal Owner's sole statutory purpose is to act as legal owner of the Fund's assets and liabilities. It performs no other activities.

### Board of the Legal Owner

The board of Legal Owner controls the daily operations and is formed by AssetCare Bewaarder Services B.V.

AssetCare Bewaarder Services B.V. has received an [exemption](#) from DNB based on Section 5(2) of the Trust Offices Supervision Act 2018 ("Wtt") to perform the management function, on behalf of the Fund Manager of an investment institution, of a Legal Owner in which the assets of an investment institution are held provided the investment institution has the structure of a fund for common account. AssetCare Bewaarder Services B.V. does this for Dutch managers of investment institutions that, pursuant to Article 2:66a of the Financial Supervision Act, are not required to acquire a full AIFMD-license.

### Agreement

The Fund Manager and the Legal Owner have concluded a management and legal ownership agreement which constitutes the Fund and which sets out the mutual rights and obligations of the Fund Manager and the Legal Owner.

### Responsibility of the Legal Owner

The key responsibility of the Legal Owner is, for the account and risk of the Unit Holders, (i) to hold legal title to all assets and rights of the Fund, (ii) to assume obligations and liabilities of the Fund and (iii) to be the contracting entity in respect of all agreements entered into on behalf of the Fund. The Legal Owner will do so at the instruction of the Fund Manager, but will not engage itself actively in the management of the Fund. The Legal Owner is obliged to follow the instructions of the Fund Manager, unless they are in violation of the IM or applicable laws and regulations.

In acting as a title holder of the Fund, the Legal Owner shall act solely in the interests of the Unit Holders. The Legal Owner may not represent individual Unit Holders. The Legal Owner may act as title holder for other investment funds (*beleggingsfondsen*). The Legal Owner will administrate the Fund's assets and liabilities strictly separate from those of other investment funds for which it acts as title holder.

### Liability of the Legal Owner

The Legal Owner shall only be liable towards the Unit Holders for a loss suffered by them in connection with the performance of its duties and responsibilities, if and to the extent that such loss is directly caused by its wilful intent or gross negligence (*opzet of bewuste roekeloosheid*), howsoever arising and notwithstanding the use of third party custodians by the Legal Owner. Otherwise the Legal Owner shall not be liable towards the Unit Holders for any loss suffered by any Unit Holder as a result of any act or omission of a third party.

The Legal Owner will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and responsibilities to the Fund.

Any claims Unit Holders may have on the Legal Owner will be initiated through the Fund Manager and will not be submitted directly to the Legal Owner. Any such claim needs to be submitted in writing to the Fund Manager, who will thereupon (for the account of the Fund) take the necessary actions towards the Legal Owner. In the event that the Fund Manager does not act upon such a request from Unit Holders within a reasonable period of time or has informed them that it is of the opinion that the Legal Owner is not liable, those Unit Holders will have the right to initiate any such claim themselves (at their own account).

### Resignation and removal of the Legal Owner

The Legal Owner shall resign and may be removed on the following grounds:

- at its own initiative, subject to notification of the Fund Manager at least three (3) calendar months before the envisaged effective date of resignation; or
- with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Legal Owner having been granted suspension of payments (*surseance van betaling*).

In case of resignation or removal of the Legal Owner, the Fund Manager appoints a substitute title holder. If this has not occurred within three (3) calendar months, the Fund will be dissolved, unless a meeting of Unit Holders decides to prolong this period. In case the Fund will be dissolved, it will be liquidated in accordance with section 13 of this IM and the Fund Manager will be authorised to solely perform the necessary actions as required thereunder.

## 6 THE ADMINISTRATOR

The Fund has appointed AssetCare Fund Services B.V. of Amsterdam, the Netherlands as its administrator, registrar and transfer agent. Since 2006, AssetCare has been an independent provider of investment administration services within the asset management world. For their fund administration, they use the renowned systems of SS&C in combination with Bloomberg. In addition, AssetCare is in possession of an ISAE3402 type II certification, which demonstrates the guaranteed quality of the services by the implementation of the internal control measures.

Pursuant to an administration, registrar and transfer agency agreement, the Administrator will be responsible, among other things, for the following matters, under the general supervision of the Board of Directors:

- calculating the NAV on a quarterly basis, i.e. the value of all assets minus the liabilities in the Fund, in accordance with the Valuation Method as described in [Section 8](#);
- processing the Fund's accounts, including conducting the necessary reconciliations, processing payments and to archiving the administration;
- conducting the administration of the Fund;
- providing performance reports, the financial report for the (semi) annual report, reports to the supervisory authorities and supervision of audits;
- conducting and administering the subscriptions and redemptions of Unit Holders in the Fund;
- processing payment requests for the benefit of the Fund under the responsibility of Fund Manager;
- conducting the investor due diligence upon subscription to the Funds;
- screen Unit Holders regularly in the context of the Sanctions Act;
- classifying Unit Holders in accordance with Fund Manager's established risk classifications, set out in the Wwft and Sanctions Act Policy;
- checking the investors according to the Wwft and Sanctions Act Policy on a periodic basis;
- conducting transaction monitoring; and
- maintaining the Unit Holder Register.

It should be noted that in providing services as an administrator, registrar and transfer agent, the Administrator does not act as a guarantor of the Units herein described.

Moreover, the Administrator is not responsible for any investment decisions of the Fund, or the effect of such investment decisions on the performance of the Fund. The Administrator shall not, in any way and at any time, be involved with any investment decision to be made on behalf of the Fund, nor with the execution thereof.

Further, the Administrator will not be responsible for verifying that the investment objective and policy, in particular any investment restrictions and limitations as contained herein, are being adhered to by the Fund.

The Administrator and its directors, officers, employees and agents and their respective authorized representatives, successors in title and estates shall be indemnified and held harmless by the Fund against all liability, loss, damage, claims, actions, accounts, proceedings and demands as well as any fees, costs and expenses whatsoever which may be incurred or suffered by the Administrator arising out of its appointment except where the same shall arise through the willful intent or gross negligence of the Administrator.

## 7 UNIT HOLDERS, REGISTER OF UNIT HOLDERS, MEETINGS

### Unit Holders

#### **Entitlement Unit Holders to the assets of the Fund**

A Unit Holder is economically entitled to the assets of a Series of the Fund, pro rata to the number of Units held by all Unit Holders in such Series.

#### **Rights and Liabilities of Unit Holders**

Acquisition of Units of the Fund only creates rights and obligations of the Unit Holder with respect to the Fund and not with respect to other Unit Holders. Unit Holders are not liable for the obligations of the Fund Manager or the Legal Owner. Unit Holders are, under normal circumstances, not liable for any losses of the Fund beyond the amount paid in return for the Units they hold.

#### **Equal treatment of Unit Holders**

The Fund Manager shall strive to treat Unit Holders in an equal manner insofar practically possible.

#### **Fair treatment of Unit Holders**

For each decision regarding the Fund, the Fund Manager will evaluate and consider if the consequences thereof will be unfair towards the Unit Holders, taking into account what they might reasonably expect, given the contents of the IM and applicable laws and regulations.

### Register of Unit Holders

The Administrator keeps, on behalf of the Fund Manager, a register of Unit Holders (in electronic or other form) in which the personal details of the Unit Holders (as amended from time to time) are listed (the “**Register**”). The Register will further mention with respect to each Unit Holder: (i) the number of Units held and in which Series such Units are held; and (ii) the bank account number on which the Unit Holder wishes to receive payments from the Fund (such bank account must be in the name of the Unit Holder with a credit institution with a registered office in a country which is a member of the Financial Action Task Force (“**FATF**”) or a country considered as having equivalent anti-money laundering systems in place as FATF members (countries which are members of the FATF are, for example, most member states of the European Union, the European Economic Area and the Organisation for Economic Co-operation and Development)).

A Unit Holder shall inform the Administrator promptly about any changes to the registered information. The Register will be updated by the Administrator after each issue and redemption of Units. A Unit Holder may ask the Administrator for an extract of its registration in the Register without charge, however only with regard to the Unit Holder’s own registration.

Payment by the Fund of the amount due to a Unit Holder pursuant to the IM releases the Fund of its obligations to the Unit Holder and the Unit Holder confirms this in advance.

### Meetings

A meeting of Unit Holders will be held on the request of: (i) the Fund Manager or the Legal Owner or (ii) Unit Holders holding in aggregate at least fifty percent (50%) of the total number of Units.

The Fund Manager will in any event convene a meeting to consult the Unit Holders regarding significant changes in relation to the Fund.

**Convening a meeting, agenda, place of meeting**

The Fund Manager will be responsible for convening a Unit Holders' meeting and setting the agenda for the meeting. The invitation to the meeting will be sent to the Unit Holders at least fifteen (15) Business Days before the meeting. The date of sending the invitation is considered to be the notification date.

One or more Unit Holders who alone or jointly hold at least fifty percent (50%) of the total number of Units may request the Fund Manager to add matters for discussion to the agenda, provided the request is made in writing and reaches the Fund Manager no later than ten (10) Business Days before the meeting. The Fund Manager will notify the Unit Holders of those matters at least five (5) Business Days before the meeting.

The director(s) of the Fund Manager and the director(s) of the Legal Owner will be invited to attend a Unit Holders' meeting and have the right to take the floor at such a meeting. The chairman of the Unit Holders' meeting may allow others to attend the meeting (in whole or in part) and to address the meeting.

Unit Holders' meetings will be held in the Netherlands at a place to be specified by the Fund Manager. If the rules stated above are not followed, decisions can nevertheless be made validly by a Unit Holders' meeting, provided: (i) all Unit Holders are present or represented at the meeting and (ii) voting is unanimous.

**Chairman of the meeting**

Unit Holders' meetings will be chaired by a director of the Fund Manager. If a director of the Fund Manager is not present, the meeting will appoint a chairman. The chairman of the meeting will appoint a secretary.

**Voting rights, representation**

The chairman of the meeting shall determine the manner of voting. Each Unit entails one vote. All decisions by the Unit Holders' meeting will be taken with an absolute majority of the votes cast. Abstentions and invalid votes will be considered as not having been cast. If the vote is tied, the chairman of the meeting will have the deciding vote (over and above any votes cast by the chairman in connection with Units held by the chairman).

A Unit Holder may have himself represented at the meeting, subject to written authorisation.

**Minutes**

The secretary of the meeting will make minutes thereof. The minutes need to be approved by the chairman and the secretary of the meeting.



## 8 DETERMINATION OF NET ASSET VALUE

### Quarterly determination of the Net Asset Value

The NAV of each Series is determined on a quarterly basis as per the Valuation Day. The NAV per Unit in each Series is determined by dividing the NAV of a Series (the value of the assets minus the liabilities) by the number of Units in that Series on a quarterly basis as per the Valuation Day (taking into account costs, fees and expenses paid or still to be paid which are attributable to that Series in that quarter). The NAV will be expressed in EUR and will be communicated to the Unit Holders.

### Valuation policies and principles

The assets of the Fund will be valued, for each Series, in accordance with the following policies and principles (as well as in accordance with the Dutch Generally Accepted Accounting Principles (“Dutch GAAP”)):

- any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Business Day. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Fund Manager may determine at its discretion which market shall prevail;
- investments other than securities, which are dealt in or traded through a clearing house, exchange or financial institution, will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Fund Manager may determine at its discretion which market shall prevail;
- any security which is neither listed nor quoted on any securities exchange or similar electronic system or, if being so listed or quoted, is not regularly traded or in respect of which no prices as described above are available, will be valued at latest available trade price, which may be downgraded at the discretion of the Fund Manager insofar reasonably required;
- investments other than securities, which are not dealt in or traded through a clearing house, exchange or financial institution will be valued on the basis of the latest available valuation provided by a relevant counterparty;
- deposits will be valued at their cost plus accrued interest; and
- prices (whether of an investment or cash) which are in a currency other than EUR will be converted into EUR at the rate (whether official or otherwise) which the Fund Manager in its absolute discretion deems applicable as at the close of business on the relevant Business Day.

The determination of the NAV has been delegated to the Administrator. The Administrator will follow the valuation principles and policies adopted by the Fund as set out above. If and to the extent that the Fund Manager is responsible for or otherwise involved in the pricing of any of the Fund's portfolio assets, the Administrator may accept, use and rely on such prices in determining the NAV of a Series and shall not be liable to the Fund, the Unit Holders, the Fund Manager or any other person in so doing. The Administrator shall only be liable towards the Fund Manager for damages resulting from its wilful intent or gross negligence (*opzet of bewuste roekeloosheid*).

The reasonable decision of the Fund Manager regarding a NAV, including the determination whether a method of valuation fairly indicates fair market value and the selection of experts for purposes of assessing the value of the Fund's assets and the value of all accrued debts, liabilities and obligations of the Fund, shall be conclusive and binding upon all Unit Holders.

#### Suspension of the calculation of the Net Asset Value

The Fund Manager may decide to temporarily suspend the determination of the NAV for, inter alia, the following reasons:

- one or more of the exchanges or markets on which a significant part of the Fund's investments are listed or traded are closed or the trade in the Fund's investments is suspended or limited;
- circumstances arise (outside the influence of the Fund Manager) which are directly or indirectly associated with political, military, economic or monetary conditions which prevent the objective, accurate and reliable determination of the NAV of the Fund;
- the means of communication or the calculation facilities which are normally used in determining the NAV of the Fund are no longer functioning or the NAV cannot be determined accurately or quickly enough by the Administrator for another reason;
- according to the Fund Manager there is an emergency situation, as a result of which it is not possible or appropriate to value the investments without damaging the interests of the Unit Holders; or
- other circumstances arise that justify the temporary suspension, which circumstances were unforeseen at the date of this IM.

#### Calculation errors

If it appears that the NAV of a Series is not calculated accurately, the Administrator will recalculate the NAV of that Series. In case of a subscription based on an inaccurate NAV, the number of Units in that Series will be adjusted accordingly. The Fund will compensate (in cash or in Units or only for the actual damage incurred) a redeeming Unit Holder that have suffered damage because the redemption price paid was too low if:

- the mistake was made by the Fund Manager or the Administrator;
- the difference between the incorrect and the correct NAV is greater than one percent (1%);
- the disadvantage to the Unit Holder amounts to at least € 250; and
- the mistake dates from no longer than one month before being discovered.

In case redeeming Unit Holders of a Series have, as a result of the incorrect calculation, received a higher amount than they were entitled to, the Fund will try to retrieve such higher amount from them. Should the Fund Manager not be able to retrieve such higher amount, the Fund Manager will compensate the remaining Unit Holders by paying such higher amount to the Fund, if and when the following conditions are met:

- the mistake was made by the Fund Manager or the Administrator;
- the difference between the incorrect and the correct NAV is greater than one percent (1%);
- the disadvantage to the remaining Unit Holders amounts to at least € 250; and
- the mistake dates from no longer than one month before being discovered.

The Fund Manager will in any case only be liable for wilful intent or gross negligence (*opzet of bewuste roekeloosheid*).

## 9 SUBSCRIPTION

### Minimum subscription amount

The minimum subscription amount is € 100,000. Following an initial subscription for the minimum subscription amount, an investor may make subsequent subscriptions in amounts of € 25,000 or more. The Fund Manager may decide, at its absolute discretion, to lower this subsequent subscription amount in individual cases.

### Issue of Units

The Fund may issue a new Series on each Transaction Day at € 1,000 per Unit. The initial offering period has ended on June 29, 2018. Fractions of Units may be issued, up to four decimals.

No subscription fee is charged by the Fund or the Fund Manager.

### Subscription application (at least two (2) Business Days prior to the Transaction Day)

Applications for the subscription of Units should be submitted to the Administrator at least two (2) Business Days prior to the desired Transaction Day. To subscribe, the subscription form must be completed which can be requested from the Administrator by e-mail. The application for subscription should indicate the amount in EUR for which subscription is applied. By signing the subscription form, the prospective Unit Holder agrees to be bound by the contents of the IM. Completed and signed applications are irrevocable once received by the Administrator. Upon issuance of Units in satisfaction of an application, the Administrator will confirm the number and value of the Units issued.

By submitting a completed and signed application, each applicant agrees that all information and/or documentation in relation to their participation in the Fund, such as know-your-customer information and/or documentation, may be provided to any of the Fund's service providers (as listed under the section Addresses of the IM) upon their request and on a confidential basis.

### Payment (at least two (2) Business Days prior to the Transaction Day)

Payment is possible only through a cash account in the name of the Unit Holder with a credit institution with a registered office in a country which is a member of the FATF or a country considered as having equivalent anti-money laundering systems in place as FATF members (countries which are members of the FATF are, for example, most member states of the European Union, the European Economic Area and the Organisation for Economic Co-operation and Development). If payment is made from another country, the subscription may still be accepted by the Fund Manager at its sole discretion. The subscription amount should be received in the account of the Legal Owner at least two (2) Business Days prior to the relevant Transaction Day. No interest will be paid over the subscription amount for the period between the payment of the subscription amount and the issuance of Units. The interest which is accrued benefits the Fund.

At the sole discretion of the Fund Manager, a Unit Holder may be allowed to pay the subscription amount in kind, if (i) the Fund is allowed to invest in the financial instruments that are transferred to the Fund (as stated in the Fund's investment restrictions section of the IM), (ii) the transfer of the financial instruments takes place at the value of those financial instruments on the applicable Valuation Day and (iii) the transfer of the financial instruments to the Fund and the further process regarding the subscription in kind does not entail any additional fees, costs and expenses for the Fund. The Administrator may request additional information and/or documentation in relation to such a subscription in kind.

### Consequences if subscription application or payment are not received in time

If either the relevant completed and signed subscription form or the payment of the subscription amount has not been received in a timely manner, the application shall be held over to and the Units shall be issued on the following Transaction Day. Nevertheless, if both the completed and signed subscription form as well as the payment of the subscription amount are received before the earlier Transaction Day, the Fund Manager may, but is not obliged to, permit in such case the issue of Units on the earlier Transaction Day.

Under exceptional circumstances, and only in the interest of the Unit Holders, the day on which the subscription will be effectuated and Units will be issued may be different from a Transaction Day. In that case, the Valuation Day will be the Business Day preceding such other Transaction Day. Unit Holders concerned will be notified by the Fund Manager.

### Rejection or (temporary) suspension of subscription

The Fund Manager may reject or (temporarily) suspend subscriptions if:

- the calculation of the NAV is suspended;
- the Fund Manager considers that subscription would be contrary to applicable laws or regulations;
- the application of the legally required know-your-customer procedure gives, in the Fund Managers' opinion, reason for such rejection or (temporary) suspension;
- the Fund Manager is of the opinion that (i) there is a reasonable expectation that accepting the subscription would be contrary to the interests of the existing Unit Holders or (ii) investing the amounts received would be, considering market conditions, irresponsible or impossible; or
- it has been decided that the Fund will be liquidated and dissolved.

Furthermore, the Fund Manager may at any time reject an application for any other reason. In case of rejection, the Fund Manager will inform the respective applicant thereof within a reasonable period and any payments already received will be returned promptly and without interest.

### Discontinuation of subscription because of the size of the Fund ("soft close" and "hard close")

If the Fund Manager believes that a further increase in the size of the Fund may reasonably lead to lower returns, it may decide to refuse applications for subscription of new Unit Holders for a certain period to be determined at its discretion (a so called soft close). In such case, new subscriptions by existing Unit Holders remain possible. If the Fund is still growing too fast, the Fund Manager may also decide to refuse subscription applications of existing Unit Holders (a so called hard close).

### Background: performance fee and High Water Mark

The Fund Manager is entitled to a performance fee in respect of a Series if and as far as, as a result of an increase in the NAV of such Series, the High Water Mark of such Series is exceeded. The High Water Mark is fixed at € 1.000. A High Water Mark is used in order to achieve that Unit Holders do not pay a performance fee on the increase of the NAV of a Series until losses previously incurred have been compensated by subsequent increases of the NAV of that Series. In order to prevent certain imbalances for individual Unit Holders and the Fund Manager, the performance fee will be calculated by the Administrator in a way which ensures that, regardless the date of issue or redemption of Units, the performance fee is only charged on the real increase of the NAV in respect of such individual Unit Holders.

## 10 REDEMPTION, LIMITED TRANSFERABILITY

### Redemption

If requested by a Unit Holder, the Fund will accept redemptions of Units on a Transaction Day of the Fund at the NAV on the Valuation Day immediately preceding that Transaction Day, unless (i) redemptions are suspended or (ii) a redemption is requested of more than twenty five percent (25%) of all Units issued at that time (both as stated below).

The redemption amount to be paid to the redeeming Unit Holder is the NAV of the Units multiplied by the number of Units to be redeemed. The Fund will not charge a redemption fee.

The Fund applies a lock-up period of two years. This entails that a Unit Holder is not able to redeem any Units for two years from the date Units were first issued to such Unit Holder. After this lock-up period, redemptions are possible under the conditions stated in this section.

### Minimum redemption amount

The minimum redemption amount is € 25,000. The Fund Manager may decide at its absolute discretion to lower this amount in individual cases.

### Submission redemption application

Unit Holders must send a completed and signed redemption form to the Administrator, to be received by the Administrator at least one year before the desired Transaction Day, failing which the application for redemption will be held over until the following Transaction Day. The redemption form must state the number of Units to be redeemed up to four decimals. The redemption form can be requested from the Administrator by e-mail. The notice period for redemptions of one year is required in order to generate sufficient liquidity to pay the redemption proceeds to the redeeming Unit Holder, considering that the Fund's assets are generally illiquid, as the Fund mostly or exclusively invests in assets that are not publicly traded.

The Fund Manager may decide at its absolute discretion to shorten the period between receiving a redemption form and the actual redemption in individual cases. Under exceptional circumstances, the Fund Manager may choose to allow redemptions on a day other than the first Business Day of each quarter following the Valuation Day. The costs of such a redemption (including, but not limited to, the calculation of an additional NAV) will be borne by the redeeming Unit Holder. In that case the Unit Holder concerned will be notified by the Fund Manager.

A redemption request (through the submission of this redemption form) is irrevocable once received by the Administrator, unless the Fund Manager decides otherwise in its sole discretion.

### Minimum investment after redemption

A redemption application of a Unit Holder will be rejected if the redemption of Units would result in such Unit Holder holding Units with an aggregate NAV of less than € 100,000. In the case where such Unit Holder wishes to redeem Units that would result in it holding Units with an aggregate NAV of less than € 100,000, the only option available to the Unit Holder is to redeem its entire holding in the Fund. As the Fund Manager has opted to not obtain a license, Unit Holders need to maintain a threshold of € 100,000 of Units in the Fund when they request a partial redemption of their Units (as per article 2:66a of the Wft). Partial redemptions can also be requested by using the aforementioned redemption form.

### Unilateral decision to redeem

The Fund Manager can unilaterally decide to redeem all Units held by a Unit Holder, if the Fund Manager reasonably believes that the Unit Holder's action(s) or inaction(s) constitute a breach of the IM or any applicable laws or regulations, or if, taking into account the Fund's interest, continuation of the relationship with that Unit Holder cannot be reasonably expected of the Fund Manager.

### Payment redemption amount

Redemption proceeds (the NAV of the Units multiplied by the number of Units redeemed) will normally be paid in EUR within fifteen (15) Business Days of the Transaction Day to the account of the respective Unit Holder as listed in the Register or, if different, as stated in the redemption form. The Fund will not pay interest over the period between the Transaction Day and the date on which the payment is made.

### Suspension of redemption

The Fund Manager may suspend a redemption if:

- the calculation of the NAV is suspended;
- it believes that a redemption would be contrary to applicable laws and regulations;
- it believes that a redemption could lead to disproportional damage to the interests of the remaining Unit Holders, for example in circumstances in which the sale of investments would be required to enable a redemption and which, taking market conditions into account, could be detrimental towards the interests of the remaining Unit Holders; or
- it has been decided that the Fund will be liquidated.

Furthermore the Fund Manager may at any time reject an application for redemption for any other reason. The Fund Manager will inform the respective Unit Holder of the rejection and of the reasons thereof.

### Redemption of more than twenty five percent (25%) of all Units issued

If accepting all pending redemption requests would result in a total redemption of more than twenty five percent (25%) of all Units issued at that time, the Fund Manager may at its absolute discretion adopt any of the following measures in order to protect the interests of the remaining Unit Holders:

- the Fund Manager is authorised to limit the total redemption in any way in order to ensure that less than twenty five percent (25%) of all Units issued at that time are redeemed;
- the Fund Manager will partially honour all pending redemption requests, pro rata to the maximum number of Units that may be redeemed in order to ensure that less than twenty five percent (25%) of all Units issued at that time are redeemed;
- the Fund Manager will redeem the aforementioned Units, which were not redeemed on the earlier Transaction Day, on the next Transaction Day against the NAV of the Units on that next Transaction Day and with priority over any other Units which are requested to be redeemed on that next Transaction Day, taking into account that should the aforementioned threshold of twenty five percent (25%) will be exceeded once more, the aforementioned rules stated under a) and b) will apply once more; and
- the Fund Manager will in any case redeem the Units, which were not redeemed on three earlier Transaction Days, on the next Transaction Day against the NAV of the Units on that next Transaction Day, without regard of the aforementioned threshold of twenty five percent (25%).

#### Limited transferability of Units

In order to safeguard the fiscal transparency of the Fund, Units may only be transferred to the Fund or to persons that are next of kin or direct in-laws of the Unit Holder (*bloed- of aanverwant in de rechte lijn*). Units cannot be made subject to any encumbrance (*zekerheidsrecht*). In case Units are held by a third party (for example a bank) acting on behalf of persons which are economically entitled to the rights and benefits of Units, such third party will not cooperate with the transfer by a beneficiary of its rights and benefits, other than to next of kin or direct in-laws of that beneficiary.

#### Sufficient safeguards for fulfilment of obligations following redemption

Sufficient safeguards are available to enable the Fund to fulfil its obligations to redeem Units and to pay the redemption proceeds, except in case of a suspension of redemption as foreseen in this IM.

The Fund Manager will use its best efforts to comply with an application for redemption, but a redemption cannot be fully guaranteed given the nature of the Fund's investments.

## 11 FEES AND EXPENSES

### **COSTS CHARGED TO UNIT HOLDERS INDIVIDUALLY**

#### **Subscription or redemption fees**

No subscription fee will be charged by the Fund Manager.

No redemption fee will be charged by the Fund Manager.

### **COSTS CHARGED TO THE FUND**

#### **Organisational costs**

The Fund Manager has paid for non-recurring organisational costs in relation to the set up of the Fund for the approximate amount of € 17,500. This amount has been reimbursed to the Fund Manager by the Fund. Such amount is being amortised over a period of up to 36 months after the inception date of the Fund.

#### **Management fee**

The Fund Manager receives an annual management fee of one percent (1%), calculated (i) for the first two years after the date of foundation of the Fund: on the basis of the total amount of subscriptions in the Fund and (ii) after the first two years after the date of foundation of the Fund: on the basis of the NAV of the Fund.

The management fee will be calculated and paid quarterly in arrears on the basis of the total amount of subscriptions in the Fund as of the immediately preceding Valuation Day for the calculation described under (i) above and the NAV of the applicable Series of the Fund as of the immediately preceding Valuation Day for the calculation described under (ii) above. Currently no VAT is to be paid over this fee.

#### **Performance fee**

The Fund Manager will receive quarterly performance fees of up to twenty percent (20%) on any net new realised profits and only if and in as far as the NAV per Unit in the applicable Series of the Fund exceeds the High Water Mark. The High Water Mark is fixed at € 1.000.

The High Water Mark is used in order to achieve that Unit Holders do not pay a performance fee on the increase of the NAV of a Series until losses previously incurred have been compensated by subsequent increases of the NAV of that Series. The NAV per Unit shall never drop below the High Water Mark as a result of the performance fee payment or accrual. The (method of) calculations of performance fee and the link to distribution is illustrated below.

If a Unit Holder redeems its Units during a calendar year, there might be a performance fee payable directly upon redemption if the NAV is over the HWM, which will include unrealised gains and losses. Currently no VAT is to be paid over this fee.



**EXAMPLE:**

Values Before deduction of performance fee and distribution

Fund NAV: € 10,000,000

Realized profit: € 2,000,000

Distribution percentage: 50%

**Series A:**

NAV per unit: € 1,600

Outstanding units: 2.000

NAV Series A: € 3,200,000

% Fund NAV: 32%

**Series B:**

NAV per unit: € 1,050

Outstanding units: 3,428.57

NAV Series B: € 3,600,000

% Fund NAV: 36%

**Series C:**

NAV per unit: € 800

Outstanding units: 4,000

NAV Series C: € 3,200,000

% Fund NAV: 32%

Calculations of performance fee and distribution based on above values

**Series A:**

Performance fee: € 2,000,000 \* 32% \* 20% = € 128,000

Distribution: € 2,000,000 \* 50% \* 32% - € 128,000 = € 192,000

**Series B:**

NAV eligible for performance fee and distribution:

$(€ 1,050 - € 1,000) * 3,428.57 = € 171,429 < € 2,000,000 * 50% * 36%$

Performance fee: € 171,429 \* 20% = € 34,286

Distribution: € 171,429 \* 80% = € 137,143

**Series C:**

NAV per unit < € 1,000 = Neither performance fee nor distribution

#### After payment of performance fee and distribution

Fund NAV: **€ 9,508,571**

#### Series A:

NAV per unit: € 1,440 ((€ 3,200,000 – € 128,000 – € 192,000) / 2.000)

Outstanding units: 2.000

NAV Series A: € 2,880,000

% Fund NAV: 30.3%

#### Series B:

NAV per unit: € 1,000 ((€ 3,600,000 – € 34,286 – € 137,143) / 3.428.57)

Outstanding units: 3,428.57

NAV Series B: € 3,428,571

% Fund NAV: 36.1%

#### Series C:

NAV per unit: € 800

Outstanding units: 4,000

NAV Series C: € 3,200,000

% Fund NAV: 33.7%

If a Unit Holder redeems its Units during a calendar year, the performance fee that has already been accrued will be payable directly upon redemption

Currently no VAT is to be paid over this fee.

#### Administration fee

The Administrator receives the following fees from the Fund:

- a fixed fee of € 9.000 per year;
- a variable fee for fund administration:
  - Variable NAV 0 - € 10.000.000: 0,07% over the NAV per year;
  - Variable NAV € 10.000.000 - € 50.000.000: 0,05% over the NAV per year;;
  - Variable NAV € 50.000.000 - € 100.000.000: 0,025% over the NAV per year;.
- a variable fee for participant administration:
  - Variable of € 200 per investor per year.

#### Legal ownership expenses

The Legal Owner will be reimbursed by the Fund for any costs made by it in the performance of the legal ownership services. The expenses are based on the assets under management in the Fund:

- Assets under management € 0 - € 10.000.000: € 2.400 per year;
- Assets under management € 10.000.000 - € 50.000.000: € 4.000 per year;
- Assets under management € 50.000.000 - € 100.000.000: € 6.500 per year.

### Costs relating to implementation of the investment approach

The costs directly relating to the implementation of the investment approach (such as market data costs and transaction, maintenance and extraordinary costs) will be borne by the Fund. For these costs, standard market rates will be agreed.

### Miscellaneous costs

These costs relate to such things as:

- convening and holding meetings of Unit Holders;
- costs for legal and fiscal advice, if any; and
- costs of supervision by the AFM and DNB, if any, in relation to the Fund.

### Provisioning for fees and costs

A provision for all the above mentioned fees and costs is, in principle, set aside each quarter from the assets of the Fund.

The Fund will not directly pay any advisory fees to the advisors mentioned in section 2. Such advisory fees, if applicable, will be paid by the holding companies in which the Fund will invest.

### Inflation correction

Fees or costs that are subject to an inflation correction on a periodical basis will not be adjusted in this IM in order to take such inflation correction into account. The Fund Manager does not regard such an inflation correction as a change of conditions as described in Section 15 of this IM, unless such inflation correction will amount to more than zero point one percent (0.1%) of the NAV.

### VAT

If in the future VAT will be payable with respect to fees or costs which at this moment are not subject to VAT, this VAT will be charged to the Fund.

### Ongoing charges figure

The ongoing charges figure of the Fund (the “OCF”) shows the total cost level of the Fund on an annual basis. The OCF is calculated by dividing the total costs of the Fund during a reporting period by the average NAV of the Fund. The OCF can be found in the annual financial statements of the Fund. Not included in the OCF are the organisational costs, the performance fee, the costs relating to implementation of the investment policy and the miscellaneous costs, as described above. These costs and fees cannot be estimated beforehand and can therefore not be taken into account in the OCF. VAT, if applicable, is also not taken into account. Furthermore, the management fee calculation is based on the NAV instead of the total amount of subscriptions in the Fund (see above under “Management fee”).

Type of costs or expenses	Amount
Management fee	1.0% (of the NAV)
Administration fee	<ul style="list-style-type: none"> <li>▪ a fixed fee of € 9.000 per year;</li> <li>▪ a variable fee for fund administration:               <ul style="list-style-type: none"> <li>- Variable NAV 0 - € 10.000.000: 0,07% over the NAV per year;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>- Variable NAV € 10.000.000 - € 50.000.000: 0,05% over the NAV per year;;</li> <li>- Variable NAV € 50.000.000 - € 100.000.000: 0,025% over the NAV per year,;</li> </ul>
	<ul style="list-style-type: none"> <li>▪ a variable fee for participant administration:</li> <li>▪ Variable of € 200 per investor per year.</li> </ul>
Legal ownership expenses	<ul style="list-style-type: none"> <li>▪ Assets under management € 0 - € 10.000.000: € 2.400 per year;</li> <li>▪ Assets under management € 10.000.000 - € 50.000.000: € 4.000 per year;</li> <li>▪ Assets under management € 50.000.000 - € 100.000.000: € 6.500 per year.</li> </ul>

With an estimated size of the Fund of € 10 million, the OCF will be approximately one point two eight five percent (1.305%), not taking into account the performance fee, as this is based on the Fund's (new) realized profits.

With an estimated size of the Fund of € 25 million, the OCF will be approximately one point one two four percent (1.129%), not taking into account the performance fee, as this is based on the Fund's (new) realized profits.

#### **COSTS CHARGED TO THE FUND MANAGER**

The following costs related to the operation of the Fund will be paid by the Fund Manager out of the management fee and performance fee:

- staff costs;
- rental costs;
- IT costs;
- website costs;
- travelling costs;
- marketing costs;
- costs related to the administration and accounting of the Fund Manager;
- costs related to the supervision by the AFM and/or DNB in relation to the Fund Manager; and
- all other costs related to the operation of the Fund Manager, including costs related to advisory and consultancy services and costs related to external distribution channels.

## 12 TAX AND OTHER ASPECTS

The summary below of certain Dutch tax aspects of the Fund is based on the law in the Netherlands published as per the publication date of this IM. Changes in the law, as well as the interpretation and the application thereof, can thereafter, with retroactive effect, influence the tax consequences described herein. This summary is of a general nature and is not to be considered as tax advice. It is not intended as an exhaustive overview of all tax consequences relevant to a Unit Holder. Furthermore, the summary is not intended to describe the tax consequences for any particular Unit Holder. Prospective Unit Holders in the Fund are urgently advised to consult their tax advisers about the tax consequences of the acquisition, holding and disposal of Units to be held by them, prior to participating.

### Tax transparent structure of the Fund

#### **Corporate income tax**

The Fund is structured as transparent for Dutch tax purposes. Accordingly, the Fund is not subject to Dutch corporate income tax. From a Dutch tax perspective, the assets and liabilities as well as the revenues of the Fund are attributed to the individual Unit Holders pro rata to their interest in the Fund.

#### **Dividend withholding tax**

Payments by the Fund to the Unit Holders are not subject to Dutch dividend withholding tax.

#### **Reclaim of dividend withholding tax**

Due to the tax transparency of the Fund, the Fund itself cannot reclaim Dutch dividend withholding tax or foreign dividend withholding tax. Unit Holders that are resident in the Netherlands and that are subject to Dutch income tax or Dutch corporate income tax may in principle reclaim the Dutch dividend withholding tax or compensate the foreign dividend withholding tax. Other Unit Holders are advised to consult a tax adviser regarding whether Dutch or foreign dividend withholding tax can be reclaimed or compensated.

#### **Annual statement**

After every calendar year, each Unit Holder will receive upon request, within two months, a statement containing information relevant for its tax return.

#### **Common Reporting Standard**

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

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

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

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

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

#### FATCA

The Foreign Account Tax Compliance Act ("FATCA") became effective in the Netherlands on 1 January 2014. FATCA was implemented by the United States to prevent Americans from hiding assets abroad to avoid U.S. tax.

The Fund is obliged to comply with FATCA and the provisions included in Dutch legislation in that respect. If the Fund does not comply with FATCA, it will be subject to withholding tax on its investments in the United States and this may negatively impact the NAV.

The Fund does not accept U.S. persons, so in principle will not provide information to the IRS.

#### Data Privacy

The Fund and the Fund Manager respect and protect each Unit Holder's right to privacy and its personal data or personal data of individuals related to each Unit Holder (the "Personal Data"). The Fund will process the Personal Data in accordance with the provisions of the European General Data Protection Regulation ("GDPR") and other applicable privacy laws.

The following types of Personal Data may be processed by the Fund:

- name, address, e-mail address, telephone number and other contact information;
- date and place of birth;

- nationality;
- gender;
- copies of identity documents (passport, national ID card, driver's license, employee identification number);
- source of wealth;
- utility bill, bank statement;
- tax residency; and
- investment amount.

The Fund collects, controls and processes personal data in different ways:

- the Fund collects Personal Data directly from Unit Holders for the purposes of investments in the Fund and/or to meet certain legal requirements;
- the Fund collects and processes personal data from publicly accessible sources such as internet, social networks, World-Check or commercial registers; and
- the Fund may receive personal data from third parties in connection with applicable legal requirements.

The Personal Data may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Fund, acting as data controller, the Administrator, acting as joint controller, and the service providers and financial intermediaries of the Fund (including their respective advisers, auditors, delegates, agents, service providers and other subsidiary or affiliated companies as well as other recipients of the Personal Data).

The Personal Data may be processed for the purposes of the organisation and operation of the Fund in order to comply with legal obligations under applicable company laws and regulations, anti-money laundering and terrorism financing identification laws and regulations and tax identification and, as the case may be, reporting regimes (such as CRS and FATCA), to maintain the register of Unit Holders, to process subscriptions, redemptions and transfers and payments of distributions, to provide client related services for fraud prevention purposes, to manage litigation, to perform other accounting and marketing purposes (relating to products and services of the Fund Manager of any of the members of its group) and to the extent required to comply with other applicable laws and regulations.

Each individual (related to a) Unit Holder whose Personal Data has been processed has the following rights:

- the right to access the Personal Data;
- the right to request a copy of the Personal Data;
- the right to ask to update and correct any out-of-date or incorrect Personal Data;
- the right to request to delete its Personal Data, to the extent that the Fund has no legal and/or regulatory obligations to keep such Personal Data;
- the right to (under circumstances) ask to restrict the processing of the Personal Data; and
- the right to object at any time to the processing of its Personal Data for any direct marketing (and related profiling) by the Fund.

If a Unit Holder wishes to exercise any of the above rights, it can contact the Fund or the Administrator.

In addition, a Unit Holder has the right to make a complaint with the local supervisory authority with respect to the way the Fund is processing its Personal Data or the way the Fund is handling its rights.

## 13 DISTRIBUTION, DURATION, DISSOLUTION AND LIQUIDATION

### Distribution policy

The Fund will pay out distributions to the Unit Holders on a quarterly basis after a Valuation Day if and in as far as the NAV of a Series exceeds the High Water Mark. Such distributions will consist of a minimum of fifty percent (50%) of the net new realised profits of the Fund. The NAV per Unit shall never drop below the High Water Mark as a result of a distribution. This means that the distributions can be lower than fifty percent (50%) of the net new realised profits of the Fund. Distributions will normally be paid in EUR within fifteen (15) Business Days of the Transaction Day immediately following the applicable Valuation Day and to the Unit Holder's account as known by the Fund Manager and / or the Administrator.

The Fund Manager, at its sole discretion, may decide to suspend the payment of distributions for any quarterly period or for an indefinite period of time if such a payment would be detrimental to the interests of the Fund or the Unit Holder.

### Duration of the Fund

The Fund has been established for an indefinite period of time.

### Dissolution (opheffing) and liquidation (vereffening)

The Fund Manager and the Legal Owner jointly or the Unit Holders' meeting may decide to liquidate and dissolve the Fund. The Fund Manager will be responsible for the liquidation of the Fund. During the liquidation process, the IM shall, to the extent possible, remain in force. The Fund Manager will account for the liquidation to (*rekening en verantwoording afleggen aan*) the Unit Holders in the liquidation accounts to be prepared by it. Approval of these liquidation accounts by a meeting of the Unit Holders will constitute a discharge of the duties and liabilities of the Fund Manager and the Legal Owner. The balance left after liquidation shall be distributed among the Unit Holders in proportion to the number of Units they hold. Upon distribution of the liquidation proceeds among the Unit Holders, the Units held by the Units Holders will be cancelled by the Fund and the Fund will be dissolved.

In case the Fund has no more Unit Holders (and liquidation is unnecessary), the Fund Manager and the Legal Owner can jointly resolve to dissolve the Fund.



## 14 REPORTS AND INFORMATION

### IM

A copy of the IM will be made available free of charge on request.

### Annual report

The Fund Manager has the discretionary authority to decide if an annual report will be prepared. The Fund's financial year runs from January 1 up to and including December 31.

### Quarterly report

Furthermore, a quarterly report will be provided by the Fund Manager or the Administrator to the Unit Holders by e-mail. This report will specify:

- the value of the Unit Holder's holding in the Fund;
- the Unit Holder's number of Units in each Series; and
- the Unit Holder's NAV per Unit in each Series.

### Announcements to Unit Holders

The following information will be sent to Unit Holders at their respective (e-mail) addresses:

- announcements for Unit Holders' meetings; and
- (intended) changes to the IM (including (intended) changes to the investment policy), with an explanation.

### Foreign withholding tax reclaim report

The Fund is transparent for Dutch tax purposes. As such, the Fund is not subject to Dutch withholding tax. However, foreign withholding tax might be applicable in case of payment of dividends, interests or royalties on the Fund's (foreign) investments. Furthermore, the right percentage of foreign withholding tax is not always applied. In such a case, a tax treaty might create a possibility to reclaim the excess amount of foreign withholding tax applied on the payment of dividends, interests or royalties. Considering that the Fund is tax transparent, it cannot reclaim such excess foreign withholding tax itself. The Unit Holders need to reclaim this excess foreign withholding tax themselves.

In order to enable Unit Holders to reclaim the excess foreign withholding tax, the Unit Holders can request an annual report specifying the amount of foreign withholding tax applied over the Fund's different (foreign) investments.

## 15 ACT ON FINANCIAL SUPERVISION (WFT)

### No Wft license

Section 1 of article 2:66a of the Wft is applicable to the Fund Manager (the minimum subscription amount is at least € 100,000). Almost all regulatory provisions stated in chapter 3 (*Deel Prudentieel Toezicht financiële ondernemingen*) and chapter 4 (*Deel Gedragstoezicht financiële ondernemingen*) of the Wft are therefore not applicable. Therefore the Fund Manager is not subject to supervision by the AFM and DNB (the Fund itself is in any case not subject to supervision). The Fund Manager has opted to not obtain a license as defined under article 2:65 of the Wft.

### Change of conditions or investment policy

Notice of a (proposed) change in the conditions of the Fund and a (proposed) change in the investment policy will be sent to the (e-mail) address of each Unit Holder. The conditions of the Fund as stated in this IM can be changed by the Fund Manager. If a change decreases the rights or certainties of the Unit Holders, or imposes obligations on them, the Fund Manager will explain such changes in the notice.

### Implementation of changes to the conditions or investment policy

Any changes to the conditions or investment policy of the Fund that result in a decrease of the rights or certainties of the Unit Holders, or imposes obligations on them, may only come into force one (1) month after the notice of the proposed changes has been sent to the Unit Holders at their (e-mail) addresses. During this period, Unit Holders may redeem their Units under the usual conditions.

## 16 ADDITIONAL INFORMATION

### Delegation of core tasks

The Fund Manager has delegated the following core tasks to the Administrator:

- conducting the financial and investment administration of the Fund;
- calculating the NAV of the Fund; and
- processing subscriptions and redemptions of Unit Holders and keeping the register of Unit Holders.

The Administrator only serves in an administrative and executing capacity in favour of the Fund and is not responsible for carrying out the investment policy.

There are no conflicts of interest between the Fund Manager and the Administrator.

### Distribution policy

The Fund Manager may use external distribution channels for marketing of the Fund. In such case, these distributors may receive a fee in the form of a percentage of the funds which they have attracted for the Fund or a part of the fees the Fund Manager receives from the Fund. In all cases, such a fee is paid by the Fund Manager and is therefore not borne by the Fund.

### Inducements

The Fund Manager does not receive inducements (as meant in article 24 of the Commission Delegated Regulation (EU) no. 231/2013 of 19 December 2012) from third parties other than research. This research is designed to enhance the quality of the asset management and receiving it does not impair compliance with the Fund Manager's duty to act in the best interest of the Fund and the Unit Holders.

### Complaints

Complaints regarding the Fund Manager, the Legal Owner or the Administrator may be submitted in writing (including e-mail) to the Fund Manager. The Fund Manager will confirm the receipt of a complaint within five (5) Business Days and will inform the complainant about the procedure that will be followed.

### Applicable law and competent court

Only the law of the Netherlands governs the legal relationship between the Fund Manager, the Legal Owner and the Unit Holders. All conflicts will be settled before a competent court in Amsterdam, the Netherlands.

## 17 DECLARATION OF THE FUND MANAGER

The Fund Manager is solely responsible for the contents of this IM. The Fund Manager declares that, to its best knowledge and belief, the information contained in this IM is in accordance with the facts and that nothing is omitted that would materially change the content of this IM, had such information been included.

Utrecht, the Netherlands

May 2022

Hephaistos B.V.