

THE FUND IS NOT AUTHORISED BY THE CYSEC AND IS EXCLUSIVELY ADDRESSED TO PROFESSIONAL AND/OR WELL-INFORMED INVESTORS, WITHIN THE MEANING OF THE AIF LAW. ITS ADMISSION TO CYSEC'S REGISTER OF RAIFs IS NOT EQUIVALENT TO AN AUTHORISATION BY CYSEC.

THE INVESTOR SHARES DESCRIBED IN THIS PROSPECTUS DO NOT QUALIFY FOR OFFERING OR SALE TO THE GENERAL PUBLIC. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY INVESTOR SHARES IN THE FUND IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE.

THE DIRECTORS AND THE AIFM ARE RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE FUND AND THE AIFM (WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE) THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE ACCURACY OF SUCH INFORMATION. THE DIRECTORS OF THE FUND AND THE AIFM ACCEPT RESPONSIBILITY ACCORDINGLY.

PROSPECTUS

Relating to the offering of Investor Shares in the Sub-Funds of

MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD

A private company limited by shares incorporated as a variable capital investment company under the Companies Law Cap 113 under registration number HE 469511 and operating as a registered alternative investment fund under Part VIII of the Alternative Investments Funds Law 124(I)/2018, organised as an umbrella fund ("the Fund").

Addressed only to Professional and Well-Informed Investors.

DATED: 7 February 2025

The Fund has been entered into the registry of Registered Alternative Investment Funds ("RAIFs") kept by the Cyprus Securities and Exchange Commission ("CySEC") on the basis of an application submitted by **GUARDO ASSETS MANAGEMENT LTD** ("AIFM").

The Directors of the Fund confirm that the AIFM is authorised and supervised by the CySEC under the Alternative Investment Funds Managers Law, 56(I)/2013 as amended or replaced from time to time and operating under license number AIFM23/56/2013 granted by the CySEC on 21/05/2018.

The Fund has appointed the AIFM to act as its external manager pursuant to the AIF Law.

The Fund's registration to the registry of RAIFs kept by CySEC is not to be regarded as an authorisation by CySEC. Therefore, this entry does not constitute an endorsement, guarantee or statement of approval by the CySEC nor is CySEC responsible for the content of this document or the selection of adequacy of its governing body or service providers. The CySEC has made no assessment or value judgment of the soundness of the Fund or for the accuracy

or completeness of statements made or opinions expressed with regard to it. The CySEC has not reviewed or approved this document. Any representation to the contrary is unauthorised and unlawful.

This Prospectus does not purport to be all inclusive or to contain all the information that a prospective investor may desire in evaluating the Fund and/or in deciding to invest. This Prospectus contains, to the best knowledge of the Directors of the Fund and the AIFM, the information that is required by the AIFM Law and AIF Law in order for a prospective investor to make an informed decision with regard to an Investment in the Investor Shares of the Fund. Prospective investors should conduct their own investigation and analysis of the Fund, its business and in general the merits and risks of investing in the Fund and should also inform themselves about and observe any legal and/or regulatory requirements which may be applicable to their proposed investment in the Fund. Any Person interested in subscribing to Investor Shares in the Fund is recommended to seek its own legal, regulatory, tax, accounting and financial advice and any such person must rely solely upon their own and their advisors' due diligence in making any decision to invest in the Fund and/or as to whether such investment is suitable to their expectations of performance and risk.

The AIFM and the Company have appointed a Depositary in accordance with section 135(5) of the AIF law.

Important Notice: *This Prospectus may not be distributed unless accompanied by, and is to be read in conjunction with, the Articles and the Supplement relating to the Investor Shares being offered in a particular Sub-Fund.*

1. TABLE OF CONTENTS

1. TABLE OF CONTENTS	3
2. IMPORTANT INFORMATION	4
3. DIRECTORY	12
4. DEFINITIONS AND INTERPRETATIONS	13
5. KEY FEATURES	27
6. THE FUND STRUCTURE	30
7. INVESTMENT OBJECTIVE, POLICY, LIMITATIONS AND RESTRICTIONS	33
8. DIRECTORS OF THE FUND	38
9. AIFM	40
10. KEY SERVICE PROVIDERS	44
11. FEES AND EXPENSES	47
12. THE SHARES	50
13. SUBSCRIPTION OF INVESTOR SHARES	53
14. DATA PROTECTION	59
15. REDEMPTION PROCEDURE	62
16. TRANSFERS OF SHARES	68
17. TERMINATION	70
19. CYPRUS TAXATION	78
20. CONFLICTS OF INTEREST	85
21. RISK FACTORS	88
22. GENERAL	96
APPENDIX I AIFMD INFORMATION CARD	101
APPENDIX II APPLICATION FORM	110
APPENDIX III REDEMPTION REQUEST FORM	111
APPENDIX IV SUB-FUND'S SUPPLEMENTS	112
FUND SUPPLEMENT No. 1	113
FUND SUPPLEMENT No. 2	126
FUND SUPPLEMENT No. 3	139
FUND SUPPLEMENT No. 4	152
FUND SUPPLEMENT No. 5	167

2. IMPORTANT INFORMATION

SOLE BASIS OF OFFER

The Investor Shares are offered solely on the basis of the information and representations contained in this Prospectus and in the Supplement relating to a particular Sub-Fund which should accompany it and no other information or representation has been authorised. Investors should note that a Supplement in respect of any Sub-Fund may modify, supplement or exclude any term or condition stated in this Prospectus as applicable to the relevant Sub-Fund, as well as include terms and conditions which, although not included in this Prospectus, shall apply to the relevant Sub-Fund. In the event of any inconsistency between the contents of this Prospectus and the contents of a Supplement, the contents of the relevant Supplement shall, unless otherwise expressly stated in such Supplement, prevail in respect of the relevant Sub-Fund. If you are in any doubt about the contents of this Prospectus and the relevant Supplement, you should obtain independent advice. Any purchase or subscription made by any person on the basis of information or representations not contained in or inconsistent with the information or representations contained in the Prospectus and the Supplement shall be solely at the risk of the Investor.

This Prospectus should be read together with the Articles, as well as the latest available audited annual report, the latest half-yearly report, if published after the latest annual report, the latest Key Information Document (KID) (where applicable) and any other available reports of the Fund. In the event of any inconsistency between this Prospectus

and the Articles, the terms of the Articles shall prevail.

*Please refer to **section 4 “Definitions”** for a glossary of capitalised terms used in this Prospectus.

REGULATORY STATUS AND CYSEC DISCLAIMER

MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD (the “Fund”), a private company limited by shares incorporated as a Variable Capital Investment Company under the Companies Law Cap 113 and included on the registry of RAIFs, maintained by CySEC in accordance with Part VIII of the Cyprus Alternative Investment Funds Law 124(I)/2018 (“the AIF Law”) as amended or supplemented from time to time.

The Fund is only addressed to Well-Informed and/or Professional Investors (the “**Eligible Investors**”).

As a private company limited by shares the number of Shareholders (including both the holders of the Management Shares and the Investor Shares) is limited to 50 (fifty) in accordance with the provisions of the Articles. In the event that the number of Shareholders exceeds the number of 50 (fifty), the Fund will be converted to a public company, in accordance with the applicable law.

The Fund is not authorised or under the prudential supervision of the CySEC as a consequence of the Fund’s status as a RAIF. Therefore, the protection normally arising as a result of the imposition of the CySEC’s prudential supervision does not apply. Indirect supervision of the RAIF is

ensured by the competent supervisory authority of its authorised AIFM.

The prior approval of CySEC is needed only in specific circumstances and this is mentioned explicitly each time in this Prospectus (as an example for changes to the Investment Policy of a Sub-Fund). In general terms, for any amendment to the Fund's constitutional or other document governing the operation of the Fund as well as any other information submitted to CySEC, a notification to CySEC will be adequate in every case.

Further, the Fund is structured as an umbrella fund with one or more investment compartments (hereinafter each a **"Sub-Fund"**) pursuant to the AIF Law. A separate portfolio of assets is or will be maintained for each Sub-Fund and is or will be invested in accordance with the Investment Objective and the Investment Policy applicable to that Sub-Fund, as shall be set out in a Supplement relating to that Sub-Fund. Within a Sub-Fund, the Directors may decide the issue of one or more Classes of Investor Shares the assets of which will be commonly invested but may be subject to different fee structures, distributions, currency or other specific features. It is to be noted that any new Sub-Fund shall be created only with the prior consent of the CySEC.

The Fund has appointed the AIFM to act as its external manager.

PROSPECTUS

This document constitutes the Prospectus of the Fund and has been prepared in accordance with the AIF Law.

This Prospectus is not a prospectus within the meaning of the provisions of Law 114(I)/2005 (*"Public Offering and*

Prospectus Law of 2005") and is not bound by the requirements of the said law as to the content or conditions or related regulatory matters connected with the issuance of a prospectus.

It is not intended to be distributed or published to the general public.

NEITHER THE DELIVERY OF THIS PROSPECTUS (WHETHER OR NOT ACCOMPANIED BY ANY ANNUAL OR ANY OTHER REPORTS) NOR THE ISSUE OF INVESTOR SHARES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE AFFAIRS OF THE FUND HAVE NOT CHANGED SINCE THE DATE OF THIS PROSPECTUS. SIMILARLY, NO ASSURANCES ARE GIVEN THAT EXISTING APPLICABLE LAWS WILL NOT BE AMENDED OR BE INTERPRETED ADVERSELY.

While the Prospectus and the Supplement(s) will be regularly updated to include any significant modifications, potential investors should confirm with the Fund and/or the AIFM that they are in possession of the most recent Prospectus / Supplement(s). The Directors of the Fund and the AIFM have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge and belief, in accordance with the facts and does not omit anything likely to affect the accuracy of such information.

RESTRICTIONS ON DISTRIBUTIONS

No persons have been authorised by the Fund, its Directors or the AIFM to make any representations or issue any advertisement or to give any information in connection with the offering or sale of Investor Shares other than those

contained in this Prospectus, the Supplements and the Articles.

The distribution of this Prospectus and any Supplement and the offering or purchase of the Investor Shares may be restricted in certain jurisdictions. No Persons receiving a copy of this Prospectus and any Supplement or the Application Form in any such jurisdiction may treat this Prospectus or Application Form as an invitation for them to subscribe for Investor Shares, nor should they in any event use the Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could be lawfully used without compliance with any registration or other legal requirements in respect of the Fund. ACCORDINGLY, THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT LAWFUL OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

The Fund may restrict or prevent the acquisition of any Investor Shares by a Person, if in the absolute discretion of the AIFM, the latter may be detrimental to the interests of the Fund or to existing Investors or if it may result to a breach of any applicable law or as a result thereof the Fund may become exposed to tax disadvantages, fines or penalties that would not otherwise have incurred.

NOTICE TO RESIDENTS OF THE UNITED STATES

The Investor Shares offered hereby have not been approved or disapproved by any securities regulatory authority of any state

in the United States or by the United States Securities and Exchange Commission ("SEC"), nor has any authority or commission passed on the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense. The Investor Shares have not been and will not be registered in the United States under the U.S. Securities Act of 1933, as amended (the Securities Act), or any state securities laws of any state or political subdivision of the United States. The Investor Shares will be offered and sold outside of the United States in accordance with Regulation S under the Securities Act. The Investor Shares will be sold in the United States and to U.S. Persons (as defined, for the purposes of this section, in Rule 902 of Regulation S promulgated under the Securities Act) in reliance on the exemption provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. The Investor Shares will be offered and sold for investment purposes only in the United States to U.S. Persons on a limited basis and subject to the condition that such purchasers make certain representations to the Fund which are intended to satisfy the requirements imposed by U.S. law on the Fund, which require that any U.S. Person that is offered and sold the Investor Shares meets certain sophistication requirements and that the Fund does not engage in a public offering of its Investor Shares in the United States. The Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the 1940 Act), in reliance on one or more exclusions or exemptions therefrom. Therefore, the Fund will not be subject to the provisions of the 1940 Act designed to protect investment company

shareholders. The Fund does not intend to register as an investment company in reliance on Section 3(c)(7) of the 1940 Act (or if such exclusion is not available, one or more other exclusions or exemptions), and will offer and sell the Shares only to U.S. Persons who are (i) “accredited investors” within the meaning of Rule 501(a) of Regulation D under the Securities Act and (ii) “qualified purchasers” as the term is defined under Section 2(a)(51) of the 1940 Act and Rule 2a51-1 thereunder. Each prospective U.S. investor will be required to make representations as to the foregoing and, among other things, to represent that it is purchasing its Investor Shares for its own account for investment purposes and not for resale or distribution. To ensure that these requirements are maintained, the Fund may compulsorily redeem Investor Shares owned by U.S. Persons.

INVESTOR PROFILE

In accordance with the requirements of the AIF Law, the distribution to and subscription (or transfer) of Investor Shares of the Fund is restricted solely to Persons who qualify as Professional or Well-informed Investors.

Management Shares are not being offered for subscription pursuant to this Prospectus.

NO PERSON SHALL BE ACCEPTED AS AN INVESTOR IN THE FUND UNLESS THAT PERSON HAS PROVIDED A WRITTEN CONFIRMATION THAT HE/SHE IS A PROFESSIONAL OR WELL-INFORMED INVESTOR WITHIN THE MEANING OF THE AIF LAW, THAT HE/SHE ACCEPTS THE PROSPECTUS AND ARTICLES OF ASSOCIATION OF THE FUND AND THAT HE HAS RECEIVED, UNDERSTOOD AND ACCEPTED THIS INVESTMENT WARNING.

In this respect an Investor Eligibility Declaration is made by every applicant for Investor Shares together with its application or, as the case may be, the relevant transfer form and is submitted to the Fund completed and signed by the applicant whereby he/she/it confirms that he/she/it qualifies as a Professional or Well-informed Investor and satisfies other applicable criteria and requirements, as provided and subject to the provisions of the Prospectus.

The Investor Shares shall be issued only to such Persons and should not be applied for or subscribed to or transferred to or held at any time by anyone else who is not a Professional or Well-informed Investor. The holding at any time of any Investor Shares by a Person not satisfying the requirements of an Eligible Investor may result in the compulsory redemption of such Investor Shares by the Fund.

The profile of the typical Investor for each Sub-Fund is described in each Sub-Fund.

ANY PERSON WISHING TO APPLY FOR INVESTOR SHARES SHOULD NOTE THAT SOME SUB-FUNDS OR CLASSES OF INVESTOR SHARES MAY NOT BE AVAILABLE TO ALL INVESTORS AND THAT ACQUISITION OF INVESTOR SHARES IN THE FUND MAY NOT BE AVAILABLE TO ALL INTERESTED ELIGIBLE INVESTORS. THE AIFM RETAINS THE RIGHT TO DENY OFFERING OF INVESTOR SHARES TO INVESTORS IN ANY PARTICULAR JURISDICTION IN ORDER TO CONFORM TO THE LOCAL LAW, CUSTOMS, OR BUSINESS PRACTICE OR FOR ANTI-MONEY LAUNDERING, FISCAL, OR ANY OTHER REASONS.

INVESTOR RESPONSIBILITY

It is the responsibility of any Person in possession of this Prospectus and any Person wishing to apply for Investor Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Investor Shares should inform themselves as to the legal requirements of so applying and as to any applicable exchange control regulations and tax laws in the jurisdictions of their respective citizenship, residence or domicile.

PROSPECTIVE INVESTORS SHOULD NOT TREAT THE CONTENTS OF THIS PROSPECTUS AS ADVICE RELATING TO LEGAL, TAXATION, INVESTMENT, FINANCIAL OR ANY OTHER MATTERS. IN MAKING AN INVESTMENT DECISION PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE FUND IS NOT SUBJECT TO THE PROTECTIVE MEASURES AFFORDED BY APPLICABLE LEGISLATION TO THOSE ALTERNATIVE INVESTMENT FUNDS THAT ARE ADDRESSED TO THE GENERAL PUBLIC.

It is the responsibility of the prospective investor to check with the Fund and/or the AIFM, prior to making an application for subscription that he/she/it is in possession of the latest Prospectus, Supplement(s) and Articles as well as any other accompanying reports or documents.

Any investment in the Investor Shares is only suitable for Investors who having carefully considered their personal

circumstances and all of the information contained in this Prospectus, Supplement(s) and other relevant reports, either on their own or in conjunction with the appropriate adviser, are capable of understanding and evaluating the merits and risks of an investment in the Investor Shares of the Fund and have sufficient resources to be able to bear any losses that may result therefrom. Prospective Investors shall have regard to, among other matters, the considerations contained under the heading "Risk Factors" in this Prospectus.

This Prospectus is intended solely for the Person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the Fund, and it is not to be reproduced or distributed to any other Persons (other than professional advisors of the prospective investor receiving this document from the Fund).

EACH PERSON WHO HAS RECEIVED A COPY OF THIS PROSPECTUS (WHETHER OR NOT SUCH PERSON SUBSCRIBES FOR ANY INVESTOR SHARES) IS DEEMED TO HAVE AGREED TO (A) NOT TO REPRODUCE AND DISTRIBUTE THIS PROSPECTUS, IN WHOLE OR IN PART, (B) IF SUCH PERSON HAS NOT SUBSCRIBED FOR INVESTOR SHARES, TO RETURN THIS PROSPECTUS TO THE FUND OR THE AIFM UPON REQUEST, (C) NOT TO DISCLOSE ANY INFORMATION CONTAINED IN THIS PROSPECTUS EXCEPT TO THE EXTENT SUCH INFORMATION WAS (1) PREVIOUSLY KNOWN BY SUCH PERSON THROUGH A SOURCE (OTHER THAN THE FUND OR ITS AFFILIATES) NOT BOUND BY ANY OBLIGATION TO KEEP SUCH INFORMATION CONFIDENTIAL, (2) IN THE PUBLIC DOMAIN THROUGH NO FAULT OF

SUCH PERSON OR (3) LATER LAWFULLY OBTAINED BY SUCH PERSON FROM SOURCES (OTHER THAN THE FUND OR ITS AFFILIATES) NOT BOUND BY ANY OBLIGATION TO KEEP SUCH INFORMATION CONFIDENTIAL AND (D) TO BE RESPONSIBLE FOR ANY DISCLOSURE OF THIS PROSPECTUS, OR THE INFORMATION CONTAINED HEREIN, BY SUCH PERSON OR ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES.

TRANSFER RESTRICTIONS

There is no active secondary market for the Investor Shares, and none is expected to develop. Investor Shares are subject to restrictions on transfer SEE FURTHER **section 16 “Transfer of shares”** in this Prospectus.

REGULATORY CONSIDERATION

THE FUND’S REGISTRATION ON THE REGISTER OF THE REGISTERED AIFS IS NOT TO BE REGARDED AS AN AUTHORISATION BY CYSEC. THEREFORE, THIS ENTRY DOES NOT CONSTITUTE AN ENDORSEMENT, GUARANTEE OR STATEMENT OF APPROVAL BY THE CYSEC NOR IS CYSEC RESPONSIBLE FOR THE CONTENT OF THIS DOCUMENT OR THE SELECTION OF ADEQUACY OF ITS GOVERNING BODY OR SERVICE PROVIDERS.

THE CYSEC HAS MADE NO ASSESSMENT OR VALUE JUDGMENT OF THE SOUNDNESS OF THE FUND OR FOR THE ACCURACY OR COMPLETENESS OF STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO IT. THE CYSEC HAS NOT REVIEWED OR APPROVED THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNAUTHORISED AND UNLAWFUL. INVESTORS MUST RELY SOLELY UPON

THEIR OWN AND THEIR ADVISORS’ DUE DILIGENCE IN MAKING ANY DECISION TO INVEST.

RISK FACTORS

Investment in any Sub-Fund carries substantial risks normally attributable to investment in collective investment schemes. There can be no assurance that the Sub-Fund’s Investment Objective will be achieved, and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment program for any Investor and should be considered by persons viewing this investment as medium to long-term. Prospective investors should carefully consider whether an investment in Investor Shares is suitable for them in light of their circumstances and financial resources. The attention of Investors is drawn to the **section 21 “Risk Factors”** in this Prospectus as well as in the relevant Supplement(s).

COMPLIANCE WITH REGULATION (EU) 2019/2088 (SFDR)

For the purpose of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector (SFDR) the Fund and its Sub-Funds do not meet the criteria to qualify as either environmental, social and governance (ESG) orientated fund pursuant to Art. 8 of SFDR or a sustainable investment fund pursuant to Art. 9 of SFDR. Accordingly, the AIFM shall not be expected to pursue an investment approach that explicitly promotes environmental or social characteristics or to have sustainable investment as its objective. The Fund and its Sub-Funds are therefore to be categorised from an SFDR perspective under Art. 6 of SFDR.

EU TAXONOMY REGULATION

The investments underlying the Fund do not consider the EU criteria for environmentally sustainable economic activities as set out in the EU Taxonomy Regulation 2020/852 (Taxonomy).

DATA PROTECTION

Prospective investors should note that by completing the Application Form they are providing personal information to the Fund, and the service providers who will be directly involved in the processing of various personal data that they receive, collect, store or use in their day-to-day activities, including the AIFM. Processing of personal data will be made in accordance with the Law Providing for the Protection of Natural Persons. With regard to the Processing of Personal Data and for the Free Movement of Such Data 125(I)/2018”, which implements the General Data Protection Regulation EU 2016/679 (the “GDPR Rules”).

Data protection requirements are detailed in **section 14 “Data Protection”** of this Prospectus.

REGISTER OF BENEFICIAL OWNERS

The European Council’s Directive 2015/849/EU on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and the Directive 2018/843/EU on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing was transposed into the Cyprus Legislation through the Prevention and Suppression of Money Laundering Activities Laws of 2007-2021 (the “Law”) on 23 February 2021.

According to the Law, companies and any other legal entities incorporated in the Republic of Cyprus must obtain and hold

adequate, accurate and current information on their beneficial ownership, including details of the beneficial interests held.

The Law provides for the establishment of a central beneficial owners register (the “BO Register”) for companies or other legal entities (“Entities” or “Entity”) under the authority of the Ministry of Energy, Commerce, and Industry. The BO Register is a centralised register that contains information about the beneficial owners of Entities (and concerns both holders of Management Shares and Investor Shares) that fall under the Law such as their first and last names, date and place of birth, nationality, country of residence, exact private or business address details, the national identification number and the nature and extent of their interest.

At the date of this Prospectus, the BO Register is fully accessible to the national authorities within the scope of their duties. Restricted access will be granted to obliged entities, within the meaning of the Law, in the context of conducting due diligence and identification measures for their client.

COMMON REPORTING STANDARD

In the instance where the Fund is considered to be a financial institution, it should be required to be registered with the Cyprus Tax Department for the purposes of the Common Reporting Standard (“CRS”). In this regard, the Fund will be required to disclose the name, address, taxpayer identification number and investment information relating to investors who fall within the definition of Reportable Persons (as such is defined under CRS) that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest

to the Cyprus Tax Department, who will in turn exchange this information with the competent authorities of the country in which the investor is considered to be a tax resident (on the assumption that the relevant country has signed the relevant Multilateral Agreement for the adoption of CRS). Prospective applicants are encouraged to consult with their own tax advisors regarding the possible implications of CRS regarding an investment made in the Fund.

FATCA

The Fund may need to be registered with the Internal Revenue Service of the United States of America and the Cyprus Tax department for the purposes of the Foreign Account Tax Compliance Act (“**FATCA**”). In this regard, the Fund will be required to disclose the name, address, taxpayer identification number and investment information relating to investors who fall within the definition of Specified U.S. Persons (as such is defined under FATCA) that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest to the Cyprus tax authorities, who will in turn exchange this information with the Internal Revenue Service of the United States of America. Prospective applicants are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on an investment made in the Fund.

APPROVAL AND ENDORSEMENT BY THE DIRECTORS AND THE AIFM

The Directors of the Fund and the AIFM (in their capacity as such), whose names appear in the Directory of this Prospectus, have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their

knowledge and belief, in accordance with the facts and does not omit anything likely to affect the accuracy of such information. All the Directors of the Fund and the AIFM accept responsibility accordingly.

STRUCTURE OF THIS DOCUMENT

The Fund has issued this Prospectus, which includes general information in connection with the Fund, and several Supplements, one for each Sub-Fund.

The Prospectus covers all the matters which are generally relevant and/or common to the Sub-Funds. The Supplements contain information directly related to a Sub-Fund such as its Investment Objective and Investment Policy as well as its specific features. Each Supplement forms an integral part of this Prospectus.

In the case of the Fund constituting a new Sub-Fund, a new Supplement, dedicated to the particulars of that Sub-Fund, will be issued.

An Investor will be provided by the Fund both the Prospectus and the relevant Supplement for the specific Sub-Fund, as well as the latest available reports of the Fund. Any Supplement should be read in conjunction with this Prospectus.

In the event of any inconsistency between the contents of this Prospectus and the contents of a Supplement, unless otherwise expressly stated in this Prospectus, the contents of the Supplement shall prevail in respect of the related Sub-Fund.

3. DIRECTORY

Registered Office address

66 Makariou III Avenue, Cronos Court, 5th floor, Office 54,
1077 Nicosia, Cyprus

Directors of the Fund (Non-Executive)

MARINE MKHITARYAN

NELLI THEOFANIDOU

AIFM

GUARDO ASSETS MANAGEMENT LTD

66 Makariou III Avenue, Cronos Court, 5th floor, Office 54,
1077 Nicosia, Cyprus

Administrator

NOVAKASTRO PARTNERS LIMITED

66 Makariou III Avenue, Cronos Court, 5th floor, Office 54,
1077 Nicosia, Cyprus

External Auditor

SAVVA FRANGOUS & ASSOCIATES LTD

4 Annis Komninis, 3rd Floor Office 303. P.O. Box 27300,
1643 Nicosia – Cyprus

Depository

EURIVEX LTD

18 Kyriacou Matsi Ave, Victory Tower, 1st floor,
Nicosia 1082, Cyprus

Legal Advisors

THEODORIDES, GEORGIOU, IACOVOU & CO LLC
12, Esperidon Str., 5th Floor, 1087 Nicosia

Secretary

NOVAKASTRO PARTNERS LTD

66 Makariou III Avenue, Cronos Court, 5th floor, Office 54,
1077 Nicosia, Cyprus

THE DIRECTORS AND/OR THE AIFM MAY DECIDE TO APPOINT ADDITIONAL SERVICE PROVIDERS FOR A PARTICULAR SUB-FUND IN WHICH CASE THE CONTACT DETAILS OF SUCH SERVICE PROVIDERS SHALL BE FULLY DISCLOSED IN THE RELEVANT SUPPLEMENT FOR SUCH SUB-FUND.

4. DEFINITIONS AND INTERPRETATIONS

4.1. DEFINITIONS

Unless defined elsewhere in this Prospectus or unless the context otherwise requires or admits, capitalised words and expressions herein shall have the meaning as described in this section “Definitions and Interpretations”.

Administration Agreement	any agreement for the time being subsisting between the Fund, the AIFM and the Administrator and relating to the appointment and duties of the Administrator.
Administrator	any person as may be appointed by the AIFM to provide administration and related services to the Fund from time to time.
Administrator Fee	a fee payable to the Administrator as may be agreed between the Administrator, the AIFM and the Fund under the terms of the Administration Agreement and as further determined in the relevant Supplement.
Alternative Investment Fund or ‘AIF’	any collective investment undertaking, including investment compartments (Sub-Funds) thereof, which raises capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of those investors and which does not require authorisation pursuant to section 9 of the Open-ended Undertakings for Collective Investments Law 78(I)/2012, as amended, or pursuant to the legislation of another EU Member State which harmonises article 5 of the UCITS Directive into domestic legislation.
AIFM	GUARDO ASSETS MANAGEMENT LTD authorised under the Alternative Investment Fund Managers Law 56(I)/2013 and operating under license number AIFM23/56/2013 granted by the CySEC on 21/05/2018, as the entity designated by the Fund, in accordance with the requirements of the AIF Law, to act as the external manager of the Fund and to provide collective management services in relation to the Sub-Funds under the terms and conditions of the Management Agreement.
AIFMD or AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers
AIFM Law	the Cyprus Alternative Investment Fund Managers Law 56 (I) of 2013 or any other law substituting or amending the same implementing the AIFM Directive.
AIFM Rules	the AIFMD, the Level 2 Regulation, the AIFM Law as well as any implementing measures of the AIFMD and the AIFM Law, to the extent applicable

Anti-Money Laundering Law	the prevention and suppression of Money Laundering and Terrorist Financing Law 188(I)/2007 or any law substituting or amending the same
Application Form	the form to subscribe for Investor Shares in any particular Sub-Fund as approved by the AIFM from time to time, including any appendices, schedules, annexes or any supporting documentation.
Articles	the Memorandum and Articles of Association of the Fund as amended from time to time.
Auditor	any Person as may be appointed to act as the auditor of the Fund from time to time and holds a professional license in accordance with the Auditors and Statutory Audits of Annual and Consolidated Accounts Law 53(I)/2017 or any law substituting or amending the same.
Business Day	any day (other than a Saturday, Sunday or public / bank holiday) on which banks in Cyprus and in the United Kingdom are open for normal banking business.
Class	a particular division of Investor Shares in a Sub-Fund as determined by the Directors. Pursuant to the Articles the Directors may decide to issue, within each Sub-Fund, one class or more separate classes of Investor Shares whose assets are commonly invested but where subscription or redemption fee structures, minimum subscription amounts or other management features may differ, as such details shall be described in the relevant Supplement.
Companies Law	the Cyprus Companies Law, Cap. 113 or any law substituting or amending the same.
Company	means the Fund.
Credit Institution	has the meaning ascribed to such term in the AIF Law.
CySEC Directives	the directives issued by CySEC in exercise of its powers under the provisions of the AIF Law and any other law conferring such powers, as published in the official gazette of the Republic of Cyprus.
CySEC / Regulator	the Cyprus Securities and Exchange Commission.
Cyprus	the Republic of Cyprus.

Depository	the entity (or any successor) as may be appointed to act as depository of the Fund from time to time, as this term is defined in the AIF Law, which is entrusted with, among other, the safekeeping of all the assets of the Company and with any such duties as may be agreed upon pursuant to the applicable law and the provisions of the Depositary Agreement.
Depository Agreement	any agreement for the time being subsisting between the AIFM, the Depository and the Fund in relation to the appointment and duties of the Depository.
Director	a member, at any specific time, of the board of Directors of the Fund. The initial board of Directors is composed of the persons set out in section 8 under <i>“The Directors”</i> . The directors shall hereafter be referred to collectively as the <i>“Directors”</i> and/or the <i>“Board of Directors”</i> .
Distributor	a Person appointed by the AIFM to promote and market the Fund and which is authorised (as applicable) to sell, distribute or assist in selling the Investor Shares generally through the receipt of the Application Form from Eligible Investors and transmitting the same to the AIFM or the Administrator as its delegate for processing.
Dividend	any distribution out of profits and/or proceeds of the Company to some or all Classes of Investor Shares subject to the discretion of the Directors and the provisions of the Companies Law, this Prospectus and the Articles, excluding proceeds from redemptions.
Durable Medium	a letter or text, transferred through fax or an electronic message or any other way of recording and distributing information.
Duties and Charges	all stamp duty and other duties, taxes, governmental charges, levies, exchange costs, valuation fees, agents fees, brokerage fees, commissions, bank charges, transfer fees, and registration fees, whether in respect of the constitution or increase or reduction of the assets of the Fund or the creation, issue, redemption or transfer of Investor Shares of any Sub-Fund or Class or the purchase, sale or disposal of Investments by or on behalf of the Fund or in respect of the issue or cancellation of Investor Shares of any Sub-Fund or Class or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation, including Subscription Fees or Redemption Fees (if any) payable on the redemption and issue of Investor Shares respectively.

Early Redemption Fee	a fee on the Redemption Proceeds that may be charged by the Fund to Investors who, subject to the approval of the AIFM, can redeem their Investor Shares in a particular Sub-Fund prior to the expiration of the Lock-Up Period as this may be specified in the relevant Supplement.
Eligible Investor	any Person who meets the definitions of either a Professional Investor or a Well-Informed Investor and thus is considered eligible to be a holder of Investor Shares in a particular Sub-Fund.
Entry-Cut-Off-Time	the applicable time and/or Business Day prior to the Subscription Day as specified in this Prospectus by which prospective investors or Investors shall be able to submit an Application Form for subscription of Investor Shares, or such other time as the AIFM may determine provided it is prior to the relevant Valuation Day.
Exit-Cut-Off-Time	the applicable time and/or Business Day prior to the Redemption Day as specified in this Prospectus by which prospective investors or Investors shall be able to submit a Redemption Request Form for redemption of Investor Shares, or such other time as the AIFM may determine provided it is prior to the relevant Valuation Day.
Euro or EUR or '€'	the composite monetary unit of the European Economic and Monetary Union.
External Valuer	any natural or legal person appointed by the AIFM to value all or any of the assets of a Sub-Fund in accordance with the requirements of section 19 of the AIFM Law.
Financial Year	the accounting period of the Fund starting on the 1 st January and ending on the 31 st of December of each year, unless otherwise determined by the Directors.
Force Majeure	any cause preventing either any party from performing any or all of its obligations, which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the party so prevented including without limitation an act of God, war, riot, civil commotion, global pandemic, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, fire, flood or storm.
Gate	the restriction placed by the Fund, if any, whereby the amount of redemptions in a Sub-Fund are limited on a particular Redemption Day to a stated maximum percentage of the respective Sub-Fund's assets, as such shall be set in the relevant Supplement as may be applicable.

High Water Mark	the highest Net Asset Value of a Sub-Fund, achieved over such a period as determined by the Directors, that must be exceeded before a Performance Fee may be paid to the AIFM for that Sub-Fund as set out in the relevant Supplement.
Hurdle Rate	the appreciation in the NAV over such period as shall be determined by the Directors, expressed as a percentage in the relevant Supplement, in excess of which the AIFM shall be entitled to a Performance Fee.
IFRS-EU	the International Financial Reporting Standards as adopted by the European Union which will be applied by the Fund in the preparation of the financial statements.
Initial Offer Period ("IOP")	the period (if any) as set in the relevant Supplement during which Investor Shares of any Sub-Fund or Class (as applicable) may be offered by the Fund for subscription at the Initial Subscription Price. For the avoidance of doubt this period may be shortened or extended at the discretion of the AIFM.
Initial Subscription Day	(i) the Business Day immediately following the last day of the IOP in respect of Investor Shares of a particular Sub-Fund or Class, or (ii) (a) in case there is no IOP, or (b) if no subscriptions are accepted during the IOP, such Subscription Day or such other day or days as the AIFM may determine on which the first subscription(s) for the relevant Sub-Fund or Class will have been accepted at the Initial Subscription Price. The launch of a particular Sub-Fund or Class takes place on such Initial Subscription Day.
Initial Subscription Price	the initial fixed price at which any Investor Shares of any Sub-Fund or Class may be offered for subscription on the Initial Subscription Day as set out in the relevant Supplement. The above price is gross of any applicable sum which the AIFM may determine as an appropriate provision for Duties and Charges in respect of the issue of Investor Shares.
Investment(s)	the investment(s) made by the Fund, as set forth in the Supplement for each Sub-Fund.
Investment Objective	the overall objective of the Fund as described in the relevant sections of this Prospectus, which the Fund shall pursue through its Investment Policy.
Investment Policy	the policies that the Fund shall pursue in order to attain the Investment Objective, as such policies are described in the

	relevant section of this Prospectus and as further set forth in the Supplement for each Sub-Fund or Class.
Investor	any registered holder for the time being of Investor Shares.
Investor Eligibility Declaration	the declaration of a prospective investor accompanying the Application Form or transfer form (as applicable) relative to the Investor Shares which must be completed and executed by the prospective investor prior to investing in the Fund and whereby he/she/it confirms that he/she/it qualifies as an Eligible Investor.
Investor Shares	the non-voting redeemable shares in the capital of the Fund which may be issued with reference to one or more Sub-Funds or Classes, with such rights and obligations as set out in this Prospectus, relevant Supplement and in accordance with the provisions of the Articles. All references to Investor Shares shall be deemed to be Investor Shares of any or all Sub-Funds or Classes as the context may require.
Key Information Document (KID)	document issued in respect of each Sub-Fund and/or Class pursuant to the PRIIPs Regulation as further analysed under <i>section 22</i> of this Prospectus.
Level 2 Regulation	the Commission Delegated Regulation (EU) No. 231/2013 supplementing the AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision as may be amended from time to time.
Leverage	any method by which the exposure of the Fund or a Sub-Fund is increased through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.
Liquidity Management Policy	the liquidity management policy established by the AIFM in accordance with the AIFM Rules with a view to monitor the liquidity risk of the AIF and its Sub-Funds and to ensure that the liquidity profiles of the Sub-Funds' investments are in line with their underlying obligations, as may be amended from time to time by the AIFM.
Lock-Up Period	the period (if any) as specified in the relevant Supplement starting from the Initial Subscription Day and/or the relevant Subscription Day during which an Investor is precluded from requesting the redemption of part or all of his Investor Shares (unless the AIFM otherwise agree) and subject to an Early Redemption Fee (as applicable).

Management Agreement	any agreement for the time being subsisting between the Fund and the AIFM in relation to the appointment and duties of the AIFM.
Management Fee	a fee payable to the AIFM as may be agreed between the AIFM and the Fund and as further determined in the Prospectus and/or relevant Supplement.
Management Shares	the voting non-redeemable shares in the share capital of the Fund.
Minimum Holding	the minimum amount or value of Investor Shares as may be determined by the AIFM that must be held by an Investor at any time and further defined in the relevant Supplement.
Material Change	any change to any aspect of the Fund or a particular Sub-Fund which would potentially have a significant impact on the rights of the Investors, or a particular group of Investors. Such changes shall include any change in the Investment Objective, the Investment Policy or a change in this Prospectus which causes a reduction in the Investors' rights or imposes material costs upon the Investors.
Minimum Initial Subscription Amount	the minimum amount that must be invested by a prospective investor in respect of the subscription of Investor Shares in a Sub-Fund or Class as shall be determined by the AIFM and specified in the relevant Supplement (subject to the discretion of the AIFM who may, in certain cases, accept subscriptions for a lesser amount).
Minimum Additional Subscription Amount	the minimum amount that must be invested by an Investor in respect of the subscription of additional Investor Shares in a Sub-Fund or Class as shall be determined by the AIFM and specified in the relevant Supplement (subject to the discretion of the AIFM who may, in certain cases, accept subscriptions for a lesser amount).
Net Asset Value (or NAV)	the net asset value of a relevant Sub-Fund, Class and each Investor Share as the context may require, as at any particular Valuation Day calculated pursuant to <i>section 18 "Determination of the Net Asset Value"</i> of this Prospectus and the Articles.
Net Asset Value per Share	the Net Asset Value of the relevant Sub-Fund or Class divided by the number of Investor Shares in issue of that Sub-Fund or Class, respectively, as at any particular Valuation Day calculated pursuant to <i>section 18 "Determination of the Net Asset Value"</i> of this Prospectus and the provisions of the Articles.
Open-ended	in relation to a Sub-Fund the Shares of which may be redeemed before it commences its winding-up and liquidation proceedings, directly or indirectly, out of its assets and according to the

	procedures and frequency set out in the Articles and/or in this Prospectus, upon request of any of its Investors.
Open-ended with Limited liquidity Sub-Fund	an open-ended Sub-Fund which implements arrangements provided for in the relevant Supplement which result in the limitation of the redemption rights of the Investors.
Performance Fee	an incentive fee payable to the AIFM as may be agreed between the AIFM and the Fund and as further determined in this Prospectus and/or relevant Supplement.
Person	an individual (natural) person or a firm or corporation (legal person).
PRIPs Regulation	the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products.
Professional Investor	an Investor who is considered as a professional client, or who can, upon request, be treated as a professional client within the meaning of Appendix II of the Cyprus Investment Services, Activities and Regulated Markets Law of 2017, as this may be amended or substituted from time to time.
Prohibited Person	any Person applying for subscription of Investor Shares or purporting to acquire Investor Shares by means of transfer of Investor Shares or an existing Investor (i) that does not meet or has ceased to meet the requirements of an Eligible Investor, and/or (ii) that for legal, tax, regulatory or any other reason which from time to time is determined by the AIFM, in its sole discretion, is prohibited from being an Investor.
Prospectus	this prospectus prepared in connection with the offering of Investor Shares and including, where the context so admits or requires, any Supplement to it procured in relation to any Sub-Fund or Class, and as the same may be modified or supplemented from time to time.
Real Assets	tangible and intangible assets with intrinsic value, including but not limited to Real Estate Assets. Real assets encompass a broader category that may include infrastructure, commodities, natural resources, energy, hospitality and other physical or tangible holdings.

Real Estate	▪ properties consisting of land and buildings; ▪ property development projects; ▪ property related long-term interests such as surface ownership, lease-hold and options on real estate properties; and ▪ any other meaning as given to the term by any Cyprus or foreign applicable laws and regulations from time to time.
Redemption Day	such day or days as the AIFM may from time to time determine as of which Investor Shares may be redeemed, subject to any applicable Lock-Up Period and as further determined in the relevant Supplement.
Redemption Fee	such amount or amounts (if any) payable on the redemption of Investor Shares which may be deducted and retained from the Redemption Proceeds, as determined by the AIFM and as further detailed in this Prospectus and/or relevant Supplement.
Redemption Request Form	the form as the AIFM may determine or accept generally or in respect of a specific request of an Investor for the redemption of Investor Shares.
Redemption Notice Period	the notice period for receiving requests for redemption of Investor Shares prior to the Redemption Day selected for redemption unless otherwise determined by the AIFM and as set forth in the Prospectus and/or relevant Supplement.
Redemption Price	the prevailing Net Asset Value per Share on the relevant Redemption Day.
Redemption Proceeds	the Redemption Price per Investor Share multiplied by the number of Investor Shares redeemed, net of any such sum as the AIFM may consider represents the appropriate allowance for Duties and Charges and any other charges associated with a redemption.
Redemption Settlement Period	the period of time, as specified for each Sub-Fund or Class in the Supplement, by the end of which the Fund will normally pay the Redemption Proceeds to redeeming investors, subject to the further provisions of this Prospectus.
Reference Currency of the Fund	the currency in which the Fund is denominated, being the Euro, and is the currency (i) in which the unitary financial statements for the aggregate of the Sub-Funds are drawn, and (ii) in which the share capital of the Fund is expressed.

Reference Currency of the Sub-Fund or Class	the currency in which a Sub-Fund or Class (as appropriate) is denominated, which currency shall be set forth in the relevant Supplement and is the currency (i) on the grounds of which the Net Asset Value of the Sub-Fund or Class is calculated, (ii) on the grounds of which the Subscription Price and Redemption Price of the Investor Shares of such Sub-Fund or Class are calculated, and (iii) in which the financial statements of the Sub-Fund are presented. If such currency denomination is different than the Reference Currency of the Fund, then it shall be converted at the prevailing exchange rate for reporting purposes.
Register	the register of Shareholders to be maintained in accordance with the AIF Law.
Registered Alternative Investment Fund or “RAIF”	An alternative investment fund established in accordance with the provisions of Part VIII of the AIF Law.
Risk Management Policy	the risk management policy established by the AIFM in accordance with the AIFM Rules setting out the risk management systems that are implemented by the AIFM in order to identify, measure, manage and monitor appropriately all risks relevant to the AIF and its Sub-Funds and the Investors.
SFDR	regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
Share	a share in the share capital of the Fund and includes any Management Share and/or Investor Share as the context may require.
Shareholder	a holder of Shares as recorded in the Register and “Shareholders” shall be construed accordingly.
Special Resolution	within the meaning of section 135 (2) of the Companies Law Cap.113 a resolution passed by a majority of not less than 75% of the Shareholder(s) of Management Shares being present (in person or by proxy) and vote at the relevant general meeting of the Fund, for which adequate notice has been given. It is clarified that the above meaning applies to such general meetings which are explicitly required under the Articles for the Shareholder(s) of Investor Shares. To every such separate general meeting of the Shareholders of Investor Shares the provisions of the Articles relating to general meetings shall apply mutatis mutandis.

Sub-Fund/ Investment Compartment	constituted as “investment compartment” (the “Sub-Funds”) pursuant to the AIF Law and representing the designation by the Directors of a particular Class or Classes of Investor Shares as a sub-fund, the proceeds of issue of which are pooled separately and invested in accordance with the Investment Objective and Investment Policies applicable to such Sub-Fund and which is established by the Directors in collaboration with the AIFM from time to time with the prior approval of the CySEC. The Sub-Funds do not have a legal existence distinct from the Fund, however each Sub-Fund is liable only for the debts and obligations attributable to it. The specifications of each Sub-Fund is described in the relevant Supplement. Any references to a Sub-Fund, shall, where the context requires, include any Class of Investor Shares that belongs to such Sub-Fund.
Subscription Day	such day or days as the AIFM may from time to time determine as of which Investor Shares may be issued and allotted as further determined in the relevant Supplement.
Subscription Fee	an amount (if any) payable on the issue of Investor Shares as determined by the AIFM and as further detailed in this Prospectus and/or relevant Supplement.
Subscription Notice Period	the notice period for receiving requests for subscription of Investor Shares prior to the Subscription Day selected for subscription unless otherwise determined by the AIFM and as set forth in the Prospectus and/or relevant Supplement.
Subscription Price	the price at which Investor Shares shall be subscribed following the expiration of the Initial Offer Period (if any), being the prevailing Net Asset Value per Share of the relevant Sub-Fund or Class (as the case may be) on the relevant Subscription Day. The above price is gross of any applicable sum which the AIFM may in its absolute discretion determine as an appropriate provision for Duties and Charges in respect of the issue of Investor Shares.
Subsidiary	has the meaning attributed to it in section 148 of the Companies Law or a corresponding law of another country.
Supplement	the document outlining information in respect of a particular Sub-Fund or Class, constituting a supplement to this Prospectus and being an integral part thereto and which is to be read in conjunction with the Prospectus.

Sustainability Risk	the SFDR defines sustainability risk as an environmental, social or governance event or condition, that if it occurs, could cause an actual or a potential material negative impact of the value of investments.
Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment
UCITS Directive	the Directive of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (No. 2009/65/EC), as amended.
Umbrella Fund	an AIF established and operating as an AIF with one or more Investment Compartments.
Valuation Day	such day or days as the AIFM may from time to time determine as of which the Net Asset Value will be calculated in accordance with the provisions of this Prospectus and/or relevant Supplement, the Articles and IFRS-EU for the purpose of determining the price at which Investor Shares may be issued, cancelled or redeemed PROVIDED THAT there shall be at least one valuation day in respect of each Subscription Day and, Redemption Day and as at the end of each annual and half-yearly reporting period.
Valuation Policy	the valuation policy established by the AIFM in accordance with the AIFM Rules with a view to ensure a sound, transparent, comprehensive and appropriately documented valuation process of the Fund's portfolio, as may be amended from time to time by the AIFM.
Variable Capital Investment Company	shall have the meaning given to it in the AIF Law.
Well-Informed Investor	every Investor who is not a Professional Investor, but fulfills the following criteria: (a) the Investor confirms in writing: (i) that he has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks associated with the prospective investment and that he is aware of the risks associated with the prospective investment, or (ii) that his business activity is related to the management, acquisition or sale of assets, either on the investor's own account

or on behalf of third parties, and are of the same type as the investments of the AIF, and

(b) (i) invests at least €125.000 (or equivalent in another currency) in the AIF, or

(ii) has been assessed by a Credit Institution, an AIFM, a UCITS Management Company, an IF or an external manager of AIFs authorised in the Republic or another Member State for the management of AIFs whose assets do not exceed the limits provided for in article 4(2) of the Alternative Investment Fund Managers Law or the corresponding article 3(2) of Directive 2011/61/EU, and the above assessment shows that he has the necessary knowledge and experience in financial and business matters, to evaluate the merits and risks associated with the AIF's prospective investment based on the AIF's investment policy, or

(iii) is employed by one of the persons referred to in subparagraph (ii) of paragraph (b), receiving total remuneration that takes him into the same remuneration bracket as the natural persons who effectively conduct the business of the person referred to in subparagraph (ii) of paragraph (b) or the executive members of their governing body, who effectively conduct their business.

(c) by way of derogation from paragraphs (a) and (b), the Investor is a person who effectively directs the business of the AIF or its external manager or is a person engaged in the AIF's investment management functions.

4.2. PRINCIPLES OF INTERPRETATION

Unless the context otherwise requires:

- words importing the singular number shall include the plural number and vice versa;
- words importing the masculine gender only shall include the feminine gender and vice versa;
- words importing persons only shall include any individual, firm, company, corporation, unincorporated corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- a reference to a law shall include reference to any amendment or re-enactment thereof for the time being in force;
- a reference to a document includes all amendments or supplements to that document, or replacements or novation of it; and

- a reference to an entity in the Prospectus (as the context requires) includes that entity's successors and permitted assigns.

5. KEY FEATURES

The following is a brief summary of the principal features of the Fund and should be read in conjunction with the full text of this Prospectus and Supplements thereto, as well as the Articles from which the information is derived.

The Company/ Fund	MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD (the “Fund”) a private company limited by shares incorporated as a Variable Capital Investment Company under the Companies Law Cap 113, under registration number HE 469511 and included on the registry of RAIFs maintained by CySEC in accordance with Part VIII of the AIF Law as amended or replaced from time to time. The Fund is not authorised or under the prudential supervision of the CySEC as a consequence of the Fund’s status as a RAIF. Therefore, the protection normally arising as a result of the imposition of the CySEC’s prudential supervision does not apply. Indirect supervision of the RAIF is ensured by the competent supervisory authority of its authorised AIFM.
Umbrella Fund	The Fund is structured as an umbrella Fund with segregated liability between its Sub-Funds.
Share Capital	The Share Capital of the Fund is divided into: — One thousand (1000) Management Shares of no par value, offered at an initial price of €1.00 (Euro one) each, — One billion (1,000,000,000) Investor Shares of no par value.
Offering	Investor Shares of the Fund.
Investment Objective and Policy:	The Fund’s primary Investment Objective is to achieve an attractive risk-adjusted return on a direct and/or indirect portfolio of Real Assets. The Fund will provide Investors with a choice to invest through a number of Sub-Funds, each with a specific investment strategy and risk profile. The specific Investment Objective and Policy of each Sub-Fund will be set out in the relevant Supplement and will be formulated by the Directors in consultation with the AIFM at the time of creation of the relevant Sub-Fund.

Leverage	Each Sub-Fund has its own borrowing restrictions as determined in the relevant Sub-Fund Supplement under “Borrowing and Leverage” . There are no restrictions on the type or source of leverage that each Sub-Fund is permitted to incur, whether such leverage is provided from funding (financial type) or from particular securities (instrument).
Investor Profile & types of Shares Available:	Professional and/or Well-informed Investors may subscribe for Investor Shares (Non-Voting)
Number of Shareholders	The number of Shareholders in the Fund is limited to 50 (fifty) (including both the holders of Management Shares and Investor Shares) as the Fund is incorporated under the legal form of a private company limited by shares.
Reference Currency of the Fund:	Euro
Fund life:	Unlimited, although Sub-Funds may be set up with a limited duration.
Dividend Policy:	The Directors in consultation with the AIFM will have absolute discretion as to the payment of dividends. They may declare annual or interim distributions out of the net investment income and net realised capital gains.
Financial Year End	The Financial year end of the Fund is 31 st December every year.
Financial Reporting	Audited annual report and unaudited half-yearly report of the Fund to be submitted to CySEC and made available to the Investors free of charge within six (6) months from the end of the financial year and two (2) months from the end of the six-month period of the financial year respectively.
Investor’s ongoing disclosures	Ongoing disclosures will be made to Investors on an at least annual basis as per the provisions of section 22 “General” under <i>“Reports”</i> of this Prospectus. Other information such as the Net Asset Value, the Subscription Price and Redemption Price are made available to Investors as described in this Prospectus.
Sale and Transfer Restrictions:	Investor Shares may only be offered to, issued in the name of, or transferred to, Eligible Investors subject to the approval of the AIFM.

Risk Factors:	There are significant risks associated with investments in the Fund and Investors/prospective investors' attention is drawn to the risks outlined in the section 21 “<i>Risk Factors</i>” .
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6. THE FUND STRUCTURE

The Fund is a private company limited by shares incorporated in Cyprus as a Variable Capital Investment Company under the Companies Law, on the 31 December 2024 under registration number HE 469511. It is included on the registry of Registered Alternative Investment Funds kept by the CySEC under registration number RAIF196 and date 7 February 2025 in accordance with Part VIII of the AIF Law. It is organised as an umbrella fund with one or more Sub-Funds.

Investor Shares are offered by private placement to Eligible Investors.

RAIF STATUS OF THE COMPANY

The Fund qualifies as a RAIF under the AIF Law and is externally managed pursuant to the provisions of section 135 (1) (a) of the AIF Law by GUARDO ASSETS MANAGEMENT LTD, authorised under the Alternative Investment Fund Managers Law 56(I)/2013 and operating under license number AIFM23/56/2013 granted by the CySEC on 21/05/2018. More details as to the AIFM are set out under the **section 9 “AIFM”**.

SEVERAL SUB-FUNDS & CLASSES OF SHARES

The Fund is organised as an umbrella fund composed of one or several investment compartments within the meaning of section 9 of the AIF Law (each compartment referred to as ‘**Sub-Fund**’). The Directors in consultation with the AIFM may from time to time resolve to establish a new Sub-Fund through the creation of one or more Classes of Investor Shares upon such terms as they may determine.

Segregated liability of Sub-Funds

A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the Investment Objective and Investment Policy applicable to that Sub-Fund. The Investment Objective and Investment Policy as well as other specific features of each Sub-Fund are set forth in the Supplemental of the relevant Sub-Fund. Although the Fund is a single entity, the assets of one Sub-Fund are only responsible for the debts, engagements and obligations attributable to this Sub-Fund. Each Sub-Fund will be separately valued, and each Sub-Fund will be maintained separately with separate accounting records.

The rights of Investors created by the constitution, operation or dissolution of a particular Sub-Fund are limited to the assets of the same Sub-Fund, corresponding in the case of Investors to the Investor Shares for which they subscribed. The dissolution of a Sub-Fund as well as the withdrawal of an operational license from CySEC of a Sub-Fund is without prejudice to the remaining Sub-Funds.

Sub-Funds are distinguished by their specific investment objectives, policy, risk profile, investment techniques or any other specific features. The Investment Objective and Investment Policy and terms of investment for each Sub-Fund will be as determined in the respective Supplement. Prospective investors may choose which Sub-Fund(s) may be most appropriate for their specific risk and return expectations, as well as for their diversification

needs. Each Sub-Fund may further differ in respect of its fee structures, distributions, marketing targets, denominations in currency or any other aspects.

The Investment Objective and Investment Policy and offering methods of each Sub-Fund and/or Class will be communicated at the appropriate time by an update to the Prospectus in the form of a Supplement.

Liquidity of Sub-Funds

A Sub-Fund may be established as an Open-ended Sub-Fund or a Limited Liquidity Sub-Fund. The Subscription Days and Redemption Days and notice periods for each Sub-Fund will be set out in the relevant Supplement.

Each Sub-Fund may further differ in respect of its fee structures, distributions, marketing targets, denominations in currency or any other aspects.

Classes of Shares

In respect of each Sub-Fund, the Directors may decide without giving prior notice to, or receiving consent from existing Investors, issue one or more Classes of Investor Shares allocated to each Sub-Fund, which may differ inter alia in the fee structure, the type of targeted investor, the Investor Shares distribution policy, currency etc.

In case of the creation of an additional Class or Classes of Investor Shares in a Sub-Fund, the relevant Supplement will be amended accordingly.

INVESTORS SHOULD HOWEVER NOTE THAT SOME SUB-FUNDS AND/OR CLASSES MAY NOT BE AVAILABLE TO ALL INVESTORS. THE FUND RETAINS THE RIGHT TO OFFER ONLY ONE OR MORE CLASS(ES) FOR SUBSCRIPTION TO A CERTAIN GROUP OF POTENTIAL INVESTORS, FOR INSTANCE INVESTORS IN ANY PARTICULAR JURISDICTION IN ORDER TO CONFORM TO LOCAL LAW, CUSTOMS OR BUSINESS PRACTICE OR ANY OTHER REASON.

All Investor Shares of the same Class have equal rights and privileges. Each Investor Share is upon issue, entitled to participate equally in the profits, dividends and other distributions of the Sub-Fund attributable to the relevant Class to which such Investor Share belongs, as well as in the liquidation proceeds of such Sub-Fund.

The assets and liabilities attributable to a Class of Investor Shares in a Sub-Fund does not constitute a separate patrimony from the assets and liabilities attributable to the other Classes of Investor Shares in the same Sub-Fund.

OFFER DOCUMENTS

The offer of Investor Shares in any Sub-Fund is governed by this Prospectus and the Articles as the same may be amended and updated from time to time.

This Prospectus is accompanied by Supplements issued in connection with the offer of Investor Shares in the Sub-Funds of the Fund as further described individually in the relevant Appendix. If further Sub-Funds are created, the Prospectus will be updated accordingly.

When other Sub-Funds are created in the future, this Prospectus will be accompanied by a Supplement for each new Sub-Fund. Such Supplement will be submitted to the Regulator and being made available to potential investors only upon the Sub-Fund's name is included in the register of RAIFs maintained by CySEC.

REFERENCE CURRENCY OF THE FUND

The Reference Currency of the Fund shall be the Euro. Unless otherwise decided by the Directors for a particular Sub-Fund or Class and set out in the relevant Supplement, financial statements will be prepared, and the Net Asset Value shall be calculated in the Reference Currency of the Fund, and the subscription and payment of Redemption Proceeds shall be made in such Reference Currency.

DURATION OF THE FUND

The Fund is constituted for an indefinite term although any Sub-Fund which may be created by the Fund from time to time may be created with or for an indefinite or a definite term as may be specified in the relevant Supplement. This provision shall apply *mutatis mutandis* to the creation of a Class.

MINIMUM CAPITAL OF THE FUND

In accordance with Sections 14 and 136 of the AIF Law, each Sub-Fund has the obligation of raising a minimum capital, from investors' subscriptions, within a period of 12 months, from the date its authorisation was granted, of an amount of at least €500.000 (five hundred thousand). Such period may be extended for an additional period of a maximum twelve (12) months period, when CySEC, in its discretion, decides that specific circumstances shall apply. It is provided that, for the purposes of complying with such thresholds, capital commitments shall not be included in the calculation of the minimum level of subscriptions.

7. INVESTMENT OBJECTIVE, POLICY, LIMITATIONS AND RESTRICTIONS

The Investment Objective and Investment Policy will be determined by the Board of Directors and implemented by the AIFM in accordance with the provisions of this Prospectus, any relevant Supplement and the Management Agreement.

As stated herein, the Fund may create several Sub-Funds with different Investment Objectives, Investment Policies, strategies and risk profiles, giving to Investors the option to choose how their funds will be allocated into the various Sub-Funds.

Any Investor Shares in such Sub-Funds may be offered at any time without further notice to or consent of existing Investors. Upon the creation of any future Sub-Funds or Classes, it is not required that such Investor Shares be distributed to any existing Investors in priority of other persons as of the date of such future offering as there are no pre-emptive rights in this respect.

ANY CHANGES TO THE INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF A SUB-FUND IS TO BE NOTIFIED TO CYSEC BY THE AIFM ONE MONTH PRIOR TO ITS IMPLEMENTATION FOR APPROVAL UNDER SECTION 138(6) OF THE AIF LAW.

INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF SUB-FUNDS

The Fund aims to achieve an attractive risk-adjusted return on a direct and/or indirect portfolio of Real Assets in alignment with the Investment Objectives and Investment Policies of its Sub-Funds. This will be achieved in accordance with this Prospectus and relevant Supplements, the AIF Law, applicable CySEC Directives, and any other relevant laws and regulations, subject to any limitations set out therein.

The assets of each Sub-Fund will be invested separately in accordance with the Investment Objectives and Investment Policies of the particular Sub-Fund. The specific Investment Objectives and Investment Policies of each Sub-Fund will be set out in the Prospectus and relevant Supplement and will be formulated by the Directors in consultation with the AIFM at the time of creation of the relevant Sub-Fund.

More generally, the Fund may invest as permitted by the AIF Law, any applicable CySEC Directives and subject to any limitations set out therein.

The Sub-Funds will feature distinct yet complementary strategies that align with the Fund's overall goal of delivering attractive risk-adjusted returns:

a. **Private equity focus:** One or more Sub-Funds will primarily invest in controlling stakes in unlisted companies, targeting sectors such as building materials or other high-growth industries. These Sub-Funds may focus on specific geographies to leverage local economic trends and advancements in sustainability, technology, and other relevant factors, as outlined in the applicable Supplement.

b. **Real estate focus:** One or more Sub-Funds will seek long-term growth through a combination of capital appreciation and regular income distribution. These Sub-Funds may invest, directly or indirectly, in a wide range of real estate-related assets primarily commercial properties, but potentially including residential assets as well. The focus will be on key commercial property markets, with specific geographies and regions outlined in the relevant Supplement.

There is no guarantee that the investment objective will be met.

The Directors may impose additional investment guidelines and/or restrictions for a particular Sub-Fund from time to time, for instance where it is necessary to comply with local laws and regulations in countries where Investor Shares are distributed. Each Sub-Fund should be regarded as a separate AIF for the purposes of this section.

Unless otherwise stated in the relevant Supplement the Sub-Funds do not promote environmental or social characteristics nor have a sustainable investment as their objective and are considered as falling within the scope of Article 6 of the SFDR since sustainability risks are not considered to be relevant.

OTHER PERMITTED INVESTMENTS

Pending deployment of the Fund's subscriptions in Investments in terms of the Investment Objective and Investment Policy (as set out in the relevant Supplement), the Fund can invest certain portion of its subscription monies in short term deposits or other money market instruments, subject to such guidelines as may be specified by the Directors and/or the AIFM from time to time.

INVESTMENT LIMITS AND RESTRICTIONS

Subject to AIF Law, AIFM Law and CySEC Directives the investment restrictions for each Sub-Fund are formulated by the Directors at the time of the creation of the Sub-Fund, details of which will be contained in the relevant Supplement.

CROSS INVESTMENT

Subject to the provisions of section 9 of the AIF Law a Sub-Fund of the Fund (the "Investor Sub-Fund") may invest in another Sub-Fund (the "Target Sub-Fund") where such investment is appropriate to the investment objectives and policies of the relevant Sub-Fund. Where the Fund intends to do so, this should be disclosed in the relevant Supplement of the acquiring Sub-Fund and may only take place under the terms of section 9 (5) of the AIF Law, pursuant to which:

- i. The Investor Sub-Fund invests in total up to 35% of its assets in the Target Sub-Fund;
- ii. The Target Sub-Fund shall not invest in the Investor Sub-Fund;
- iii. the voting rights, if any, attached to the shares corresponding to the investment made by the Investor Sub-Fund in the Target Sub-Fund, are suspended for as long as they are held by the Investor Sub-Fund;
- iv. The AIFM will waive the portion of its Management Fee corresponding to that portion of the Investor Fund assets invested in the Target Sub-Fund(s) unless such investment in another Sub-Fund is made into a class of Investor Shares that does not attract any Management Fee. In addition, no Subscription Fee or Performance Fee or Redemption Fee (if applicable) and in general, no remuneration or management, marketing, redemption or repurchase fees, as well as any expenses regarding the marketing, redemption or repurchase of shares related to the investment of the Investor Sub-Fund in the Target Sub-Fund will be charged on the cross-investing Sub-Fund's investment; and

- v. the AIFM shall ensure that the value of the Investor Shares that correspond to investments in a Target Sub-Fund, is not included twice in the calculation of the NAV of the Fund (where applicable).

BORROWING AND LEVERAGE

Subject to any limits imposed by the AIF Law and any restrictions laid down by the CySEC, the Directors in collaboration with the AIFM may at any time in such circumstances where they deem it appropriate to do so, make and vary arrangements for borrowing or leverage by the Fund for the account of a Sub-Fund from bankers, brokerage firms and other financial institutions and may charge or instruct the Depositary to charge the assets of a Sub-Fund as security for the debts or obligations of that Sub-Fund. Borrowings may be effected for a number of purposes, including to increase investment capacity, pay operating expenses, make redemption or distribution payments or for clearance of transactions.

Leverage may be obtained on a secured or unsecured, collateralised or uncollateralised basis.

The borrowing and leverage limits (if any) for each Sub-Fund (and the details of any collateral arrangements to secure borrowings) are set out in the relevant Supplement. The amount of leverage employed may vary and will depend on the AIFM's view of contemporary and expected market volatility and the scope of opportunities identified by the AIFM.

Loans made to the Fund will be on a non-recourse basis to the Investors.

The AIFM will, in accordance with the AIFM Rules, disclose to Investors in the applicable Sub-Fund the total amount of leverage calculated in accordance with the AIFM Rules as well as any changes to the maximum level of leverage.

SUBSIDIARIES

Based on various commercial considerations, the Fund may establish Subsidiaries in Cyprus or other relevant jurisdictions, details of which will be disclosed in the annual report of the Fund. As such in circumstances as specified in the Supplement for the relevant Sub-Fund, a Sub-Fund may hold its investments indirectly through such Subsidiaries.

This is in accordance with best practices and subject to the AIF Law and any applicable CySEC Directives. These directives may require, among other things, the prior approval of the CySEC for an AIF to incorporate a subsidiary, as well as for the constitutional documents of the AIF to allow for the incorporation of a subsidiary. Furthermore, the following shall apply in relation to the establishment of a Subsidiary:

- (i) the Subsidiary must be wholly owned and controlled by the Fund. The directors of the Fund must form a majority of the board of directors of the Subsidiary; and;
- (ii) the Subsidiary must not be an undertaking for collective investment in transferable securities; and

- (iii) the Subsidiary must not appoint any third parties or enter into any contractual arrangements unless the Fund is a party to such appointments or contractual arrangements; and
- (iv) the instruments of incorporation of the Subsidiary must include provisions which restrict the Subsidiary from acting other than under the control of the Fund and which restrict any person or entity other than the Fund from holding shares in the Subsidiary. This does not restrict the Fund to dispose and transfer to third parties its total holding in the Subsidiary, in compliance with the regulatory framework within which the Subsidiary may operate; and
- (v) the assets held by the Subsidiaries must be valued in accordance with the valuation rules of the Fund.

None of the investment restrictions set out in the Prospectus or relevant Supplement shall apply to investment in or loans to any such Subsidiary company and the investments or other property held by or through any such entity shall be deemed for such purposes to be held directly for the relevant Sub-Fund.

Without prejudice to the above provisions the Directors, at their own discretion and in collaboration with the AIFM, may decide the establishment of co-investment vehicles as set out in the relevant Supplement.

RISK MANAGEMENT

The AIFM will maintain an adequate and documented Risk Management Policy that seeks to identify all relevant risks to which the Fund and its Sub-Funds are or may be exposed. This policy will include such procedures as are necessary to enable the AIFM to assess the exposure of the Sub-Funds to market, liquidity, credit, counterparty, sustainability and operational risks as well as to all other relevant risks which are material to the Fund.

Risk indicators are used to assess sustainability risks. The risk indicators may correspond to quantitative or qualitative factors and are based on environmental, social and governance aspects and serve to measure risk in relation to the aspects under consideration.

The risk profile of the relevant Sub-Funds will be disclosed to the relevant Investors in accordance with the AIFM Rules, including: (i) the measures taken to assess the sensitivity of each Sub-Fund's portfolio to the most relevant risks to which such Sub-Fund is or could be exposed; and (ii) a description of the circumstances where the risk limits, if any, set by the AIFM have been exceeded (or are likely to be exceeded) and the remedial measures taken. The AIFM will make this information available to all relevant Investors, to the extent not already made through this Prospectus or a Supplement, through periodic disclosures as required by the AIFM Rules.

Material changes in respect of the current risk profile of the Funds and the Risk Management Policy employed by the AIFM will be disclosed in the annual report of the Fund.

LIQUIDITY RISK MANAGEMENT

The AIFM maintains a Liquidity Management Policy to monitor the liquidity risk of each Sub-Fund which includes among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions. The liquidity management systems procedures employed by the AIFM allow it to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out under **section 15 “Redemption Procedure of Investor Shares”**. Other arrangements may also be used in response to redemption requests, including the use of gates and similar arrangements (as set out in this same **section 15**) which, if activated will restrict the redemption rights investors benefit from in the ordinary course in certain circumstances. The investment and financing strategy, liquidity profile, distribution policy and redemption policy of each Sub-Fund shall be consistent with its respective liquidity needs, taking into account the time required for liquidation and the price or value at which the Sub-Fund’s Investments can be liquidated, as well as their general sensitivity to other market risks or factors.

As part of the liquidity management tools that the AIFM and the Board may employ is redemption in kind. Such a measure may be employed where it is deemed to be in the best interests of Investors.

The AIFM shall have the ultimate responsibility for periodically assessing the appropriateness and effectiveness of such liquidity risk management procedures, taking into consideration the respective Sub-Fund’s Investment Policy and Investments.

DISTRIBUTION POLICY

The Directors will examine the prospects of each Sub-Fund’s Investment Policy and its target market and accordingly decide in collaboration with the AIFM whether profits shall be distributed or re-invested in other opportunities. Additional or differentiating terms with respect to dividend distribution of a particular Sub-Fund or Class may apply, as these shall be set out in each Supplement.

Further provisions as to dividends are set out in the Articles.

LISTING

Application may be made to list Investor Shares of any of the Sub-Funds or certain shares classes within a Sub-Fund on a stock exchange or regulated market as determined by the Directors of the Fund in collaboration with the AIFM. The approval of any listing particulars pursuant to the listing requirements of the relevant stock exchange or regulated market does not constitute a warranty or representation by such stock exchange or regulated market as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the shares for investment or for any other purpose.

8. DIRECTORS OF THE FUND

DIRECTORS OF THE FUND

The Board of Directors has assigned the day-to-day collective management of the Company to the AIFM, through the Management Agreement as further described under **section 9 “AIFM”**. The Board of Directors has the power and authority to take any action from time to time as it may deem to be necessary, appropriate, or convenient in connection with the management and conduct of the business and affairs of the Company pursuant to the Articles, Companies Law and AIF Law.

Without prejudice to the duties performed by the AIFM, the Directors are responsible for the overall management and control of the Fund. The Directors shall be further responsible for determining the general Investment Objective and Investment Policy of the Fund and each Sub-Fund in compliance with the applicable laws and Articles. The operations of the Fund are to be reviewed at regularly scheduled meetings of the Board of Directors, which shall take place at least quarterly. For the purpose of facilitating such meetings, the Directors will arrange for quarterly reports detailing the performance of the Fund and providing analysis of the Investments. Such reports may be prepared by the AIFM solely or in cooperation with the Directors.

In performing their duties, the Directors are entitled to rely upon the work performed by and information received from the AIFM and any of its delegates.

The Directors, all acting in a non-Executive capacity, are highly educated professionals, and they are:

Ms. Marine Mkhitarian

Marine Mkhitarian is a highly accomplished Accountant and Managing Director with over 10 years of experience in the industry and has a proven track record in Operational Management and Accounting. Throughout her career, she has played a pivotal role in achievements such as implementing financial systems, improving reporting processes, ensuring financial health and stability of the organization. Her ability to analyse complex financial data, streamline operations, mentor teams and communicate fluently in four different languages has earned her a reputation for delivering excellence.

Marine Mkhitarian holds a bachelor's degree, Achievement with honor in Business Administration/Accounting.

Ms. Nelli Theofanidou

Nelli Theofanidou is a skilled accounting manager with significant audit experience, currently leading as an accounting manager at AA Accounting Services Ltd.

She specialized in accounting, financial reporting and ensuring that the organization meets its financial objectives. She is known for her attention to detail, problem solving and ability to manage complex financial tasks effectively.

Nelli Theofanidou holds a bachelor's degree in business administration/accounting from Frederick University Cyprus, Nicosia and has completed the ACCA and holds a Microsoft Office User Specialist award.

QUALIFICATIONS OF DIRECTORS AND PROCEDURES OF THE BOARD

The procedures as to the appointment and removal of Directors are set out in the Articles. Upon replacement or dismissal or resignation of a Director of the Company, this Prospectus shall be updated accordingly.

The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings as they think fit and questions arising at any meeting shall be decided in accordance with the provisions of the Articles.

A Director cannot vote in respect of any agreement or transaction in which he has a material interest unless the material facts of such interest are disclosed in good faith at the meeting of the Directors at which any such agreement or transaction shall be presented for consideration.

The Directors may exercise all the powers of the Fund to borrow money and to mortgage or charge its undertakings, property and any uncalled capital or any part thereof, to issue debentures, debenture stock and offer securities whenever money is borrowed as security for any debt, liability or obligation of the Fund.

As of the date of this Prospectus no Director has (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of a voluntary arrangement, or has had a receiver appointed to any of his assets; or (iii) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The Directors are not required to acquire and hold any Shares as a qualification of holding office, nor are they prohibited from acquiring Investor Shares for investment purposes.

INDEMNITY & INSURANCE

Insofar as the applicable laws allow, the Directors of the Fund shall be indemnified out of the assets of the Fund against any loss or liability incurred or sustained by them in or about the execution of their duties except in so far as such loss or liability was caused through the negligence, default, breach of duty or breach of trust of such Director. The Directors may authorise the purchase or maintenance by the Fund out of the assets of the Fund of any such Director's insurance as permitted by law in respect of any liability which would otherwise attach to the Directors.

9. AIFM

The Fund has appointed GUARDO ASSETS MANAGEMENT LTD, a private company limited by shares incorporated in Cyprus on 19/10/2017 under registration number HE 375079 with registered office situated at 66 Makariou III Avenue, Cronos Court, 5th floor, Office 54, 1077 Nicosia, Cyprus, as its external manager under the terms of the Management Agreement.

The AIFM was authorised by the CySEC as an alternative investment fund manager on 21/05/2018 with authorization number AIFM23/56/2013 under section 8 of the AIFM Law and whose authorisation covers the Investment management functions of section 6(5)(a) of the AIFM Law.

At the date of this Prospectus, the paid-up capital of the AIFM amounts to €125,000 (one hundred twenty-five hundred). The AIFM must have an initial capital of at least a hundred and twenty-five thousand Euros (EUR 125,000), plus an additional amount of own funds if the value of the portfolios of AIFs managed by the AIFM exceeds two hundred and fifty million Euros (EUR 250,000,000). That additional amount of own funds will be equal to zero-point zero two percent (0.02 %) of the amount by which the value of the portfolios of AIFs managed by the AIFM exceeds two hundred and fifty million Euros (EUR 250,000,000), provided that required total of the initial capital and the additional amount of own funds will not, however, exceed ten million Euros (EUR 10,000,000) in aggregate. In addition, the AIFM will provide additional own funds to cover its liability risks arising from professional negligence in an amount at least equal to zero-point zero one percent (0.01%) of the value of the portfolios of AIFs managed and/or hold a professional indemnity insurance against liability arising from professional negligence.

The assets of the Fund will be segregated from those of the AIFM's assets and from the assets of other collective investment undertakings under management of the AIFM.

Besides managing the Fund, the AIFM currently manages additional undertakings for collective investments, the list of which can be obtained from the AIFM. As of the date of this Prospectus, the Fund and the AIFM do not belong in the same group of companies.

The AIFM has taken steps and will continue to ensure that during the entire duration of the Fund:

(a) there will be, at all times, adequate staffing resources dedicated to the Fund in order for the AIFM to comply with its duties and obligations under the AIFM Management Agreement, and

(b) without prejudice to the above, the directors, officers, employees and agents of the AIFM will devote as much of their time to the activities of the Fund as necessary and appropriate to ensure the proper performance of their duties.

DUTIES OF THE AIFM

The AIFM shall be responsible for carrying out the investment management functions (comprising of the portfolio management, risk management, administration and marketing

functions) as these are described under section 6(5) of the AIFM Law and section 135(3)(b) of the AIF Law subject to the overall supervision and control of the Directors. It shall assume the obligations and powers attributed to it as further set out in the relevant Management Agreement, in each case in accordance with the provisions of the Articles and the Prospectus as well as Cyprus applicable laws, in order to achieve the Investment Objectives and Investment Policies of the Fund.

The AIFM ensures that the Fund complies with the so called 'AIFM Rules' applicable to it, including, inter alia, the appointment of Fund's depositary and independent auditor, the content of the Fund's annual report and the valuation of the Fund's assets. The AIFM shall be authorised to delegate part of its functions, as further described in this Prospectus and subject to the AIFM Rules and relevant provision of the Management Agreement.

Among other requirements of the AIFM Law, the AIFM shall:

- a. have full power, authority and right to exercise the functions, duties, powers and discretion exercisable by the Directors under the Articles either itself or wholly or in part through authorised officers, directors, employees, agents or delegates to manage the investment and re-investment of each Sub-Fund with a view to achieving the Sub-Funds' investment objectives;
- b. be responsible for the management of the assets of each Sub-Fund;
- c. be responsible for making available to prospective investors the information required by the AIFM Rules;
- d. comply with all duties, obligations and functions of an AIFM as are contained in the Level 2 Regulation as they apply to the services it provides to the Fund; and
- e. be responsible for marketing and distributing the Investor Shares of the Fund and performing such other duties as required under the AIFM Law.

The AIFM's senior management is responsible for: valuation policies; compliance function; investment policy; investment strategy; risk limits and investment decision-taking monitoring. The AIFM's Board of Directors shall receive regular (at least annual) written reports on compliance, internal audit and risk management and regular reports on (i) the implementation of investment strategies; and (ii) internal procedures for taking investment decisions.

The AIFM shall ensure that its decision-making procedures and its organisational structure ensure fair treatment of Investors in the Fund.

COMMITTEES

In respect of a specific Sub-Fund, an investment committee (each an "Investment Committee") or advisory committee may be established at the level of the AIFM and its functioning and composition will be set out in the relevant Supplement.

FEES

In consideration of the services rendered by the AIFM, the latter may be entitled to receive a Management and/or Performance Fee as further described for each Sub-Fund individually in the relevant Supplement.

AIFM REMUNERATION POLICY

The AIFM has in place a remuneration policy which is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Sub-Funds. The AIFM's remuneration policy is in line with the business strategy, objectives, values and interests of the AIFM and the Sub-Funds and contains measures to avoid conflicts of interest to ensure that they can be managed appropriately at all times. In accordance with the AIFM Rules, the AIFM shall ensure that staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control. In addition, when delegating certain of its investment management functions, the AIFM shall ensure that such entities are subject to regulatory requirements on remuneration that are equally effective as those applicable to the AIFM or that appropriate contractual arrangements are put in place with such entities to ensure there is no circumvention of the remuneration rules as set out in the AIFM Rules. Any such contractual arrangements shall cover any payments made to the entities' identified staff (as defined in the AIFM Rules) as compensation for the performance of portfolio or risk management activities on behalf of the AIFM.

AIFM PROFESSIONAL LIABILITY RISK COVER

In accordance with the requirements of the AIFM Law, the AIFM holds additional own funds to cover any potential liability risks arising from professional negligence.

DELEGATION OF AIFM FUNCTIONS

Subject to applicable laws and regulations, the AIFM will be empowered to delegate, under its responsibility, part of its duties and powers to any person or entity, which it may consider appropriate, and which disposes of the requisite expertise and resources. Any such delegation will be performed in compliance with the applicable provisions of the AIFM Rules and other applicable laws as well as relevant provisions of the AIFM Management Agreement. The AIFM will in particular act with all due care and diligence when appointing any such delegate.

In compliance with the procedure and conditions set out in section 20 of the AIFM Law, and without limitation to other delegations as allowed by the AIFM Rules, the AIFM may delegate the following functions provided the AIFM notifies and obtains the prior written consent from the Fund:

- I. part of its investment management function to an eligible entity;
- II. all or any part of its administration function to the Administrator;
- III. all or any part of its marketing of Investors Shares to the relevant Distributor (or any other person or entity approved by the relevant Distributor);
- IV. any other responsibility and function, so long as (i) it is with the Fund's consent, and (ii) is consistent with the AIFM Rules.

For the avoidance of doubt, to the extent the AIFM delegates all of its power and authority with respect to a specific activity or function, and even though the AIFM supervises the delegated

functions effectively and manages the risks associated with the delegation and supervises those functions and manages those risks as provided in the Management Agreement. the AIFM shall retain no power and authority to conduct such delegated activity if and until such delegation is properly terminated.

As of the date of this Prospectus, the AIFM has delegated the performance of its administration functions to the Administrator as described in more detail under **section 10 “Key Service Providers”**.

10. KEY SERVICE PROVIDERS

THE ADMINISTRATOR

The AIFM has engaged **NOVAKASTRO PARTNERS LTD** as the Administrator of the Fund pursuant to an Administration Agreement.

Pursuant to the terms of the Administration Agreement, the Administrator is responsible, under the ultimate supervision of the AIFM, for providing all administrative, accounting and bookkeeping services as well as transfer and registrar services required in connection with the Fund's operations, including the keeping of the books and records of the Fund, the processing of subscription and redemption applications and the calculation of the Net Asset Value.

THE DEPOSITARY

The Fund and the AIFM has engaged **EURIVEX LTD** as Depositary pursuant to the Depositary Agreement and the provisions of the AIF Law.

In accordance with the provisions of the AIFM Law, the Level 2 Regulation, and the terms of the Depositary Agreement, the Depositary shall carry out functions in respect of the Fund including, but not limited to the following key functions:

- i. the Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;
- ii. the Depositary shall verify the Fund's ownership of all any assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Fund;
- iii. the Depositary shall ensure effective and proper monitoring of the Fund's cash flows;
- iv. the Depositary shall be responsible for certain fiduciary and oversight obligations in respect of the Fund – see "Summary of Fiduciary and Oversight Obligations" below.

The Depositary is obliged to ensure, among other things, that:

- i. the sale, issue, repurchase and cancellation of Investors Shares effected on behalf of the Fund are carried out in accordance with applicable law and the Articles;
- ii. the value of Investor Shares is calculated in accordance with the Articles;
- iii. in transactions involving the Fund's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- iv. the Fund and each Sub-Fund's income is applied in accordance with applicable law and the Articles;

- v. the instructions of the AIFM are carried out unless they conflict with the applicable law or the Articles.

Provided that the requirements of the AIFM Law are complied with, the Depositary has power to delegate the whole or any part of its custodial functions, but and except as provided under applicable law its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary must exercise care and diligence in the selection of such sub-custodian's as safekeeping agents to ensure they have and maintain the expertise, competence and standing appropriate to discharge their responsibilities as sub-custodians.

The Depositary shall not carry out activities on behalf of the Company that may create conflicts of interest between the Company, the Investors, the AIFM and itself, unless the Depositary has functionally and hierarchically separated the performance of its Depositary tasks from its other potential conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the Shareholders.

As of the date of this Prospectus, neither the Company nor the AIFM are in any way linked with the appointed Depositary.

AUDITOR

The Fund has engaged **SAWA FRANGOUS & ASSOCIATES LTD** as auditors of the Fund. The Auditor's responsibility is to audit and express an opinion on the financial in accordance with applicable law and auditing standards.

LEGAL ADVISOR

The Fund has engaged THEODORIDES, GEORGIU, IACOVU & CO LLC as its Legal Advisor. The Legal Advisor provides comprehensive legal advice to support the Fund in understanding and adhering to the applicable regulatory framework, including the Alternative Investment Funds Law 124(I)/2018, Alternative Investment Fund Managers Law 56(I)/2013 as amended from time to time, and relevant CySEC directives.

THE SECRETARY

The Fund has appointed **NOVAKASTRO PARTNERS LTD** as the Secretary of the Fund.

EXTERNAL VALUER

The AIFM may appoint one or more External Valuers for the proper and independent valuation of the investments and assets registered in the name of the Fund (for its Sub-Funds) in compliance with the AIFM Law and Level 2 Regulation as this shall be set out in the Supplement of the particular Sub-Fund.

DISTRIBUTORS

The AIFM may enter into agreements or arrangements with third-party service providers for the purposes of marketing the Investor Shares of any Sub-Fund, in accordance with the provisions of the AIFM Rules and any directive issued by CySEC in this respect, as this shall be set out in the Supplement of the particular Sub-Fund.

OTHER SERVICE PROVIDERS

Details of any service provider as may, from time to time be appointed and engaged to provide services as may be required in respect of each Sub-Fund, shall be provided in the relevant Supplement.

Such service provider shall be entitled to a fee in respect of services provided to the particular Sub-Fund. Such fee may be paid directly out of the assets of the relevant Sub-Fund or may be paid by the AIFM out of its own fees and thus would not be paid out of the assets of the relevant Sub-Fund. Details of the fees and their payment shall be disclosed in the Supplement of the relevant Sub-Fund.

CHANGE OF SERVICE PROVIDERS

The Fund and/or the AIFM may change any service providers and may agree to different contractual terms with new or existing service providers at any time without prior notice or approval of the Investors.

11. FEES AND EXPENSES

The following fees and expenses will be payable out of the assets of the Sub-Fund of which they were incurred or, where an expense is not considered by the Directors in collaboration with the AIFM to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds in proportion to the Net Asset Value of the Sub-Funds, or otherwise on such basis as the Directors in their discretion and in collaboration with the AIFM, deem fair and equitable.

Further details with respect to a particular Sub-Fund are set out in the relevant Supplement.

MANAGEMENT FEE

Pursuant to the Management Agreement, the AIFM is entitled to a Management Fee as specified in the Supplement for a particular Sub-Fund for managing the Investments of the Sub-Fund. The Fund may apply different fees to different Sub-Funds and to different Classes in any Sub-Fund. The Management Fee in relation to each Sub-Fund or Class (as applicable) shall be accrued, calculated and payable in accordance with the provisions set out in the relevant Supplement.

The AIFM reserves the right to reduce or waive or allocate any of its Management Fee to third parties including other service providers such as consultants, advisors or Distributors as specified in the relevant Supplement.

PERFORMANCE FEE

The AIFM may be entitled to receive a Performance Fee which shall be linked to the increase of the Net Asset Value of the relevant Sub-Fund, or Class thereof, as may be set out in the relevant Supplement. The Performance Fee may be subject to a Hurdle Rate and/or High-Water Mark as this may be further described in the relevant Supplement. The Fund may apply different fees to different Sub-Funds and to different Classes in any Sub-Fund.

The Performance Fee in relation to each Sub-Fund or Class shall be accrued, calculated and payable in accordance with the provisions set out in the relevant Supplement.

The AIFM reserves the right to reduce or waive or allocate any of its Performance Fee to third parties including other service providers such as consultants, advisors or Distributors as specified in the relevant Supplement.

AUDIT AND LEGAL FEES

Audit fees and legal fees shall be agreed upon between the Fund and the Auditors or Legal Advisor respectively and paid in accordance with the terms of the relevant engagement letter.

DIRECTORS' REMUNERATION

Any non-executive Directors appointed by the Fund from time to time shall be entitled to a fixed fee by way of remuneration for their services, at a rate to be determined by the Holders of Management Shares at a general meeting. The total remuneration for all non-executive Directors collectively shall not exceed €6,000 (six thousand euros) in any twelve-month period. Such remuneration shall be deemed to accrue from day to day.

All the Directors of the Fund shall also be entitled to be reimbursed out of the assets of the Fund for all traveling, hotel and other reasonable out-of-pocket expenses properly incurred by them in attending and returning from meetings of the Directors or any meetings in connection with the business of the Fund.

DEPOSITARY FEE

Under the terms of the Depositary Agreement, the Depositary will be paid a fee out of the assets of each Sub-Fund, as specified in the relevant Supplement for the provision of services to the Fund. The maximum fee payable is specified in the Depositary Agreement.

ADMINISTRATOR FEE

Under the terms of the Administration Agreement, the Administrator will be paid out of the assets of each Sub-Fund, as specified in the relevant Supplement for the provision of services to the Fund. The maximum fee payable is specified in the Supplement.

DISTRIBUTORS' FEE

Any Distributor shall be entitled to a distribution fee in respect of services provided. Such fee may be paid directly out of the assets of the relevant Sub-Fund or may be paid by the AIFM out of its own fees and thus would not be paid out of the assets of the relevant Sub-Fund. Details of the fees, including the maximum fee payable, and their payment shall be disclosed in the Supplement of the relevant Sub-Fund where appropriate.

EXTERNAL VALUER FEE

The External Valuer will be entitled to a fee the maximum amount of which is specified for each Sub-Fund in the relevant Supplement, such fee will be paid out of the assets of the relevant Sub-Fund.

OTHER FEES AND EXPENSES

Each Sub-Fund will also incur expenses in relation to the administration and business of the Fund on a prorated basis including (unless as otherwise determined by the Board of Directors in collaboration with the AIFM as being in the best interest of the Investors), without limitation:

- fees, costs and expenses related to the purchase, holding and disposal of Investments which are payable by each Sub-Fund to the proportion which is attributable to them;
- investment and commercial banking fees which are payable by each Sub-Fund to the proportion which is attributable to them;
- all taxes regulatory and corporate fees payable to governments, CySEC or agencies by each Sub-Fund to the proportion which is attributable to them;
- the charges and expenses of the AIFM, Administrator and Depositary as further detailed in the relevant Supplement) Auditors, secretary, legal advisors, Distributors, consultants, valuers and appraisers and any other third-party service providers for whom engagement might be required pursuant to applicable laws;

- fees and expenses of the members of any committee that may be established by the Fund as further set out in the Articles;
- communication expenses with respect to investor services and all expenses of meetings of shareholders and of preparing, printing and distributing annual and other reports, proxy forms, offering documents and marketing materials, and similar documents;
- the cost of insurance (if any), including directors & officers' liability insurance for the benefit of the Directors and any other officer (whether or not holding formal office);
- marketing and distribution expenses of the Fund;
- litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business; and
- all other organisational and operating expenses relating to the Fund and any Subsidiaries or otherwise attributable to the Fund.

Costs associated with any publications, including of the latest applicable Net Asset Value, which are not borne by the Fund pursuant to the provisions of the AIF Law, shall be borne by the AIFM.

SET-UP COSTS AND SET-UP OF ADDITIONAL SUB-FUNDS

The Fund is expected to incur cost in the first Financial Year in connection with its establishment which are estimated to be in the region of EUR xx.

The cost of establishing additional Sub-Funds will be borne by that relevant Sub-Fund, as shall be further set out in the relevant Supplement. Any expenses which relate to the formation, structuring and organisation of the Fund as a whole and which are not specifically attributable to the formation and structuring of the first Sub-Fund, may be apportioned amongst and be recovered also from other Sub-Funds established from time to time by the Fund in such proportion and on the basis of such criteria as the AIFM may deem to be reasonable under the circumstances.

VALUE ADDED TAX

Some fees and charges may be subject to value-added tax ("VAT") in Cyprus or abroad at the applicable VAT rate. Such VAT will be paid by the Fund (as may be appropriate) and recovered to the extent possible.

12. THE SHARES

The share capital of the Fund is divided into:

- One thousand (1000) Management Shares of no par value but offered at an initial price of €1,00 (one Euro) each, not attributable to a specific Sub-Fund;
- One billion (1.000.000.000) Investor Shares of no par value.

There is no statutory limit to the number of Investor Shares in the Fund and/or any Sub-Fund or Class which may be issued.

As a Variable Capital Investment Company, the share capital of the Fund is equal to its Net Asset Value at all times. It is automatically adjusted when additional Investor Shares are issued, or outstanding Investor Shares are redeemed and certain formalities under the Companies Law are disapplied in relation thereto.

MANAGEMENT SHARES

The Management Shares are non-redeemable shares with the following rights:

- as to voting: to receive notice of, attend and vote at any general meeting of the Fund, in particular but not limited to the following matters:
 - i) the appointment or removal of any Director;
 - ii) the winding up of the Fund and/or any of its Sub-Funds;
 - iii) any amendment to the Articles.
- as to capital:
 - i) on a winding up to return of their paid-up capital after the return of capital on the Investor Shares in accordance with the provisions of the Articles; and
 - ii) after the return of capital will not be entitled to the surplus assets of the Fund.
- as to dividends: will not be entitled to participate in the profits and/or other distributions of the Fund.
- shall be transferable subject to pre-emption rights as described under relevant provision of the Articles

As of the date of this Prospectus, the holder of the Management Shares is GUARDO ASSETS MANAGEMENT LTD.

INVESTOR SHARES

The Investor Shares are redeemable shares, with the following characteristics:

- as to voting: shall not have the right to receive notice of, attend or vote at any general meeting of the Fund, except in the event of any such general meetings which are explicitly required, whether in respect to the Fund or a particular Sub-Fund or Class, under the provisions of the Articles, or the AIF Law or any other applicable laws;
- as to capital:
 - i) on a winding up, will be entitled in priority to the Management Shares to the return of capital paid up thereon in accordance with the provisions of the Articles; and thereafter
 - ii) have exclusive rights in the distribution of surplus assets of the Sub-Fund to which they pertain upon its liquidation.
- as to dividends: shall be entitled to all dividends distributions and/or other distributions of the respective Sub-Fund or Class to which they pertain, subject to the distribution policy of each Sub-Fund or specific Class as specified in the Prospectus and/or the relevant Supplement and subject to the discretion of the Directors and the provisions of the Articles and of this Prospectus.
- may be redeemed at the request of the Investor as described in more detail under the **section 15 “Redemption of Investor Shares”**.
- carry no pre-emptive rights on issue or transfer.
- as to transferring rights: the transfer of Investor Shares is permitted as long as the transferee qualifies as an Eligible Investor and subject to the provisions of the Articles and of this Prospectus.

Without prejudice to the above rights, Classes of Investor Shares attributed to a specific Sub-Fund may have additional rights and restrictions as further specified in the relevant Supplement.

Investor Shares must be fully paid-up upon issue.

All Shares are issued in un-certificated registered form, whereas the entry in the Register is conclusive evidence of ownership as described under “*Register and registration of shares*” in **section 13 “Subscription of Investor Shares”**.

No fractions of shares are allowed under the provisions of the AIF Law. Where any subscription monies paid for Investor Shares are not an exact multiple of the Initial Subscription Price or Subscription Price per Investor Share, a fraction of an Investor Share will not be issued but the number of Investor Shares to be allotted will be rounded to the nearest whole number.

The Fund shall treat the registered owner of an Investor Share as the absolute and beneficial owner thereof in accordance with the provisions of the Articles.

Any special rights attached to Investor Shares in any Sub-Fund or Class may be varied with the consent in writing of the holders of three-fourths of the issued Investor Shares of such Sub-Fund or Class, as the case may be, or the sanction of an extraordinary resolution (as per the provisions of the Companies Law) passed at a separate general meeting of the holders of Investor Shares of that Sub-Fund or Class in accordance with the Articles.

Investors and prospective investors should note however that some Sub-Funds and/or Classes of Investor Shares may not be available to all. The Fund retains the right to offer only one or more Classes of Investor Shares for purchase by Investors or prospective investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason.

13. SUBSCRIPTION OF INVESTOR SHARES

ELIGIBLE INVESTORS

Investor Shares are made available to and may at all times be acquired or held, be it by means of Subscription, transfer, succession or any other manner whatsoever EXCLUSIVELY by Eligible Investors. Where Investor Shares are, for any reason whatsoever, held or end-up to be held, individually or jointly, wholly or partly, for a limited or unlimited period of time, by a Prohibited Person, such shares will be compulsory redeemed under the terms set out in **section 15 “Redemption Procedure of Investor Shares”**.

INITIAL OFFER PERIOD

Applicants may make a request to subscribe for Investor Shares during the relevant Initial Offer Period for each Sub-Fund or Class as set forth in the relevant Supplement.

SUBSEQUENT SUBSCRIPTION PERIODS

Following the Initial Offer Period, if any, the AIFM reserves the right to accept subscriptions in respect of Investor Shares of a Sub-Fund or Class on any Subscription Day as set forth in the relevant Supplement.

MINIMUM SUBSCRIPTION

The Minimum Initial Subscription Amount and Minimum Additional Subscription Amount for any Sub-Fund or Class in each Sub-Fund are set out in the relevant Supplement. The AIFM may, in their discretion waive or modify such minimum limits.

SUBSCRIPTION PRICE

On the Initial Subscription Day for each Sub-Fund, the Initial Subscription Price for Investor Shares in the relevant Sub-Fund shall be the amount set out in the Supplement for the relevant Sub-Fund. The issue price at which Investor Shares of any Sub-Fund will be issued on a Subscription Day after the Initial Offer Period is calculated by ascertaining the Net Asset Value per Share of the relevant Class (the “Subscription Price”) on the relevant Subscription Day.

SUBSCRIPTIONS IN KIND

The AIFM may from time to time accept the issue of Investor Shares for a consideration of a contribution in kind of assets, provided that such assets correspond to the Investment Policy and permitted Investments of the relevant Sub-Fund and are free from any kind of charge and under the condition that any such action is in compliance with the provisions set forth by the AIF Law and the Articles provided that:

- (a) no Investor Shares will be issued until the assets or property have been vested to the Fund or, for assets that can be held in custody, arrangements are made to vest the assets or property with the Depositary or its sub-custodian to the Depositary’s satisfaction;
- (b) any such exchange will be effected on terms that the number of Investor Shares to be issued will be the number that would have been issued at the Subscription Price per Investor Share for a cash amount equal to the value of the assets or property as calculated in accordance with Net Asset Value provisions of the Fund including such sum as the AIFM may consider represents an appropriate provision for Duties and Charges arising in connection with the vesting of the assets or property;

(c) the assets or property to be transferred to the Fund will be valued by an independent valuer who meets the requirements of Article 73 of Regulation (EU) No. 231/2013 by applying the valuation methods described under the **section 18 “Determination of the Net Asset Value”**; and

(d) the AIFM in collaboration with the Depositary will be satisfied that the terms of such exchange will not be such as are likely to result in any material prejudice to the existing Investors.

SUBSCRIPTION PROCEDURE

Unless otherwise specified in the relevant Supplement, Eligible Investors may apply to subscribe for Investor Shares at any time during each Initial Offer Period. Subsequently, applications may be made within the Subscription Notice Period, as indicated in the Supplement for each Sub-Fund (**Entry-Cut-Off-Time**), prior to the selected Subscription Day, which will occur after the relevant Valuation Day.

Prior signing the Application Form, the AIFM will provide the prospective investor, free of charge, with the Prospectus, Articles of Association, and the most recent audited annual report. Additionally, if published after the latest annual report, the latest half-yearly report will be included, along with the most recent Key Information Document (KID), where applicable. The AIFM will also disclose the latest net asset value (NAV) per Investor Share or Class(es) of the relevant Sub-Fund.

By the submission of the Application Form, it is presumed that the prospective Investor has unconditionally accepted the terms of this Prospectus and of the Articles.

An application for Investor Shares may only be made by completion and submission to the AIFM, or the Administrator as its delegate, of the Application Form (attached hereto as **Appendix II**) duly completed and all schedules thereto (including the Investor Eligibility Declaration) by facsimile, electronic mail or registered post. **Where the Application Form is initially sent by facsimile or electronic mail the original form must thereafter be delivered to the AIFM, or the Administrator as its delegate, by registered post by the Entry-Cut-Off-Time in order to complete the transaction.** The AIFM accept no responsibility for any loss caused as a result of non-receipt of the Application Form sent by facsimile or electronic mail or other forms of delivery for which confirmation of receipt is not provided. It is the duty of the applicant to enquire after the receipt of such Application Form by the AIFM, or the Administrator as its delegate, in cases where delivery of such documents is made via a service for which no signature is required upon receipt. Incomplete applications received, may not be accepted.

Any applications received after the Entry-Cut-Off-Time but before the time at which the Net Asset Value with respect to a Subscription Day is finalised (pursuant to *section 18 “Determination of the Net Asset Value”* of this Prospectus and the Articles), may at the sole discretion of the AIFM be accepted for the relevant Subscription Day.

The AIFM may reject any application in its absolute discretion and without assigning any reason, in which event the Subscription Price per Investor Share will be returned at the applicant’s expense at the account from which the Subscription Price per Investor Share was

remitted to the account of the Fund during the applicant's subscription request, at the applicant's risk.

Timing of payment

The Initial Subscription Price or Subscription Price per Investor Share (as appropriate) must be received by the Fund in cleared funds at any time during the Initial Offer Period and thereafter, by 9.00 am (Nicosia) on the relevant Subscription Day and where payment is not received in due time the AIFM may at its discretion reject the subscription.

The Initial Subscription Price or Subscription Price per Investor Share (as appropriate) shall be remitted by bank wire transfer in accordance with the instructions contained in the relevant Supplement and/or the Application Form.

Investor Shares will be treated as having been issued with effect from the relevant Initial Subscription Day or Subscription Day (as appropriate) notwithstanding that the applicant for those Investor Shares may not be entered in the Register until after the Initial Subscription Day or relevant Subscription Day (as applicable).

Subject to the discretion of the AIFM, or the Administrator as its delegate, to determine otherwise, if the relevant Application Form as well as the Initial Subscription Price or Subscription Price per Investor Share(s) (as appropriate) are not received as described above, the application will be held over until the next following Subscription Day and Investor Shares will then be issued at the Subscription Price on that following Subscription Day.

Currency of Payment

The Subscription Price shall be payable in the Reference Currency of the relevant Class of Investor Shares of the relevant Sub-Fund.

THE AIFM MAY WAIVE NOTICE REQUIREMENTS OR PERMIT SUBSCRIPTIONS UNDER SUCH OTHER CIRCUMSTANCES AND ON SUCH CONDITIONS AS IT, IN ITS SOLE AND ABSOLUTE DISCRETION, DEEM APPROPRIATE, PROVIDED THAT SUCH ACTION WILL NOT ADVERSELY AFFECT THE INTERESTS OF THE FUND AND/OR THE INVESTORS.

The AIFM reserves the right from time to time to resolve to close, suspend or restrict the Fund or any Sub-Fund or a Class to new subscriptions, either for a specific period or until they otherwise determine and either in respect of all Investors or new investors only.

No Investors Shares of any Sub-Fund will be issued during any period when the calculation of the NAV in such Sub-Fund is suspended by the Fund as described under **section 18 "Determination of the Net Asset Value"**.

SIDE LETTERS

Subject to the provisions of the Prospectus under **Appendix I "Fair treatment of Investors"**, the Fund, may enter into agreements (referred to as "Side Letters") with certain prospective investors whereby such Investors may be subject to terms and conditions that are more advantageous than those set forth in the Prospectus and Supplement, including (but not

limited to) with respect to fees (e.g. Management Fees), transparency or such other matter deemed appropriate by the AIFM.

The modifications are at the discretion of the AIFM, and may, among other things, be based on (i) the size of the Investor's investment in the Fund or affiliated investment entity, and/or (ii) the timing of the Investor's investment in the Fund.

Details of such arrangements will be disclosed to Investors as deemed appropriate by the AIFM under the terms of the section 30 of the AIFM Law.

ANTI-MONEY LAUNDERING MEASURES

Pursuant to applicable Cyprus laws and regulations comprising but not limited to the Law on the Prevention and Suppression of Money Laundering and Terrorist Financing of 2007 as amended from time to time (L. 188(I)/2007) as amended from time to time and any relevant CySEC Directives and circulars issued from time to time (collectively the "AML Laws"), the Fund must comply with anti-money laundering and financing of terrorism procedures.

The AIFM, or the Administrator as its delegate, will require a detailed verification of a subscriber's or transferee's identity and the source of payment and confirmation that the applicant is not a Prohibited Person. A list of the verification documentation and confirmations required to be provided are set out in the Application Form. In the case of failure to provide satisfactory information, the AIFM, or the Administrator, may take such actions as it thinks fit, including without limitation, the refusal of any Application Form and the Subscription Price per Investor Share related thereto, refusal to accept a transfer or refusal to meet any redemption request. The AIFM, or the Administrator, shall not be held responsible in any way for any loss resulting from any delay or refusal to process an Application Form or Redemption Request Form in case where the applicant fails to provide satisfactory information.

Application for Investor Shares from Eligible Investors must be accompanied by such documents/information as may, from time to time, be required by the AIFM, or the Administrator as its delegate, such that it may be in a position to verify the identity of the Eligible Investor and identify the source of funds in connection with the application.

Each Investor shall also ensure that, in its capacity as a Shareholder, it shall provide to the AIFM, or the Administrator as its delegate, any documents/information as may, from time to time, be required under the AML Laws and/or internal policies of the Fund.

REGISTER AND REGISTRATION OF SHARES

Investor Shares are issued only in registered form and the AIFM, or the Administrator as its delegate, maintains the Register. The title of an Investor to the Investor Shares subscribed by it shall be evidenced by having its name, address and the number of Investor Shares held by him entered in the Register.

The Register shall be kept in such manner as to show at all times the Investors of the Fund for the time being and the Investor Shares respectively held by each. The Register may be kept in the form of electronic records or by other similar means, provided that legible evidence can

be produced therefrom to satisfy the requirements of applicable law and the provisions of the Articles.

The AIFM shall not be bound to register more than four (4) persons as the joint holders of any Investor Share or Investor Shares. In the case of an Investor Share held jointly by several persons, the AIFM shall not be bound to issue therefore, subject to the provisions of section “**Confirmation of Subscription**” below, more than one written confirmation of ownership or share certificate and the issue of a written confirmation of ownership or share certificate for an Investor Share or Shares to the first named of several joint holders shall be sufficient delivery to all.

CONFIRMATION OF SUBSCRIPTION

Following the issue of Investor Shares, a confirmation statement will be sent by the AIFM, or the Administrator as its delegate, to the relevant Investor (or its nominated agent if so requested by the Investor) by ordinary post, electronic mail or facsimile as soon as reasonably practicable after the relevant Subscription Day, and in any event within 60 (sixty) calendar days, detailing the number of Investor Shares held by it.

Share certificates will not be issued unless so requested by an Investor, and in such case the share certificate shall be in the form approved by the AIFM from time to time and in accordance with the relevant provisions of the Articles. In case of discrepancy between the share certificate, the confirmation statement and the Register, the latter shall prevail. The AIFM shall also be entitled to charge an Investor such fee as it may from time to time determine in respect of the cost of a written confirmation of ownership or issue of a share certificate.

If a written confirmation of ownership or share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, a new written confirmation of ownership or share certificate representing the same Investor Shares may be issued to the Investor upon request subject to delivery of the old written confirmation of ownership or share certificate or (if alleged to have been lost, stolen or destroyed) on compliance with such conditions as to evidence and indemnity and the payment of exceptional out-of-pocket expenses of the Fund in connection with the request as the AIFM may think fit.

RESTRICTIONS

The Fund is not allowed to issue bearer shares.

Also, neither the subscription nor the redemption of Investor Shares is allowed:

- i. during a suspension, as further defined in **section 18 “Determination of the Net Asset Value”** in this Prospectus. Applicants for Investor Shares will be notified of such postponement and, unless withdrawn, their application will be considered as at the next Subscription Day following the end of such suspension;
- ii. for so long as the Fund has not appointed an AIFM (unless the Fund is self-managed) or a Depositary;

- iii. any such period when the AIFM or the Depositary of the Fund is wound up or under liquidation or administration or other similar bankruptcy procedure, without a replacement being appointed unless otherwise permitted by the provisions of the AIF Law, and/or
- iv. such other periods as the AIFM may determine as being in the best interests of the Fund, a particular Sub-Fund or Class and the Investors (whether of a particular Sub-Fund or Class, or as a whole).

There may be restrictions in connection with the subscription, holding and trading in the Investor Shares of a Sub-Fund which shall be specified, as the case may be, in the relevant Supplement.

Applicants for Investor Shares must represent and warrant in the Application Form that they are an Eligible Investor and are not a Prohibited Person and shall indemnify the Fund for any losses, costs or other liabilities which the Fund incurs arising directly or indirectly as a result of any such representations or warranty being inaccurate in any respect.

SUBSCRIPTION FEE

Unless otherwise set out in the relevant Supplement with respect to a particular Sub-Fund, the Fund shall be entitled to charge a Subscription Fee calculated as a percentage of the subscription monies for the purpose of paying any Distributors and other intermediaries as determined by the AIFM and further detailed in the relevant Supplement.

14. DATA PROTECTION

CATEGORIES OF PERSONAL DATA PROCESSED BY THE FUND AND/OR AIFM

The Fund and/or the AIFM and/or the Administrator collects information in relation to the Investors including information about their representatives (such as directors, controlling persons, authorized signatories and beneficial owners) which may qualify as personal data as defined by applicable data protection law, in the Application Form or otherwise in connection with an application to subscribe for Investor Shares or in the course of their investment.

Such personal data includes in particular the name, address and subscription amount of each Investor (“Personal Data”).

IDENTITY OF THE DATA CONTROLLER

The Fund and AIFM are the “data controllers” for the purposes of Investors’ Personal Data in accordance with the GDPR Rules.

HOW INVESTORS’ PERSONAL DATA IS USED

The Fund, the AIFM and the Administrator may collect, record, transfer, adapt, store and process by electronic or other means Investors’ Personal Data for the following purposes:

- to fulfill the services required by the Investors; and
- to comply with applicable legal obligations.

In particular, the data supplied by Investors is processed for the purpose of:

- i. client Identification,
- ii. maintaining the Register,
- iii. processing subscriptions and redemptions and/pr transfers of Investor Shares and payments of dividends to Investors,
- iv. client relationship management,
- v. performing controls on late trading and market timing practices (where applicable),
- vi. tax identification as may be required under Cyprus or foreign laws and regulations (including laws and regulations relating to FATCA or CRS or disclosure of beneficial owners of the Sub-Funds in countries where the Sub-Funds invest),
- vii. complying with applicable anti-money laundering rules (including disclosure of beneficial owners of the Sub-Funds to foreign authorities if required under local laws and regulations in countries where the Sub-funds invest),
- viii. facilitating the opening, management and administration of any accounts with the Fund
- ix. disclosing information to other third parties such as service providers of the Fund, auditors, regulatory authorities to comply with any legal obligation imposed on the Fund or to pursue the legitimate interests of the Fund.

It is clarified that the Personal Data collected for Investors are not intended to be used for marketing purposes.

The legal basis for processing Investors' Personal Data is that it is necessary for the performance of (i) the services required by Investors under the Application Form and (ii) compliance by the Fund and/or AIFM with legal obligations to which they are subject.

An Investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Fund and/or AIFM. In this case the AIFM or the Fund may reject an Investor's request for subscription of Investors Shares in the Fund and Sub-Fund thereof or may prevent them from maintaining their holdings in the Fund and may be reported by the Fund and/or AIFM to the Commissioner for the Protection of Data in Cyprus.

The Fund and/or AIFM may delegate to another entity (the "Processors") (such as the Administrator, the Depositary and their Affiliates, agents, employees, delegates or sub-contractors) the processing of the Personal Data, in compliance and within the limits of the applicable laws and regulations. The Administrator and/or the Depositary may delegate the processing of the Personal Data to one or several of their Affiliates, agents or delegates which are located in or outside the European Union (see section "***Transfer of Investors' Personal Data***" below).

In certain circumstances, the Processors may act as distinct data controllers in order to fulfil their own legal or regulatory obligations.

Personal Data will not be transferred or disclosed to any third party other than Processors except if required by law or with the prior consent of the Investor.

EACH INVESTOR HAS A RIGHT TO:

- i. access his/her/its Personal Data, including data communicated to the Cyprus tax authorities;
- ii. have his/her/its Personal Data rectified where it is inaccurate or incomplete. In relation thereto, the Investor can ask for a rectification by letter to the Fund or/and the AIFM;
- iii. refuse to have his/her/its Personal Data used for marketing purposes (where applicable);
- iv. have his/her/its Personal Data erased in certain circumstances, for example, where the Personal Data is no longer required for the purposes for which the Fund or/and the AIFM has collected it;
- v. obtain restriction of processing in certain circumstances, for example, where he/she/it has contested the accuracy of the Personal Data, for the period enabling the Fund or/and the AIFM to verify the accuracy of that Personal Data;
- vi. lodge a complaint to the Commissioner for the Protection of Data in Cyprus;
- vii. data portability, i.e., to receive his/her/its Personal Data in a structured, commonly used and machine-readable format, and to have that Personal Data transmitted directly to another data controller.

By subscribing to Investor Shares, each Investor expressly consents to such processing of its personal data. This consent is formalised in writing in the Application Form.

TRANSFER OF INVESTORS' PERSONAL DATA

Subject to compliance with applicable data protection law, the Fund, the AIFM, the Depositary and the Administrator may transfer Investors' Personal Data to one or several of their Affiliates, agents or delegates located outside the EEA provided that there is a lawful basis to do so. Measures have been taken to ensure all personal data is provided with adequate protection and that all transfers of personal data outside the EEA are done lawfully. Where personal data is transferred outside of the EU to a country not deemed by the European Commission to provide an adequate level of protection for personal data, such transfers will only occur if the data controller or processor has provided appropriate safeguards and on the condition that enforceable rights and effective legal remedies for data subjects are in place. Specifically, these transfers will be based on an agreement which complies with the EU requirements for the transfer of personal data outside the EU, such as the European Commission approved standard contractual clauses.

The Fund, the AIFM, the Administrator and the Depositary may also transfer the Investors' Personal Data to third parties such as governmental or regulatory agencies, including tax authorities, in or outside the EEA, in accordance with applicable laws and regulations. In particular, such Investors' Personal Data may be disclosed to the Cyprus tax authorities, which in turn may act as data controller, disclose the same to foreign tax authorities.

The AIFM, the Administrator, and the Depositary may also transfer the Investors' Personal Data to the Fund acting as a distinct data controller, in order to enable the Fund to fulfil its own legal or regulatory obligations.

The Investor's Personal Data shall not be held for longer than necessary with regard to the purpose of the data processing and the legal periods of limitation will at all times be observed.

The Fund will accept no liability with respect to any unauthorised third-party receiving knowledge and/or having access to the Investors' Personal Data, except in the event of willful negligence or gross misconduct of the Fund.

15. REDEMPTION PROCEDURE

LOCK-UP PERIOD

Investors are not entitled to redeem their Investor Shares during any applicable Lock-Up Period, as such period is specified in the relevant Supplement for the respective Sub-Fund or Class unless otherwise determined by the AIFM in the Supplement for a particular Sub-Fund. In this case the AIFM may decide to waive any Lock-Up Period or reduce it based on the AIFM's analysis of available liquidity. The AIFM may at its discretion impose an Early Redemption Fee.

REDEMPTION PROCEDURE OF INVESTOR SHARES

Unless otherwise set forth in the relevant Supplement, redemption will be allowed on any Redemption Day and shall be for the total or part of Investor Shares held by such redeeming Investor in a relevant Sub-Fund or Class at the Redemption Price. The Redemption Proceeds will be calculated based on the Redemption Price, in accordance with the procedures outlined in this Prospectus and as may be further detailed in the relevant Supplement.

A redemption request must be submitted using the Redemption Request Form and provided to the AIFM during the Redemption Notice Period. The Supplement for each Sub-Fund specifies the required number of days' notice (**Exit Cut-Off-Time**) prior to the selected Redemption Day. A template of the Redemption Request Form is included in **Appendix III**. If the redemption request is received after the lapse of the Redemption Notice Period for any particular Redemption Day, it shall be held over for redemption on the next Redemption Day, at the Redemption Price at such time.

Any applications received after the time specified from time to time by the AIFM but before the time at which the Net Asset Value with respect to a Redemption Day is finalised may, at the sole discretion of the AIFM be accepted for the relevant Redemption Day.

The AIFM, or the Administrator as its delegate, will be deemed to be authorised to make such redemption if instructed to do so by any person purporting to be the Investor. The Redemption Request Form must specify the bank details where Redemption Proceeds are to be remitted (if by bank transfer) which shall only be paid to the registered Investor. No third-party payments are permitted. If the Redemption Proceeds are to be paid to a bank account other than the one specified in the original Application Form, then such revised payment instruction must be in writing and the signature(s) of the Investor(s) must be verified by a bank acceptable to the AIFM. In the case of joint shareholders, all must sign the revised payment instructions.

The instruction, once submitted to the AIFM, or the Administrator as its delegate, by facsimile, electronic mail or registered post, may not be withdrawn except with the consent of the AIFM in its absolute discretion.

Where instructions are initially given by facsimile or electronic mail the original Redemption Request Form (together with any other documents required by the AIFM) must thereafter be delivered to the AIFM, or the Administrator as its delegate, by registered post in order to complete the transaction prior to the Exit Cut-Off-Time. The AIFM or the Administrator accept no responsibility for any loss caused as a result of non-receipt or delayed receipt of any instructions given by facsimile or electronic mail. It is the duty of the redeeming Investor to

enquire after the receipt of such Redemption Request Form by the AIFM, or the Administrator as its delegate, in cases where delivery of such documents is via a service for which no signature is required upon receipt.

THE AIFM MAY WAIVE NOTICE REQUIREMENTS OR PERMIT REDEMPTIONS UNDER SUCH OTHER CIRCUMSTANCES AND ON SUCH CONDITIONS AS IT, IN ITS SOLE AND ABSOLUTE DISCRETION DEEMS APPROPRIATE, AND PROVIDED THAT THAT SUCH ACTION WILL NOT ADVERSELY AFFECT THE INTERESTS OF THE FUND AND/OR THE INVESTORS.

SUSPENSION OF REDEMPTIONS

The Fund may suspend the redemption of Investor Shares of all and any Sub-Fund or Class in exceptional circumstances so required or under those cases under which the Net Asset Value of such Sub-Fund(s) or Class/es (as applicable) cannot be determined as further set out in this Prospectus and in any case if this is justified by the interest of the Investors. In such case the AIFM shall duly notify of such suspension and receive the prior approval of the CySEC and shall further notify any other competent authorities where the Investor Shares are being marketed specifying the duration of the suspension period. The suspension of the redemption of Investor Shares may also be directed and/or ordered by the CySEC at its own initiative according to Section 59 (3) (f) of the AIF Law.

Where the conditions justifying the suspension of the redemption of Investor Shares cease to apply before the end of the suspension period as determined by the AIFM, the latter shall terminate such suspension and notify the CySEC and the competent authorities of the other countries where the Investor Shares are marketed.

The suspension of the redemption, its extension, its expiry or revocation, as well as the reasons for the suspension and the point in time at which it ends, shall be communicated in writing by the AIFM in such manner as it may deem appropriate or as otherwise required by the CySEC and/or applicable laws to the Investors, the CySEC and any other relevant authority. During the suspension period neither the submission of an application for redemption of Investor Shares nor the redemption of Investor Shares is allowed.

In case of suspension as above mentioned the Investor requesting redemption whose right to redeem its Investor Shares is similarly suspended may, during the period of suspension, withdraw the request for redemption of its Investor Shares. Any withdrawal of a redemption request will be made in writing and shall only be effective if actually received by the Fund or its delegate before termination of such suspension. If the request is not withdrawn the redemption of the Investor Shares shall be made in accordance with the provisions of the Articles, on the next Redemption Day following the end of the suspension or on such other Business Day following the end of the suspension as the AIFM at the request of such Investor may agree.

GATE

Notwithstanding the fact that, each Sub-Fund shall at all times maintain sufficient liquidity to satisfy any redemption requests (unless a lawful temporary suspension of redemption applies), the Fund may, with respect to a Sub-Fund, apply a maximum limit on the value of redemption requests that may be satisfied on any Redemption Day (the “Gate”) and it shall

not be bound to redeem more than a maximum percentage of the net assets of such Sub-Fund in respect of the Investor Shares then in issue. Such Gate, if applicable, shall be further detailed in the relevant Supplement.

If the Sub-Fund receives redemption requests as at any Redemption Day in respect of Investor Shares in aggregate exceeding the Gate of any Sub-Fund, the AIFM reserve the right, in its sole and absolute discretion and without liability and provided, in their reasonable opinion, to do so is in the best interests of the remaining Investors, to scale down the number of Investor Shares to be redeemed in response to each redemption request on a pro rata basis to such extent as may be necessary to ensure that the foregoing limit is not exceeded. The balance of each redemption request shall be carried forward for redemption as at the next following Redemption Day, and so on to each succeeding Redemption Day until each redemption request has been complied with in full, provided that redemption requests which have been carried forward from an earlier Redemption Day shall, subject always to the foregoing limits, be complied with in priority to later redemption requests.

CONFIRMATION OF REDEMPTION

Following the redemption of Investor Shares, a confirmation statement will be sent by the AIFM, or the Administrator as its delegate, to the relevant Investor (or its nominated agent if so requested by the Investor) by ordinary post, electronic mail or facsimile as soon as reasonably practicable after the relevant Redemption Day, and in any event within 60 (sixty) calendar days, detailing the Redemption Proceeds due.

RIGHTS FOLLOWING REDEMPTION DAY

The name of a redeeming Investor will be removed from the Register upon payment of the Redemption Proceeds in respect of the Investor Shares being redeemed and the said Investor Shares will be cancelled. However, notwithstanding that the name of a redeeming Investor remains on the Register pending determination of the Redemption Price and payment of the Redemption Proceeds, an Investor requesting the redemption of all or any part of its Investor Shares on any particular Redemption Day will, with effect from that Redemption Day (i) be treated as a creditor of the Fund (rather than as a holder of Investor Shares) in respect of the Redemption Proceeds, and will rank accordingly in the event of a winding up of the Fund; and (ii) have no rights as a Shareholder in respect of the Investor Shares being redeemed, save for the right to receive the Redemption Proceeds and any dividend which has been declared in respect of their Investor Shares but not paid prior to the relevant Redemption Day.

SETTLEMENT

The Fund will dispatch the Redemption Proceeds within the Redemption Settlement Period as set out in the Supplement of the particular Sub-Fund. The Fund may withhold up such percentage of the Redemption Proceeds (“Holdback”) if in the reasonable opinion of the AIFM the determination of the Net Asset Value of the Sub-Fund or Class, as applicable, on the relevant Valuation Day requires verification. Such percentage, where applicable, shall be set out in the relevant Supplement. In such case, the remaining Redemption Proceeds shall be paid to the Investors after an audit is conducted by the Auditor of the Fund unless otherwise determined by the AIFM. Any discrepancies between the estimated Net Asset Value and the

audited Net Asset Value will be adjusted in the pay-out of the remaining portion of the Redemption Proceeds.

Redemption Proceeds will be paid in the Reference Currency of the relevant Sub Fund or share class (as applicable) or, at the discretion of the Fund, in a freely transferable currency as requested by the Investor and to the account designated by the Investor in the Redemption Request Form; any currency conversion expense shall be on the Investor's account. No interest will accrue on the Redemption Proceeds pending the payment date.

In calculating the Redemption Proceeds, the amount will be rounded to the nearest cent (0.01), with the Fund being entitled to receive the adjustment.

If the Redemption Proceeds are to be paid to a bank account other than the one specified in the original Application Form, then a reasonable and sufficient explanation must be provided from the Investor's side as to the reasons of the change of bank accounts. In the case of co-holders, all must sign the revised payment instructions. Failure to provide any of the aforementioned information will result in delay of payments.

IN SPECIE REDEMPTIONS

The AIFM may in its absolute discretion (but shall not be bound to) where no cash is available to accommodate an Investors' redemption request, elect to satisfy a redemption in whole or in part by way of the transfer in specie of assets attributable to the Sub-Fund or Class of Investor Shares being redeemed provided that such an in specie redemption will not materially prejudice the interests of remaining Investors of the relevant Sub-Fund or Class. This is subject however to the relevant applicable laws and to the approval of the Investor. The costs of effecting such an in-specie redemption shall be deducted from the Redemption Proceeds.

PARTIAL REDEMPTION

Partial redemptions of Investor Shares of any Sub-Fund or Class shall be allowed by the AIFM in its full discretion and in any case shall always be subject to any Minimum Holding or as otherwise set forth in the relevant Supplement.

REDEMPTION FEE

Unless otherwise set out in a relevant Supplement with respect to a particular Sub-Fund, the Fund shall be entitled to charge a Redemption Fee calculated as a percentage on the Redemption Price which shall be used to cover any costs associated with the redemption as determined by the AIFM and further detailed in the relevant Supplement. The AIFM reserve the right to waive or reduce any Redemption Fee.

EARLY REDEMPTION FEE

Redemption requests made prior to the expiration of any applicable Lock-up Period will be subject to the approval of the AIFM who may impose an Early Redemption Fee which shall be calculated as a percentage of the Redemption Price and set out in the relevant Supplement. The AIFM may in its sole and absolute discretion renounce any such Early Redemption Fee.

COMPULSORY REDEMPTION

The Fund has the right upon providing 5 (five) Business Days' notice to compulsorily redeem on a Redemption Day (or any such other day determined by the AIFM), in whole or in part, any Investor Shares of a Sub-Fund or Class held by an Investor under the following circumstances:

- i. the Investor Shares are held by or for the benefit (directly or indirectly) of any Prohibited Person;
- ii. an Investor has become a Prohibited Person, or has ceased to be an Eligible Investor;
- iii. such Investor Shares have been acquired (or since their acquisition are now held) in breach of any laws of any country or the decision, order or determination of any governmental agency;
- iv. such redemption would in any way best serve the interests of the Fund, or Sub-Fund or Class or of its Investors as a whole;
- v. such redemption would eliminate or reduce the exposure of the Fund or its Investors to adverse tax or regulatory consequences under the laws of any country;
- vi. any of the representations given by the Investor in its Application Form were not true or have ceased to be true;
- vii. if as a result of a partial redemption, an Investor's investment amounts to less than the Minimum Holding;
- viii. upon liquidation of all the underlying assets of a Sub-Fund or Class; or
- ix. the Fund or any of its Sub-Funds are being liquidated.
- x. the Investor fails to comply with the terms and/or conditions of issue of its Investor Shares.

The Redemption Price for the Investor Share in such a compulsory redemption shall be determined by reference to the prevailing Net Asset Value of the relevant Sub-Fund or class on the close of business on the Redemption Day specified by the AIFM, or the Administrator as its delegate, in its notice to the Investor, less such sums as the AIFM in its absolute discretion, may from time to time determine as appropriate provisions for Duties and Charges in relation to the realisation or cancellation of the Investor Shares to be redeemed. An Investor whose Investor Shares are compulsorily redeemed will have no shareholder rights (except the right to receive the Redemption Proceeds thereof and any dividends previously declared but not paid) after the close of business on the relevant Redemption Day, or on the day specified in the notice of compulsory redemption.

Payments of Redemption Proceeds in respect of a compulsory redemption shall be made in the same manner and under the same terms as a regular redemption.

TOTAL REDEMPTION

The AIFM may, at its discretion, redeem all of the Investor Shares in issue in a particular Sub-Fund or Class if at any time the Net Asset Value of the Sub-Fund or Class falls below such amount as may be determined by it, in this respect the relevant provisions under **section 17** “Termination” of this Prospectus are applicable *mutatis mutandis*.

16. TRANSFERS OF SHARES

TRANSFER OF INVESTOR SHARES

Investor Shares are transferrable by the Investor (as “**transferor**”) by instrument in writing, countersigned by the person(s) to whom such Investor Shares are transferred (the “**transferee(s)**”), in any usual or common form or any other form which the AIFM may approve from time to time. The completed instrument of transfer, together with such evidence as the AIFM may reasonably require showing the right of the transferor to make the transfer, must be sent to the AIFM, or the Administrator as its delegate.

A transfer of Investor Shares is subject to the AIFM approval who retains the right to decline to register the transfer of Investor Share(s) and in particular where such transfer:

- (a) is made to a Person who is a Prohibited Person or;
- (b) would result in either the transferor or transferee holding Investors Shares with a value of less than the Minimum Holding or;
- (c) would result in the Person to whom the Investor Share(s) is/are transferred to be in breach of any law or requirement of any country or governmental or regulatory authority.
- (d) would result in adverse tax or regulatory consequences to the Fund, any Sub-Fund or the Investors.
would cause the limit specified in Regulation 3.4(b) of the Articles to be exceeded, unless the Fund is converted into a public company.

The transfer shall only be effective upon registration of the transferee in the Register. Furthermore, before registering any transfer, the identity of the transferee must be verified to the satisfaction of the AIFM or the Administrator pursuant to the procedures for the prevention of money laundering. Accordingly, a transferee will be required to adhere to like terms as the original Investor and provide full documentation required by the Fund before the transfer is registered.

The AIFM, or the Administrator as its delegate, shall prepare and issue transfer confirmations and distribute them by facsimile, electronic mail or registered post accordingly to the transferor and transferee. If the AIFM or the Administrator as its delegate declines to register a transfer of any Investor Shares, they shall, within one month after the date on which the transfer was lodged with the Fund, send to the transferee notice of the refusal.

TRANSMISSION OF INVESTORS SHARES

Investor Shares may only be transmitted in accordance with the relevant provisions of the Articles and provided that the transferee will be required to adhere to like terms as the original Investor and provide full documentation required by the Fund before the transmission is registered.

TRANSFER AND TRANSMISSION OF MANAGEMENT SHARES

Management Shares may only be transferred in accordance with the relevant provisions of the Articles.

PLEDGES

The Investor Shares may be used as a collateral to secure a claim towards a lender as long as the lender qualifies as an Eligible Investor. The AIFM, at its absolute discretion, may accept or reject any pledge of Investor Shares validly created in accordance with the provisions of the law and subject to the approval by of the Fund's Board of Directors. The collateral shall be valid and shall take effect against the Fund, from the date it is disclosed in writing to the Fund and the above conditions are met. The Fund Administrator shall record the collateral in the Register.

17. TERMINATION

LIQUIDATION OF THE FUND

The Fund (or a Sub-Fund where applicable) may be wound up and/or all of the Investor Shares of the Fund (or a Sub-Fund) may be redeemed in accordance with the relevant provisions in the Articles, upon any or more of the following situations:

- at any time by Special Resolution of the holders of the Management Shares;
- upon de-registration from the register of RAIFs kept by the Regulator;
- after the end of its duration, where the Supplement of a Sub-Fund provides for a definite period, unless these are amended to prolong the duration or to become for an indefinite period;
- with the redemption of all of its Investor Shares in issue at the time;
- upon liquidation of all of its underlying Investments, provided that the Fund does not intend to make any more investments;
- with the resignation, liquidation, bankruptcy, administrative receivership or withdrawal of the operational license of the Depositary or AIFM, if it does not become possible to replace the relevant party (unless it is not required under the AIF Law);
- if it becomes illegal or impracticable for the Company to continue its operations under applicable laws or regulations;
- where the required capital has not been raised by the Fund within the twelve (12) month period in accordance with Article 14(1)(a) of the AIF Law;
- where the required capital has not been raised by the Fund within the extended period granted under Article 14 (1) (b) of the AIF Law;
- where the required capital has not been raised by the Fund within the extended period granted under Article 14 (1) (b) of the AIF Law;
- Following a decision taken at its general meeting in case the below events occur in accordance with section 62 of the AIF Law:
 - a) Where the assets of the Fund have been reduced to less than two-thirds of the threshold for the minimum assets as such is determined under section 14(1) of the AIF Law, and Shareholders at a general meeting convened by the Board of Directors within forty days from the reduction, have decided by simple majority thereof being present in person or by proxy (without requirement of quorum to be formed) to wind up the Company; and
 - b) Where the assets of the Fund have been reduced to less than one-fourth of the threshold for the minimum assets as such is determined under section 14(1) of the AIF Law, and the Shareholders at a general meeting convened by the Board of Directors within forty days from the reduction have decided by the vote of one quarter of the Shareholders being present in person or by proxy (without requirement of quorum to be formed) to wind up the Company.

Upon the liquidation of the Fund, the amount of money (if any) to be set aside as a provision for meeting any vested or contingent liabilities of the Fund before the amount of the final distribution to all Investors is determined. Distributions will be made in accordance with the relevant provisions of the Articles and in accordance with the liquidation position of a Sub-Fund described below.

LIQUIDATION OF A SUB-FUND

Each Sub-Fund may be dissolved and liquidated, without its dissolution and liquidation entailing the dissolution and liquidation of other Sub-Funds, in accordance with the relevant provisions in the Articles and the AIF Law.

18. DETERMINATION OF THE NET ASSET VALUE

DAY OF CALCULATION

The Net Asset Value per Share shall be determined by the AIFM, or the Administrator as its delegate, as of each Valuation Day, as specified for each Sub-Fund in the relevant Supplement, under the responsibility of the AIFM. The AIFM is also responsible for ensuring that the Net Asset Value per Share is disclosed to Investors.

METHOD OF CALCULATION

The procedures and methodology for calculating the Net Asset Value per Share are summarised below. As part of its control function, the AIFM shall verify and update as necessary these calculation procedures and methodologies.

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the Fund can be performed. The assets and liabilities of each Sub-Fund will be valued in accordance with the Valuation Policy of the AIFM, consistent with the valuation provisions relating to various types of assets as outlined below. Specific details on the method of valuation of the assets and liabilities of the Fund are set out in the Valuation Policy of the AIFM and reflected below as appropriate.

The Net Asset Value of a Sub-Fund shall be expressed in the Reference Currency of the Sub-Fund or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case and shall be calculated by the AIFM, or the Administrator as its delegate, by ascertaining the value of the assets of the Sub-Fund and deducting from such value the liabilities of the Sub-Fund as at the close of business on the relevant Valuation Day.

The Net Asset Value per Share of a Sub-Fund will be calculated by dividing the Net Asset Value of the Sub-Fund by the number of Investors Shares in the Sub-Fund then in issue or deemed to be in issue as at the close of business on the relevant Valuation Day and rounding down the result mathematically to four decimal places or such other number of decimal places as may be determined by the AIFM from time to time.

In the event the Investors Shares of any Sub-Fund are further divided into Classes, the Net Asset Value per Share of the relevant Class shall be determined by notionally allocating the Net Asset Value of the Sub-Fund amongst the relevant Classes making such adjustments for subscriptions, repurchases, fees, dividends accumulation or distribution of income and the expenses, liabilities or assets attributable to each such relevant Class (including the gains/losses on and costs of financial instruments employed for currency hedging between the currencies in which the assets of the Sub-Fund are designated and the designated currency of the relevant Class, which gains/losses and costs shall accrue solely to that relevant Class) and any other factor differentiating the relevant classes as appropriate. The Net Asset Value of the Sub-Fund, as allocated between each Class, shall be divided by the number of Investors Shares of the relevant Class which are in issue or deemed to be in issue and rounding down the result mathematically to four decimal places or such other number of decimal places as may be determined by the AIFM from time to time.

VALUATION OF ASSETS AND LIABILITIES

The fair value measurement principals adopted by the Fund are the following:

The assets and liabilities of the Fund will be recognised and measured in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS-EU”) and, for fair valuation purposes, the assets (and liabilities) of the Fund will be valued applying an appropriate valuation methodology under IFRS-EU using widely recognized valuation models appropriate for the nature and type of the asset/liability.

Unless otherwise stated or supplemented in this Prospectus (including the Sub-Funds’ specific Supplement), the value of the assets comprised in each of the Sub-Funds shall be ascertained on the following basis:

- a. loans will be measured in line with the provisions of IFRS 9. All loans are recognised when cash is advanced to the borrower;
- b. securities traded in an active market shall be valued on the basis of the last quoted bid price as at the close of business in the relevant market on the relevant Valuation Day;
- c. any investments or securities held by the Fund which are not traded in an active market on the relevant day will be valued applying an appropriate valuation methodology under IFRS-EU using widely recognized valuation models appropriate for the nature and type of the asset. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.
- d. cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and other liquid assets shall be valued at their nominal value plus accrued interest;
- e. derivative (if any) financial instruments are initially accounted for at cost and subsequently measured at fair value. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative. The adjustments on the fair value of derivatives held at fair value through profit or loss are recognised in profit or loss;
- f. foreign currency transactions are translated into each Sub Funds or Share Class’ Reference Currency, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss;

- g. all real estate assets, including land, will be valued by an independent valuer appointed by the AIFM. The valuer will value the properties by applying an appropriate valuation methodology under IFRS-EU using widely recognized valuation models appropriate for the nature and type of the asset.

It is clarified that all real estate assets held by the Fund shall be valued at least once as at the financial year-end. Such valuation may be used throughout the following Financial Year unless there is a change in the general economic situation or in the condition of the relevant Real Estate assets held by the Fund or by any of its Subsidiaries or by any controlled property companies which require new valuations to be carried out under the same conditions as the annual valuations. In addition, upon request of the AIFM, individual valuations may be undertaken during each Financial Year to confirm the market value of a particular property at the time of acquisition and the whole portfolio may be valued at any time for the purpose of calculating the Net Asset Value.

- h. tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantially enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods;
- i. for other assets and liabilities not covered in (a) through (h) above, their fair value will be calculated in accordance with applicable valuation techniques.

The AIFM may, at its sole discretion, permit other methods of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice and IFRS-EU.

Subject to the discretions referred to in the previous paragraph, the AIFM under its supervision has delegated to the Administrator the determination of the Net Asset Value.

The liabilities of the AIF are described under **section 11 “Fees and Expenses”**.

COMMUNICATION

The Net Asset Value of each Sub-Fund, or Class and Net Asset Value per Share as well as the Subscription Price and Redemption Price among other information will be made available to Investors as prescribed by the AIF Law and as detailed in the relevant Supplement and in any case, will be communicated to Investors at least yearly.

SUSPENSION OF CALCULATION OF NET ASSET VALUE AND SUBSCRIPTIONS AND REDEMPTIONS

The AIFM may at any time and from time to time (but in compliance with section 43 of the AIF Law), temporarily suspend the determination of the Net Asset Value of any Sub-Fund or Class (as applicable), and consequently the redemptions and subscriptions and/or the payment of Redemption Proceeds relating to all Investor Shares, or Investor Shares of a particular Sub-Fund or Class accordingly, for such period as the AIFM may determine in good faith:

- i. during which the valuation of Investments which constitute a substantial portion of the assets of a Sub-Fund is not practically feasible or, if feasible, would be possible only on terms materially disadvantageous to the Investors;
- ii. when, for any reason, the prices or values of any Investments of a Sub-Fund cannot be reasonably, promptly or accurately ascertained by the AIFM, or the Administrator as its delegate.
- iii. when remittance of monies which will, or may, be involved in the realization of, or in the payment for, Investments of a Sub-Fund cannot, in the opinion of the AIFM, be carried out at normal rates of exchange;
- iv. when the proceeds of the subscription or redemption of the Investor Shares cannot be transmitted to or from a Sub-Fund's account;
- v. when a notice to terminate a Sub-Fund has been served or when a meeting of the holders of Management Shares has been convened to consider a motion to terminate a Sub-Fund;
- vi. when any redemptions or distributions, in the opinion of the AIFM, result in a violation of applicable law;
- vii. if the AIFM otherwise determines that allowing any redemption would adversely affect a Sub-Fund or any non-redeeming Investors;
- viii. upon the occurrence of an event causing the Fund or any Sub-Fund to enter into Liquidation;
- ix. where in exceptional cases, the circumstances so require, and where the AIFM consider it justifiable to do so having regard to the best interests of the Investors as a whole;
- x. when such suspension is required by the CySEC as being in the best interest of the Investors; or
- xi. during any breakdown in the means of communication or computation normally employed in determining the price or value of any of the investments of a Sub-Fund, including Classes thereof, or Class or the current price or value on any stock exchange or other market in respect of the assets attributable to such Sub-Fund or Class;
- xii. during Force Majeure events; and
- xiii. any period during which the AIFM considers suspension to be required for the purposes of effecting a merger, amalgamation or restructuring of a Sub-Fund or of the Fund.

Notice of the beginning and of the end of any period and the reason for suspension shall be made in writing by the AIFM in such manner as the AIFM may deem appropriate for a duration specified therein) and shall be communicated to the Investors of the affected Sub-Fund or Class, the Regulator and any other relevant authorities of any member states of the European Union in which Investor Shares of the Fund are marketed. Notice will likewise be given to any subscriber or Investor as the case may be applying for subscription or redemption of Investor Shares in the Sub-Fund(s) or Classes thereof concerned. It is clarified that no issue or redemption of Investor Shares or payment of Redemption Proceeds will generally take place during any period when the calculation of the Net Asset Value is suspended. Further the suspension of the determination of the Net Asset Value of a Sub-Fund or a Class shall have

no effect on the determination of the Net Asset Value of a Sub-Fund or a Class or on the issue or redemption of Investor Shares of any other Sub-Fund that is not suspended.

The Company reserves the right to withhold payment from persons whose Investor Shares have been redeemed prior to the suspension of the determination of the Net Asset Value until after the suspension is lifted. As explained above, such right will be exercised in circumstances where the AIFM believes that to make such payment during the period of suspension would materially and adversely affect and prejudice the interests of existing Investors. Notice of any suspension will be given without delay to any Investor tendering his Investor Shares for redemption. If the request is not withdrawn, the redemption will take place as of the next Redemption Day following the termination of the suspension or on such other Business Day following the end of the suspension as the AIFM at the request of such Investor may agree. The AIFM will take all reasonable steps to bring any period of suspension to an end as soon as possible.

ALLOCATION OF ASSETS AND LIABILITIES

The AIFM, or the Administrator as its delegate, ensure that the assets and liabilities of each Sub-Fund are allotted to that Sub-Fund alone and are kept separately from the assets and liabilities of the other Sub-Funds. In respect of each Sub-Fund (and *mutatis mutandis* to each Class) the AIFM, or the Administrator as its delegate, shall establish and maintain separate records and accounts to which the following provisions shall apply:

- i. the proceeds from the issue of Investor Shares representing a Sub-Fund shall be applied in the books and records of the Fund to that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Articles;
- ii. where any asset is derived from another asset, such derivative asset shall be applied in the books and records of the Fund to the same Sub-Fund as the assets from which it was derived and any increase or diminution in the value of such asset shall be applied to the relevant Sub-Fund;
- iii. where the Fund incurs a liability which relates to any asset of a particular Sub-Fund or to any action taken in connection with an asset of a particular Sub-Fund, such a liability shall be allocated to the relevant Sub-Fund;
- iv. where an asset or a liability of the Fund cannot be considered as being attributable to a particular Sub-Fund, subject to the approval of the Auditor, the AIFM and the Directors shall in their absolute discretion determine the basis upon which any such asset or liability shall be allocated among all or any of the Sub-Funds, and they shall further have the power at any time and from time to time to vary such basis;
- v. Provided that when issuing a Class of Investor Shares in regard to any Sub-Fund, the Directors and the AIFM may allocate Duties and Charges and ongoing expenses on a basis which is different from that which applies in the case of Investor Shares in other Classes in the Sub-Fund.
- vi. Notwithstanding any statutory provision or rule of law to the contrary, any liability incurred on behalf of or attributable to any Sub-Fund of the Fund shall be discharged solely out of the assets of that Sub-Fund, and neither the Fund nor any Director, AIFM, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor

be obliged to apply, the assets of any such Sub-Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Sub-Fund.

- vii. There shall be implied in every contract, agreement, arrangement or transaction entered into by the Fund the following terms, that the party or parties contracting with the Fund shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Sub-Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Sub-Fund;
- viii. Any asset or sum recovered by the Fund pursuant to the implied terms set out in paragraph vii. above or by any other means whatsoever or wheresoever in the events referred to in those paragraphs shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the Sub-Fund.
- ix. In the event that assets attributable to a Sub-Fund are taken in execution of a liability not attributable to that Sub-Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to that Sub-Fund affected, the Directors, with the consent of the AIFM and the Auditor, shall certify or cause to be certified, the value of the assets lost to the Sub-Fund affected and transfer or pay from the assets of the Sub-Fund or Sub-Funds to which the liability was attributable, in priority to all other claims against such Sub-Fund or Sub-Funds, assets or sums sufficient to restore to the Sub-Fund affected, the value of the assets or sums lost to it.

A Sub-Fund is not a legal person separate from the Fund but the Fund may sue and be sued in respect of a particular Sub-Fund and may exercise the same rights of set-off, if any, as between its Sub-Funds as apply at law in respect of companies and the property of a Sub-Fund is subject to orders of the court as it would have been if the Sub-Fund were a separate legal person.

In any proceedings brought by any Investor holding Investor Shares, any liability of the Fund to such Investor in respect of such proceedings shall only be settled or any proved liability paid out of the assets of the Sub-Fund in which the Investor Shares in question are in issue without recourse in respect of such settlement or liability or any allocation thereof of any other Sub-Fund.

19. CYPRUS TAXATION

It is the responsibility of all persons interested in purchasing Investor Shares to inform themselves of any tax consequences from their investing in the Fund and the Fund's operations or management, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Investor Shares. The tax status of the Fund and its Investors under the laws of the Republic of Cyprus which are summarised below are based on advice received by the Directors regarding the law and practice in force in Cyprus at the date of this Prospectus.

TAXATION OF THE FUND

Tax Residency

The Fund will be considered to be tax resident in Cyprus if its management and control is exercised in Cyprus. In order to achieve tax residency, several factors, are taken into consideration by the Tax authorities, the place where major decisions are taken, and major contracts are signed. These factors should be adhered to, in order to ensure that the Fund will be taxed under the Cyprus tax laws and also for taking advantage of all European directives as well as the Double Tax Treaty (DTT) network of Cyprus.

It is expected that the Fund will satisfy the above residency conditions and will be considered to be a tax resident of Cyprus.

Corporate Tax

Corporate tax in Cyprus is currently imposed at the flat rate of 12,5% (twelve and a half percent) for each year of assessment on the taxable income derived from sources both within and outside Cyprus. In arriving at the taxable income, deductions on such income and exemptions must be taken into account. All relevant expenses incurred wholly and exclusively for the production of that taxable income are deductible expenses whereas dividends, capital gains or profit from the sale of securities (including shares and units) constitute tax-exempt income (subject to conditions). Expenses that directly or indirectly relate to tax-exempt income are not tax deductible, subject to certain exceptions.

Interest income not derived from, or closely related to, the company's ordinary trading activities is exempt from corporate income tax; it may however be taxed under Special Contribution for the Defence Law at 17%. Interest derived from, or closely related to, the company's ordinary trading activities is taxed under corporate income tax at 12,5% and exempt from Special Defence Contribution. Interest income accrued by the Fund is explicitly treated as deriving from the Fund's ordinary activities and taxable under corporate income tax at the rate of 12,5% following the deduction of allowable expenses as provided by the Cyprus Income Tax Law.

Such expenses may include but are not limited to:

- (i) Management fees, and other professional fees paid by the Fund to the Fund AIFM and/or other intermediaries for services rendered including loan administration purposes
- (ii) Overheads, utilities and other fees necessary for the operation of the Fund.
- (iii) Notional Interest Deduction on the equity raised, subject to certain anti-avoidance rules.

Losses that cannot be utilised in the current year are carried forward for a period of five (5) years, commencing from the end of the year to which the losses relate.

Notional Interest Deduction

Notional Interest Deduction is in essence granted as an expense on the new equity (fully paid by shares) imputed in the Fund in the same manner an interest expense would be deducted on a loan.

The NID will be calculated on the basis of a reference interest rate on new equity held by the Fund's and used in the business and capped at 80% of the Fund's taxable income.

For NID to be deducted, the amount of the equity funds used would need to be used in the production of taxable income.

Reference Interest Rate is the interest rate of the 10-year government bond yield of the country in which the new equity is invested increased by 5%. NID interest rates for selected jurisdictions are published annually by the Cyprus Tax Department ("CTD") on its website. The interest rate of the Cyprus 10-year government bond will apply in the event that the country in which the new equity is invested has not issued any government bond up until December 31 of the year prior to the year in question.

NID will be allowed for the period of the tax year the new equity was introduced into the business (i.e. for the period the new equity was issued and fully paid) and shall cease to be allowed with the withdrawal of the new equity from the business (i.e. through reduction of capital).

Anti-avoidance provisions apply.

Deemed Dividend Distribution

A company which is resident in the Republic, is deemed to have distributed seventy percent (70%) of its profits arising or accruing in the year of assessment, after their reduction by the corporation tax paid or payable on such profits, in the form of dividends to its interested shareholders as at the end of the period of two years from the end of the year of assessment

to which the profits relate, and the interested shareholders concerned shall be assessed accordingly to special contribution on such dividends at the applicable rate of 17%. Any special contribution payable by the shareholder concerned in consequence of a deemed dividend distribution shall in the first instance be paid by the company which will debit such contribution to the shareholders.

The provisions of Deemed Dividend Distribution are applicable only to the extent where the company's ultimate beneficial owners are Cyprus tax residents and Cyprus-domiciled individuals.

Definition of "Securities"

According to the Cyprus Income Tax Law 118(I)/2002 (as amended), profits from the sale of "securities" are exempt from taxation in Cyprus.

The term "securities" includes among others, shares in companies, bonds, debentures and options thereon, as well as short positions on titles, depositary receipts on titles, rights of claim on bonds and debentures, repurchase agreements on titles, index participations only if they represent titles, participations in companies and units in open-end or closed-end collective investment schemes including mutual funds, exchange-traded funds and real estate investment trusts.

Income Arising for the Fund

Income arising from investments that do not represent titles, will be subject to taxation at the corporate tax rate of 12,5%.

Any profits arising for the Fund from the sale of qualified "securities" such as shares in companies, units in mutual funds, exchange-traded funds, index participations that represent titles, as well as debt securities will be exempt from corporation tax in Cyprus.

Interest income

Interest income deriving can either be taxed at the corporation tax rate of 12,5% if it is considered to be "active" interest income (i.e. income related to the ordinary course of business) (this income will be then exempt from Special Defence Contribution), or at the rate of 17% under Special Defence Contribution (and thus exempt from corporation tax) if it is considered to be passive interest income. Interest income derived by the Fund is expected to be considered to be "active" interest income.

Dividend income

Dividends received by a fund resident in Cyprus from foreign companies or equity related investments such as mutual funds and exchange-traded funds are exempt from corporate income tax, provided those dividends are not allowed as a tax deduction in the jurisdiction of the foreign paying company.

They are also exempt from **Special Defence Contribution** if either of the following conditions is satisfied:

- (1) the dividend paying company derives 50% or more of its income directly or indirectly from activities which lead to active trading income (“active versus passive test”); or
- (2) the foreign tax burden on the profits to be distributed as a dividend is not substantially lower than the Cypriot corporate income tax rate (i.e. a rate of at least 6,25% at the level of the dividend paying company) (“effective tax test”).

If neither of the above conditions is satisfied, dividends will be subject to Special Defence Contribution in Cyprus at a rate of 17%.

Tax credits can be claimed on any foreign tax suffered abroad in case the dividend income is taxable in Cyprus either under corporation tax or Special Defence Contribution.

Fees and Expenses

The expenses (including a proportion of the general expenses of the Fund) that relate to the production of taxable income arising from the Fund’s investments in debt securities as well as cash deposits will be allowed as a tax deduction. Interest expense paid on loans may only be deductible provided that any debt is used to invest wholly (i.e. 100%) in a new subsidiary.

Capital Gains Tax

Under the Capital Gains Tax Law 52/1980, Capital Gains Tax is imposed only on gains arising from the disposal of immovable property situated in Cyprus and shares in companies owning immovable property situated in Cyprus (with the exception of shares in listed companies) at the flat rate of 20% (twenty percent).

The above includes (i) shares of companies whose ownership also consists of immovable property situated in the Republic and (ii) shares of companies that directly or indirectly participate in a company or companies that own immovable property situated in the Republic and at least 50% (fifty percent) of the market value of these shares arises from the market value of the immovable property situated in the Republic (in determining whether the value represents the 50%, no obligations are taken into account).

However, Capital Gains Tax shall not be applicable in the event where the exploitation and development of land and property is the main business of the Fund and the disposal of the immovable property itself is considered as a trading transaction; in such a case, any profits shall be accumulated for taxation under the Cyprus corporate income tax rate of 12.5% (twelve and a half percent) following the deduction of expenses wholly and exclusively incurred in the production of taxable income.

Rental Income

Rental income is subject to tax both under corporate income tax and under the Special Contribution for the Defence Law. Any rental income accrued in the Fund will be subject to income tax at the rate of 12.5% (twelve and a half percent) following the deduction of expenses wholly and exclusively incurred in the production of taxable income as well as under

the Special Contribution for the Defence Law at the rate of 3% (three percent) on the gross rental income reduced by 25% (twenty-five percent).

Exit Through Liquidation

In the instance the Fund is liquidated, the profits that have not been distributed prior to the liquidation will be considered as dividends “distributed” to the Investors and will be subject to tax at 17% (seventeen percent) only to the proportion attributable to individual Cyprus tax resident Investors. The proportion of the profits attributable to the non-tax resident Investors (corporate and individuals) will be exempt from any tax in Cyprus.

TAXATION OF INVESTORS

Potential investors should consult their own professional tax advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the units / certificates under the laws of their country of incorporation, citizenship, residence or domicile.

Tax residency

A company is considered to be tax resident in Cyprus if its management and control is exercised in Cyprus.

An individual is considered to be tax resident in Cyprus if s/he stays in Cyprus for a period or periods exceeding in aggregate 183 (one hundred and eighty-three) days in the year of assessment.

As of January 1st, 2017, the Cyprus Income Tax Law is amended with regards to the definition of “resident of the Republic” for individuals. The amendment shall also have effect on other tax laws, to the extent where such laws refer to Cyprus tax resident individuals as these are defined in the Cyprus Income Tax Law. Under the provisions of the Cyprus Income Tax Law, the term “resident of the Republic”, when applied to an individual, means an individual who stays in the Republic for a period or periods exceeding in aggregate 183 (one hundred and eighty-three) days in the tax year. The definition has been amended to also provide that, an individual who does not stay in any other country, for one or more periods exceeding in aggregate 183 (one hundred and eighty three) days in the same tax year and is not tax resident in any other country for the same year, is deemed as a resident in the Republic in that tax year, if all of the following conditions are met:

- i. the individual stays in the Republic for at least 60 (sixty) days in the tax year,
- ii. exercises any business in the Republic and/or is employed in the Republic and/or holds an office with a Cyprus tax resident person at any time during the tax year,
- iii. maintains (by owning or leasing) a permanent home in the Republic.

The law is further amended to clarify that an individual that cumulatively meets all the above

conditions shall not be treated as a Cyprus tax resident in the tax year if, during that year the exercise of any kind of business in the Republic and/or employment in the Republic and/or holding of an office with a tax resident person in the Republic is terminated.

Domicile

Domicile applies only in respect of individual Investors and only in respect of tax arising under Special Contribution for Defence (SDC).

An individual who is resident in Cyprus for a period of at least 17 (seventeen) years out of the last 20 (twenty) years prior to the tax year in question shall be deemed as domiciled in Cyprus for Special Contribution for Defence (SDC) purposes regardless of whether or not he has his/her domicile of origin in Cyprus.

A person who has domicile of origin in Cyprus will be treated as “domiciled in Cyprus” for SDC purposes (and hence subject to SDC) with the exception of:

- An individual who has obtained and maintained a domicile of choice outside Cyprus under the provisions of the Wills and Succession Law, provided that this individual was not a Cyprus tax resident for any period of at least 20 consecutive years prior to the tax year in question; or
- An individual who was not a Cyprus tax resident for a period of at least 20 (twenty) consecutive years immediately prior to the tax year in question.

Corporate or Personal Income tax rules apply solely based on tax residency and are not affected by the application of the domicile principle.

Taxation of investors that are Cyprus Tax Residents

Cyprus Withholding Taxes

Dividends and interest payable by the Fund to individual Investors tax residents in Cyprus are subject to Special Defence Contribution at source, at the rate of 17% (seventeen percent) with the exception of non-domicile tax resident individuals.

Dividend Income

Dividends received from the Fund by Investors who are Cyprus tax resident companies, will be exempt from tax in Cyprus.

Dividends received from the Fund by individual Investors who are tax residents of Cyprus will be subject to a final tax at a rate of 17% (seventeen percent), which will be withheld at source by the Fund. The profits attributable to Investors (companies or individuals) who are Cyprus tax residents may be subject to the deemed dividend distribution rules. These rules provide that if a company, does not distribute at least 70% (seventy percent) of its accounting profits after tax, as defined by the relevant law, within two years after the end of the tax year to which the profits relate, it will be “deemed” to have distributed as a dividend 70% (seventy percent)

of such profits. Special Defence Contribution at the rate of 3% (three percent) will be imposed at the end of the two years on the amount deemed to be distributed to tax residents in Cyprus.

Sale or Redemption of Investor Shares

Subject to the below paragraph “Capital Gains from the disposal of Investor Shares”, the sale or redemption of Investor Shares in the Fund will be exempt from any income tax in Cyprus.

Capital Gains from the disposal of Investor Shares

Gains from the disposal of Investor Shares in the Fund will be subject to Capital Gains Tax on the basis that the Fund owns, both directly and indirectly Cyprus situated immovable property. No taxation will be imposed if the Fund is listed in a recognised Stock Exchange.

Taxation of investors that are not Cyprus Tax Residents

Cyprus Withholding Taxes

No Cyprus withholding taxes will apply with respect to the distribution of dividends or interest to Investors that are non-tax residents of Cyprus (companies or individuals) and Cyprus tax resident companies.

Dividend Income

Dividends received from the Fund by Investors who are non-tax residents of Cyprus (both corporate and individual), will not be subject to any taxation in Cyprus.

Sale or Redemption of Investor Shares

Subject to the below paragraph “Capital Gains from the disposal of Investor Shares”, the sale or redemption of Investor Shares in the Fund will be exempt from any income tax in Cyprus.

Capital Gains from the disposal of Investor Shares

Gains from the disposal of Investor Shares in the Fund will be subject to Capital Gains Tax on the basis that the Fund owns, both directly and indirectly Cyprus situated immovable property. No taxation will be imposed if the Fund is listed in a recognised Stock Exchange.

Other Taxes

Foreign taxes

DIVIDENDS AND INTEREST WHICH THE FUND MAY RECEIVE WITH RESPECT TO INVESTMENTS MAY BE SUBJECT TO TAXES, INCLUDING WITHHOLDING OR CAPITAL GAINS TAXES, IN THE COUNTRIES IN WHICH THE INVESTMENTS ARE LOCATED. IT IS NOT KNOWN WHETHER THE FUND WILL BE ABLE TO BENEFIT FROM REDUCED RATES OF WITHHOLDING TAX UNDER THE PROVISIONS OF THE DOUBLE TAX TREATIES WHICH CYPRUS HAS ENTERED INTO WITH VARIOUS COUNTRIES. IN THE EVENT THAT THE FUND RECEIVES ANY REPAYMENT OF WITHHOLDING TAX SUFFERED, THE NET ASSET VALUE OF THE RELEVANT FUND WILL NOT BE RESTATED AND THE BENEFIT OF ANY REPAYMENT WILL BE ALLOCATED TO THE THEN PRIOR INVESTORS RATEABLY AT THE TIME OF SUCH REPAYMENT.

20. CONFLICTS OF INTEREST

The Directors, the AIFM, the Administrator, the Depositary any other service provider or advisor to the Fund and their respective Affiliates, officers, directors members of the Investment Committee and shareholders, employees and agents (collectively the "**Parties**") are, or may be, involved in other financial, investment and professional activities that may on occasion cause a conflict of interest with the management of the Fund, a Sub-Fund and/ or their respective roles with respect to the Fund. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisors or agents of other funds or companies, including funds or companies in which the Fund may invest. In particular, the AIFM may advise or manage other collective investment schemes that have similar or overlapping investment objectives to or with the Fund or its Sub-Funds. In the event that any of the above-named persons elect to undertake such activities and other business activities in the future, such persons and or their respective principals or Affiliates may be subject to conflicting demands in respect of allocating management time, services and other functions.

Each of the Parties will use its reasonable endeavours to ensure that the performance of its respective duties will not be impaired by any such involvement it may have and that any conflicts of interest that may arise will be resolved fairly. Any such person will not be prevented from dealing with the Fund, as principal or as agent, provided that any such dealings are on terms no less favourable to the Fund than could reasonably have been obtained had the dealing been effected with an independent third party. Any such person may charge and retain a commission or fee in respect of any such dealing provided such fee or commission is not in excess of rates commonly payable in respect of such dealings (i.e. carried out as if effected on normal commercial terms negotiated on an arm's length basis).

In the event that any of the Parties consider that a particular situation may result in any relevant person having a conflict between its obligations to the Fund and other interests must disclose any such interest financial, fiduciary or otherwise in any proposal, contract or other matter in respect of which the Fund will make a decision. They are expected to execute their duties in good faith and with a view to the best interests of the Fund and its Investors.

It is highlighted that, the AIFM shall in accordance with the AIFM Law, be responsible for establishing, maintaining and operating effective organisational and administrative arrangements with a view to taking all reasonable steps designed to take all reasonable measures to identify, prevent, manage and monitor conflicts of interest to ensure, with reasonable confidence, that risks of damage to investors' interests will be prevented.

Prospective investors should consider the following potential conflicts of interest. Such conflicts of interest may not be a complete list of all the potential conflicts of interest associated with an investment in the Fund, the Investor Shares, or the underlying Investments of the Fund. Therefore, prospective investors should read this Prospectus in its entirety.

Directors' interests

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is interested, provided that the material facts of such interest are disclosed in good faith at the meeting of the Directors at which any such agreement or transaction shall be presented for consideration. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. There is no prohibition on the Directors, or any person connected with them, holding Investor Shares in the Fund. The nature of any such interests/transactions will be declared by the relevant Director to the Board at the next Board meeting. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

By acquiring Investor Shares in the Fund hereby offered, an Investor will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and to have waived, to the maximum extent permitted by applicable law, any claim with respect to the existence of any such conflicts.

POTENTIAL CONFLICTS

Indicatively, a non-exhaustive list of situations where a conflict of interest may arise is provided below:

- i. A director of the AIFM and/or of the Fund has a direct interest in one or more Investments held by the Fund or one or more Sub-Funds of the Fund;
- ii. A proposed or existing director of the AIFM and/or of the Fund may have personal or business conflicts of interest that may affect decisions that are in the best interests of the various stakeholders. Such interest may be direct, or indirect, for instance through a legal entity to which the director in question is a shareholder and/or director or through another natural person who is an immediate relative of that director;
- iii. One or more service providers of the AIFM and/or of the Fund, including, but not limited to the Administrator, the Depositary, the Auditor, may offer their services to competitors of the AIFM and/or of the Fund and may have a direct or indirect incentive to provide their services in a way that may be unfair and/or disadvantageous to the Fund and subsequently adversely affect the position of the Investors;
- iv. The AIFM holds the Management Shares in the capital of the Fund and therefore controls the voting rights of the Fund which gives the power to appoint and remove the Directors. This fact may be deemed to represent a potential conflict of interest in that the Fund is less likely to discharge the AIFM than would otherwise be the case. Although the Management Agreement with the AIFM has been negotiated on terms no less favourable to the Fund than could reasonably have been obtained had the dealing been effected with an independent third party, prospective investors should consider the potential conflicts of interest noted herein.
- v. The directors of the Fund and the service providers may have conflicts of interest of the duties to the Fund. However, each shall, at all times, pay regard to its obligation to act in the best interest of the Fund and the directors of it, will ensure that all such potential conflicts of interest are resolved fairly and in the interests of the Investors.

- vi. A business relationship exists between the AIFM and its Depositary, EURIVEX LTD, which acts as the sole Depositary for all AIFs under the management of the AIFM. This relationship may result in financial dependency between the AIFM and the Depositary, potentially creating a conflict of interest. As a result, the parties involved may have an incentive to act in ways that could affect the interests of Investors. To manage this potential conflict and ensure that the interests of the Fund and its Investors are prioritised, safeguards will be implemented. Independent third-party oversight will regularly review transactions to ensure fairness, while clear conflict resolution procedures will address any issues that arise. Segregation of duties will ensure that no party has the power to make decisions that could favor the Depositary at the expense of the Fund. Furthermore, independent asset valuation and ongoing monitoring will help detect and address any potential conflicts promptly, safeguarding the best interests of Investors.

21. RISK FACTORS

The attention of prospective investors is drawn to the notice on the cover page of this Prospectus regarding the fact that the Fund and its Sub-Fund(s) classify as a Registered Alternative Investment Fund targeting Professional and/or Well-informed Investors and are therefore not subject to the CySEC's authorisation but to indirect supervision and regulatory oversight by the CySEC through its AIFM.

Potential investors should carefully consider the following risk factors in addition to the other information in this Prospectus before deciding whether to make an investment in the Fund. Any of these risks could have a material adverse effect on Fund's business, results of operations, cash flow, financial condition and ability to pay dividends and, as a result, the value of Investor Shares may decline, which could, in turn, result in a loss of all or part of any investment in Investor Shares. A subscription for Investor Shares should be considered only by persons financially able to maintain an investment in the Fund and to potentially bear the risk of loss associated with such an investment. Potential investors should review closely the Investment Objectives and Investment Policies utilised by the Fund as outlined herein to familiarise themselves with the risks associated with an investment in the Fund.

Furthermore, the risks and uncertainties described below may not be the only ones the Fund will face. It should be noted that it is not possible to identify every risk factor relevant to investing in the Fund and the matters set out below should not be treated as exhaustive. Additional risks and uncertainties not presently known to the Board of Directors or that currently deemed immaterial may also impair business operations. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on our business, results of operations, cash flow, financial condition or share price.

IT IS NOTED THAT ANY OTHER RISKS ASSOCIATED WITH A SPECIFIC INVESTMENT, OR SPECIFIC INVESTMENT POLICY OF A SUB-FUND, WILL BE FURTHER SET OUT IN THE RELEVANT SUPPLEMENT.

SUMMARY OF RISK FACTORS

The Fund is intended to be a medium to long-term investment vehicle. Investor Shares may however be redeemed at a frequency as detailed in the relevant Supplement provided that the Lock-up Period set as the relevant minimum holding period is observed. Substantial redemptions of Shares by Investors within a limited period of time could cause the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the Investor Shares being redeemed and the outstanding Investor Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value per Investor Share could make it more difficult for the Fund to generate trading profits or recover losses.

RISKS RELATED TO AN INVESTMENT IN THE FUND

No Assurance of Achieving Investment Objectives

There is no guarantee that the Fund will meet its Investment Objectives or that an investment in Investor Shares will earn a positive return.

Management Risks

The Fund relies on the abilities of the AIFM to implement the Investment Objectives and Policies and decisions of the Fund.

The Fund has an obligation to indemnify the Directors for any liabilities incurred under certain conditions and there may not be any insurance for such losses for which the Fund has agreed to indemnify the Directors. Any indemnification paid by the Fund would reduce the Fund's asset value and therefore the value of the Investor Shares.

Closure to Investment

Performance may be affected by the size of the Fund. With this in mind and depending upon market conditions, the AIFM may without explanation consider the imposition of periods in which the Fund will be closed to new investors and/or further investment, in times when they consider in its absolute discretion this will be beneficial to the Fund as a whole.

Restriction on Transfer

Investors should be fully aware of the restrictions on transfer of their Investor Shares in the Fund. The Investor Shares will not be registered under the securities law of any jurisdiction and there will be no ready market for the Investor Shares. Any transfer of Investor Shares is subject to the terms of the Prospectus and Articles.

Restrictions on Redemption

Certain restrictions on Investors ability to require the Fund to redeem any or all of their Investor Shares on any Redemption Day at the NAV per Share may apply as detailed in this Prospectus and the relevant Supplement. The Fund has the ability to establish Sub-Funds which are open-ended and open-ended with limited liquidity. In the case of Sub-Funds which are open-ended with limited liquidity Investors may have very limited rights to request the redemption of their Shares.

External Market Risks

The success of any investment activity is influenced by general economic conditions which may affect the level and volatility of interest rates and the extent and timing of investor participation. Shifts in supply and demand in certain sectors and industries will have a direct effect on the volume of activities of the Fund and subsequently to its income.

Cross-liability Risk

In terms of section 9 of the AIF Law the assets and liabilities of each Sub-Fund are, for the purposes of the law, considered to be separate and distinct from the assets and liabilities of other Sub-Funds. The Fund should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities among different Sub-Funds. However, these provisions have yet to be tested in foreign courts, in particular in satisfying local creditors' claims. Accordingly, there can be no guarantee or categorical assurance that courts seized with the jurisdiction of a dispute in relation to a Sub-Fund or the Fund (other than the Courts of the Republic of Cyprus) will follow the same principles of law.

Legal Risks

The Fund, by reason of making Investments in different countries or jurisdictions, may be exposed to a number of legal risks, including inadequate investor protection, contradictory legislation, uncertainty created under conflict of law (i.e. which is the applicable law to the dispute)incomplete, unclear and changing laws, ignorance or breach of regulations on the part of other parties involved, regulatory or contractual implications, lack of established or effective avenues for legal redress and lack of enforcement of existing regulations or bilateral country agreements for recognition of judgments. For the reasons set out above, it may further be difficult to obtain and enforce a judgment in connection to the Fund and its activities and Investments in certain countries and jurisdictions.

Failure of Return to Investment

Investments shall be chosen by the AIFM under the powers vested by the Directors based on a number of factors, including but not being limited to historic performance and the success and reputation of their executive and management teams (if applicable). However, the Fund is not in a position to guarantee at all times the continuous success of such Investments and subsequently the volume of return in investment.

Concentration of investments

The Fund expects to invest in a highly focused manner and may not seek to create diversifications in specific Sub-Funds or Classes. Investors are advised to read the Supplements relating to such Sub-Fund or Class closely in this regard.

Investment in specific sectors Risk

Certain Sub-Funds will concentrate their Investments in companies or securities of certain sectors of the economy or geographical regions and therefore will be subject to the risks associated with concentrating Investment in such sector or region. More specifically, Investments in specific sectors and specific regions involve greater risks which may lead to adverse consequences when such sectors become less valued or such regions are subject to political, social or economic instability.

Valuation Risk

A certain proportion of the Fund's assets may be invested in unquoted securities. Such investment may be valued at the probable realisation value as determined in accordance with the **section 18 "Determination of the Net Asset Value of the Fund"**. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty.

Limitation of Directors' Liability and Indemnification of Directors

The Articles and the Prospectus provide that the Fund has agreed to indemnify and hold harmless officers and members of the Board of Directors (to the fullest extent permitted by the laws of Cyprus) from and against any loss or expense suffered or sustained by any of them, other than any loss or expense resulting from fraud or dishonesty by reason of their

participation in the Fund. Therefore, the Fund may have a more limited right of action against the Directors than the Fund would have had absent these provisions in the Articles.

Non-Voting Shares

The Investor Shares that are issued to Investors do not carry voting rights (save as otherwise provided under applicable laws). Consequently, Investors will not have any control over the management of the Fund or the appointment and removal of its Directors and service providers. The holder(s) of all of the Management Shares of the Fund control all of the voting interests in the Fund. Only the holders of Management Shares may appoint and remove the Directors of the Fund and only the Board of Directors may terminate the services of the Administrator, the Depositary, the AIFM, and other service providers of the Fund. Investors should be aware that an investment in the Fund is to be regarded as a passive investment.

Suspension of Dealing in Shares

It is advised that in certain circumstances the right of Investors to redeem their Investor Shares may be temporarily suspended, in accordance with the provisions of this Prospectus and the Articles.

Potential Compulsory Redemption

The Fund may, in its discretion, require an Investor to redeem all or any of its shares, as described herein. Such mandatory redemption could result in adverse tax and/or economic consequences to such Investor.

Limited liquidity arrangements

The Investor Shares may be subject to liquidity arrangements such as Lock-Up and Gate which may not allow Investors to redeem their Investor Shares. Investor Shares may be transferred under the terms provided herein, however, the Fund may not assure Investors that an active market for the transfer of Investor Shares will, or that there will be sufficient or any demand by other Investors to acquire such Investor Shares.

Operating History

The Fund is a newly incorporated entity. The Fund's investment program should be evaluated on the basis that there can be no assurance that the Directors' and/or AIFM's assessment of the short-term or long-term prospects of Investments will prove accurate or that the Fund will achieve its Investment Objective.

Change in Investment Strategies

The investment strategies, approaches and techniques discussed herein may evolve over time because of, among other things, market developments and trends, changes in the level of over or undervaluation of business sectors, etc. As a result, the investment process and the evolution of such a process will be of an ongoing nature. However, the Investments made by the Fund will be in line with the Fund's stated Investment Objectives.

Operational Risk

Operational risks include the risks that arise from human error, process or system failure and from external events. It includes the improper handling of confidential information and the compliance risk of regulatory requirements not being met. The primary responsibility for the effective identification, management and monitoring of operational risk lies with the AIFM. The AIFM identifies, monitors and mitigates operational risks through a risk management program that includes a periodic 'risk and control self-assessment.

Start-up Period

The Fund will encounter a start-up period during which it will incur certain risks, costs and expenses relating to the initial investment of its capital. It is uncertain as to the length of the period during which the Fund will have invested a substantial portion of its capital, which may adversely affect the investment return to Investors during this period.

Conflicts of Interest

The Directors, the AIFM, the Depositary, the Administrator, and other agents and consultants of the Fund may from time to time act in a similar capacity to, or otherwise be involved in, other funds or collective investment schemes, some of which may have similar investment objectives to those of the Fund. Thus, each may be subject to conflicting demands in respect of allocating management time, services and other functions between the activities each has undertaken with respect to the Fund and the activities each has undertaken or will undertake with respect to other investors, commodity pools, managed accounts and/or trading advisors. It is therefore possible that any of them may, in the course of their respective businesses, have potential conflicts of interest with the Fund. Each will at all times have regard to its obligations to the Fund and/or the Investors and, in the event that a conflict of interest arises they will endeavour to ensure that such conflicts are resolved fairly.

Claims of Creditors

In the event of dissolution or termination of the Fund or a particular Sub-Fund, the proceeds, if any, realised from the liquidation of assets will be distributed to the Investors only after satisfaction of the claims of creditors. Accordingly, the ability of Investors to recover all or any portion of their investment upon dissolution or termination will depend upon the amount of funds realised by the Fund or the particular Sub-Fund and the claims of creditors to be satisfied therefrom.

Accounting Treatment Risk

The Directors may amortize certain expenses, over a period as this shall be detailed in section 11 "***Fees and Expenses***" of this Prospectus and/or relevant Supplement, including the set-up costs. Even though not in accordance with International Financial Reporting Standards, such practice is followed by many European AIFs and the Directors consider such treatment to be more equitable to the Investor. As this treatment will result in a difference between the Net Asset Value per the Prospectus and the Net Asset Value per International Financial Reporting

Standards a reconciliation will be provided between the two Net Assets Values in the Audited Financial Statements.

It is clarified that where there is any conflict between IFRS and the valuation principles set out in the Articles and this document in relation to the calculation of Net Asset Value, the latter principles take precedence.

Market Risk

Investors may experience losses due to changes in the level of one or more market prices, rates, indices, or other market factors. Market risk cannot be eliminated through diversification, though it can be hedged against. Sources of market risk include, but are not limited to, recessions, political turmoil, changes in monetary policies, etc.

Currency Risk

The Sub-Funds may invest in investments denominated in a number of different currencies other than the Reference Currency in which the Fund is denominated. Changes in foreign currency exchange rates between the Reference Currency and the currency in which the investments are denominated will cause the value of the investments expressed in the Reference Currency to differ.

Sub-Funds that have the ability to invest in overseas assets may be subject to currency volatility including currency devaluation. Currency movements may impact the value of the relevant Sub-Fund's assets. The Sub-Funds may use derivatives to reduce this risk. However, certain market conditions may make it impossible or uneconomical to hedge against currency risk. The AIFM may in its discretion choose not to hedge against currency risk within the Sub-Funds.

Share Class Currency

Certain share classes of certain Sub-Funds may be denominated in a currency other than the Reference Currency of the relevant Sub-Fund. Therefore, changes in foreign currency exchange rates between the Reference Currency and the currency in which these share classes are denominated will cause the value of shares held in such Sub-Fund to differ.

Liquidity Risk

Liquidity risk exists when some of the Sub-Funds' investments may be difficult to sell due to unforeseen economic or market conditions, such as the deterioration in the creditworthiness of an issuer. In case of a large redemption request, the Sub-Funds may consequently not be able to sell certain assets to meet the redemption requirement or may not be able to sell certain assets at levels close to the current valuation price.

Counterparty Risk

The Fund may enter into transactions with counterparties (which could be a company, government or other institution), thereby exposing them to the counterparties' creditworthiness and their ability to perform and fulfill their financial obligations. There exists a risk that the obligation of such counterparties will not be satisfied. This risk may arise at any

time the Funds' assets are deposited, extended, committed, invested or otherwise exposed through actual or implied contractual agreements. The weaker the financial strength of a counterparty, the greater the risk of that party failing to satisfy its obligations. The Net Asset Value of the Sub-Funds could be affected by any actual or anticipated breach of the party's obligations, while the income of the Fund would be affected only by an actual failure to pay, which is known as a default.

In addition, the Fund may enter into contracts with service providers and other third-party contractors (the "Service Providers"). This risk means that in certain circumstances (including but not limited to force majeure events) the Service Providers may not be able to perform or fulfil their contractual obligations to the Fund. This could result in periods where the normal trading activity of the Fund may be affected or disrupted.

Inflation/Deflation Risk

Inflation risk refers to the possibility of a reduction in the value of the income or assets as inflation decreases the value of money. The real value of the relevant Sub-Fund's portfolio could decline as inflation increases. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Sub-Fund's portfolio.

Country Risk

This is the risk that political events and occurrences may negatively impact the applicable law, real estate values, operational activities, financial performance and ultimately the property income earning ability. Socio-political challenges can potentially undermine the general economic environment and in turn the development, valuation and operations of real estate assets.

Sustainability Risks

Sustainability Risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of one or more investments and potentially a total loss of its value. Sustainability Risk can either represent a risk on their own or have an impact on other risks and contribute significantly to those risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Sustainability risks may have an impact on long-term risk-adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data, which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed. Consequent impacts to the occurrence of sustainability risk can be many and varied according to a specific risk, region or asset class. Generally, when sustainability risk occurs for an asset, this may have a material negative impact on the value of the asset, the net asset value of the concerned Sub-Fund and its likely returns to Investors.

Pandemic Risk

A pandemic is defined as a health epidemic/outbreak of contagious disease occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting vast numbers of the global population. Pandemics potentially represent a significant shock to the global financial markets, where the financial impact is multifaceted, ambiguous and could lead to economic recession. For example, outbreaks may result in restrictions on travel and public transport and prolonged closures of workplaces which may have a material adverse effect on the regional or national economies that have imposed such restrictions and which, in turn, may have a wider impact on the global economy. Accordingly, a significant outbreak of a health epidemic/pandemic or contagious disease could result in a widespread health crisis and restrict the level of business activity in affected areas, which may in turn give rise to significant costs to the Funds and adversely affect the Funds' business and financial results. Concerns about the spread of the novel coronavirus and other outbreaks of health epidemics and contagious diseases in the past have caused governments at various times to take measures to prevent the spread of viruses, including restrictions on travel and public transport and prolonged closures of workplaces.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Prospectus and consult with their own advisors before deciding whether to invest in the Fund.

22. GENERAL

REPORTS

The Fund shall prepare, in accordance with the provisions of the AIF Law, an annual report and a half-yearly report. The Annual report containing the audited financial accounts of the Fund shall be communicated to the CySEC and made available to Investors within six months of the end of the Financial Year, and the half-yearly report made up to the 30th June of each year within two months of the end of the half year period.

The reports shall contain such information as may be prescribed by the Regulator and applicable law. The annual report shall be audited by the Auditor and the auditor's report, shall be reproduced in full therein and shall, at least, contain the following (as this relates to the Fund or the Sub-Funds as appropriate):

- A balance sheet or a statement of assets and liabilities of the Fund;
- Income and expenditure account of the Fund for the Financial Year;
- A report on the activities of the Fund of the Financial Year;
- Any material changes in, inter alia, its investment strategy and objectives, the types of assets invested into, the identity of Depositary or Auditor, valuation procedures, liquidity risk management, fees, charges and expenses borne by the Investors during the Financial Year covered by the report;
- The total amount of remuneration for the Financial Year, split into fixed and variable remuneration, paid by the Fund to its staff, and number of beneficiaries, and where relevant, carried interest paid to the AIFM;
- The aggregate amount of remuneration broken down by senior management and members of staff of the Fund whose actions have a material impact on its risk profile.

The half-yearly report shall include the interim non-audited financial statements.

All the reports and financial statements as abovementioned will be prepared in accordance with IFRS-EU.

INFORMATION MADE AVAILABLE TO INVESTORS

As required by the AIFM Law and the AIFMD, to the extent only that such requirements are applicable, the following information will be made available to Investors as part of each Sub-Fund's periodic reporting process: (i) the percentage of each Sub-Fund's assets which are subject to special arrangements arising from their illiquid nature; (ii) the current risk profile of each Sub-Fund and the risk management systems employed by the AIFM to manage those risks; and (iii) the total amount of leverage employed by each Sub-Fund. The above information will be provided to Investors in the annual report.

Investors will also be provided with information regarding changes to (i) the maximum level of leverage which a Sub-Fund, or the AIFM on that Sub-Fund's behalf, may employ as set out in the relevant Supplement; or (ii) the granting to a counterparty of the rights for reuse of collateral under a Sub-Fund's leveraging arrangements; or (iii) any guarantee granted to a third-party under a Sub-Fund's leveraging arrangements. This information will be made available to Investors, without undue delay following the occurrence of that change, by way

of update to this Prospectus or the relevant Supplement. Where required, such change will be preceded by notification to Investors.

Key information document (KID)

All prospective investors shall be provided, prior to making a subscription request for Investor Shares, with copies of the latest Prospectus and Articles, as well as the latest available reports, through a Durable Medium. In addition, and in accordance with the Regulation (EU) 1286/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPS), prospective investors shall receive a key information document (KID) for the relevant Sub-Fund before an investment is made in any Sub-Fund. The KID which follows a prescribed format, is a three-page disclosure document and is a pre-contractual requirement which must be received prior to investing in any Sub-Fund. The KID sets out the essential characteristics of each Sub-Fund, to enable a prospective investor to understand the nature and risk of investing in a relevant Sub-Fund. Each Sub-Fund will publish the KID's each year end or as and when any material changes take place.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, as applicable, will be available for inspection by Investors during normal business hours on any Business Day at the offices of the AIFM and the registered office of the Fund:

1. the Prospectus and Supplements;
2. the Articles and Memorandum of Association;
3. the Key Information Document (where applicable);
4. the material contracts referred to below; and
5. the latest available Annual Report and other reports (if any) of the Fund.

Copies of the documents under (1) to (4) above may be obtained without cost at the same address and may be sent in electronic format to any prospective investor on request.

AMENDMENTS TO THE PROSPECTUS

Investors should note that, unless otherwise provided in this Prospectus, by subscribing for Investors Shares they accept that the general part or the Supplement of this Prospectus may be amended or supplemented by the Board of Directors in close cooperation with the AIFM without any advance notification to, or consent of, the relevant Investors. Such amendments may reflect various changes it deems necessary and in the best interest of the Fund, such as implementing changes to laws and regulations, changes to a Sub-Fund's objective and policy or changes to fees and costs charged to a Sub-Fund or Share Class.

It is noted that any amendment to any Sub-Fund's Investment Policy requires the CySEC's prior approval according to Section 138(6) of the AIF Law. The approval of CySEC shall also be required for changes such as the replacement of the Depositary as stipulated in the AIF Law.

Further any Material Changes to this Prospectus will be notified to the Investors immediately upon their adoption.

Should any amendments of the Prospectus entail an amendment to the Articles and decision to be made by the general meeting of shareholders of the Fund, such decision shall be passed by a resolution at an extraordinary meeting of the Fund with the form, quorum and majority requirements set for in the Articles and in compliance with the applicable Cyprus laws including sections 60(1)(b) and 60(2) of the AIF Law, which require the approval of the CySEC.

Dissenting Investors to any such Material Changes to the Prospectus as well as to amendments to the Articles have the right to request the redemption of their Investor Shares in accordance with the provisions of the Prospectus and/or Articles applying prior to the implementation of such Material Changes or amendments to the Articles. Such redemption may be requested under the terms as specified in the relevant Supplement for each Sub-Fund and in compliance with the timeframes set out under section 60 of the AIF Law.

Notwithstanding the aforementioned provisions, it is clarified that the AIFM reserves the right to exercise its discretion in amending this Prospectus and/or the relevant Supplement without such amendments being deemed Material Changes or triggering any rights for Investors to redeem, which authority is applicable in the following cases:

- i. take any necessary action in response to changing legal or regulatory conditions to ensure the Fund's continuity, including, but not limited to, compliance with the AIFMD, relevant EU directives or regulations, the AIF Law, and any directives from national competent authorities or other applicable laws;
- ii. delete or add any provision of this Prospectus required to be so deleted or added by a national competent authority or similar agency, which addition or deletion is deemed by such national competent authority, or agency to be for the benefit or protection of the Investors;
- iii. correct any clerical mistake or to correct or supplement any immaterial provision herein that may be inconsistent with any other provision herein or therein, or correct any printing, typographical, stenographic or clerical errors or omissions, that will not be inconsistent with the provisions of this Prospectus;
- iv. appoint or replace any Service Provider (including, for the avoidance of doubt, the termination of the appointment of the AIFM and the concomitant appointment of an AIFM that is part of the same group as Brook Lane Capital Limited, or the termination of the appointment of Brook Lane Capital Limited and the concomitant appointment of an investment manager, provided that the investment manager is part of the same group as Brook Lane Capital Limited);
- v. to change the name or registered office of the Fund; and/or
- vi. to effect any amendment, modification, addition, deletion or change which the AIFM believes, acting reasonably and in good faith, is required in light of changes in legal, tax or regulatory rules or practices or is in the best interest of the Fund, provided that it does not materially and adversely affect the rights of any Investors in a manner that discriminates against such Investor vis-à-vis other Investors (other than an Investor that has given its consent).

TRANSLATIONS

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Investor Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

INQUIRIES

All inquiries by Investors and prospective investors should be directed to the AIFM or the Administrator.

MATERIAL CONTRACTS

The Fund will enter into each of the following agreements, all of which are considered by the Board of Directors to be material:

- **the Management Agreement** – between the Fund and the AIFM under which the AIFM was appointed as the collective investment manager of the Fund’s assets subject to the overall supervision of the Fund.
- **the Depositary Agreement** – among the Fund, the AIFM and the Depositary under which the Depositary was appointed as depositary of the Fund’s assets subject to the overall supervision of the AIFM.
- **the Administration Agreement** – among the Fund, the AIFM and the Administrator under which the latter was appointed as Administrator to provide administrative, registrar, transfer agency, and accounting services, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the AIFM.

To the extent there is any inconsistency or conflict between any of the Material Contracts and this Prospectus, the provisions of the Material Contracts shall prevail. All of the agreements listed above may be amended from time to time by mutual consent of the parties thereto

The Fund may enter into further material contracts in respect of one or more Fund(s) as specified in the relevant Supplement(s).

COMPLAINTS

Any complaint should be referred to the AIFM at the AIFM’s registered office during usual business hours on any Business Day. The AIFM will confirm receipt of this complaint within 5 (five) Business Days and inform the complainant of the procedure and timeframes to be followed. Such receipt shall be accompanied by information regarding the handling of such complaint. The filing of complaints, and the provision of information regarding the complaints handling policy and procedures of the AIFM shall be free of charge.

APPLICABLE LAW

The terms and conditions of this Prospectus and any agreement entered in connection therewith shall be governed by and construed in accordance with the laws of Cyprus. The Courts of Cyprus have exclusive jurisdiction in relation to any claim, dispute or difference concerning any contractual relationship entered by the Company and Investors and any matter arising from it.

APPENDIX I AIFMD INFORMATION CARD

Information disclosure for the purposes of Article 30 of The Alternative Investment Fund Managers Law of 2013 by and in respect of

MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD

A Registered Alternative Investment Fund operating with Sub-Funds having segregated assets and liabilities between them under the laws of the Republic of Cyprus

This AIFMD Information card has been prepared for the purpose of meeting the specific investor disclosure requirements in Article 23(1) and (2) of the **Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD")** which requires that AIFMs shall for each of the AIFs that they market in the EEA make available to AIF investors, in accordance with the AIF rules or instruments of incorporation, certain information before they invest in the AIF, as well as any material changes thereof.

This document contains either the information required by Article 23(1) and (2) of the AIFMD to be made available to investors in **MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD** (the "Fund") before they invest in the Fund or cross-refers to the relevant document available to prospective investors that contains such information.

This document refers to, and should be read in conjunction with, the prospectus and supplements of the Fund (the "**Prospectus**").

Except as set out below, capitalised terms used in this document have the same meaning as in the Prospectus. This document does not update or amend any part of the Prospectus.

All article references below are to relevant articles of the AIFMD.

Required information	Information or document and reference
Description of the investment objective, policies and strategy of each Sub-Fund	
Investment strategy, objectives and risks: ▪ Strategy and objectives. ▪ Type of assets the AIF may invest in. ▪ Investment techniques it may employ. ▪ All risks associated with relevant assets and techniques. ▪ Any applicable investment restrictions.	Investment strategy/objectives, type of assets and investment techniques: A description of the above is included in section 7 of the Prospectus under the headings "Investment Objective" and "Investment Policy and Strategy" and section of each Sub-Fund Supplement titled "Investment Objective, Policy and Restrictions". Risk factors of the Fund are set in section 21 of the Prospectus and section of each Sub-Fund Supplement entitled "Risk Factors".

- Information on where any master AIF is established and where the underlying funds are established if the AIF is a fund of funds. - Leverage information (the circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF)	Investment Restrictions are set out in section 7 of the Prospectus under the heading “<i>Investment Limits and Restrictions</i>” and section of each Sub-Fund Supplement entitled “Investment Limits and Prohibitions”. As detailed in the relevant Sub-Fund Supplement. Not applicable – no master AIF exists. The types and sources of leverage permitted etc. are set out in section 7 of the Prospectus under the heading “<i>Borrowing and Leverage</i>” and section of each Sub-Fund Supplement entitled “<i>Investment Limits and Prohibitions</i>”.
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Procedures to change its investment strategy or investment policy or both

The investment strategy may be changed by amendment to the Prospectus as set out in **Section 22** of the Prospectus under the heading “*Amendments to the Prospectus*” with immediate notification to the Investors who may redeem their Investor Shares under the terms prior to the change and section of each Sub-Fund Supplement entitled “Amendments”.

Legal implications of an investment in the Fund

Main legal implications of the contractual relationship entered into for the purpose of investment, including information:

- on jurisdiction
 - on the applicable law
 - on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established
- By completing and submitting the relevant Application Form and other requested documents and/or information, the applicant will have made an offer to subscribe for Investor Shares which, once it is accepted by the Fund and Investor Shares are issued, has the effect of a binding contract.
 - The applicant will be obliged to make representations, warranties,

	declarations and certifications in the Application Form relating to its eligibility to invest in the Fund and its compliance with the applicable anti-money laundering laws and regulations. ▪ Upon the issue of Investor Shares, the applicant will become an Investor in the relevant Sub-Fund and the Articles will take effect as a statutory contract between the Investor and the Fund. ▪ While Investor acquire an interest in a Sub-Fund on subscribing for Investor Shares, the Fund is the sole legal and/or beneficial owner of its Investments. Consequently, the Investors have no direct legal or beneficial interest in those Investments. ▪ The Articles and Application Form are governed by, and construed in accordance with, the laws of the Republic of Cyprus and are subject to the jurisdiction of the Cyprus courts. ▪ Recognition and enforcement of foreign judgments in the territory where the RAIF is established: A. A judgment obtained against the Fund in the courts of a European Member State Jurisdiction may be recognized and enforced against the Fund in the Republic of Cyprus under Regulation (EU) No 1215/2012 and subject to the Civil Procedure Law, Cap. 6 as amended and the Civil Procedure Rules of the Republic of Cyprus.
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	Under this regulation the judgment given in one EU Country is recognized in the other EU Countries without the need for any special procedure (Article 36) and if a judgment is enforceable in the country of origin (member state), it is enforceable in the other EU Countries without requiring any declaration of enforceability (Article 39). However, the person against whom enforcement is sought may apply for refusal of the recognition and enforcement of the judgment under the following grounds of refusal (Articles 45 and 46): a. If such recognition is manifestly contrary to public policy b. Where the judgment is given in default of appearance, in circumstances where the defendant was not properly served with the proceedings in sufficient time in order to arrange for his defense (unless the defendant failed to commence proceedings to challenge the judgment when it was possible for him to do so). c. If the judgment is irreconcilable with a judgement given between the same parties in the European Union member state addressed. d. If the judgment is irreconcilable with an earlier judgment given in another Member State or in a third state involving the same cause of action and between the same parties, provided that the earlier judgment fulfills the conditions necessary for its recognition in the European Union member state addressed. e. If the judgment conflicts with the rules of jurisdiction in sections 3, 4, 5 or 6 of Chapter II of the Regulation (EU) No 1215/2012.
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- B. With respect to non-EU judgments, domestic legislation (**Law No. 121(1)/2000**) concerning the procedure on recognition, enforcement and execution of decisions of foreign courts will be applied.

Under Article 3 of the Law No. 121(1)/2000, its scope covers judgments issued by courts of countries with which Cyprus has concluded or is connected with an agreement of mutual recognition and enforcement of foreign judicial decisions (bilateral and multilateral treaties as well as conventions) with third (non-EU) countries.

In addition, certain judgements of courts of commonwealth countries, particularly the judgments of Superior Courts of countries such as United Kingdom, will be recognized and enforced by Cypriot Courts under **the Foreign Judgements (Reciprocal Enforcement) Law, Cap.10 (“Cap. 10”)**. Under the said law, if the Council of Ministers is satisfied that substantial reciprocity of treatment of Cypriot courts’ judgements will be assured by a foreign country, it may decide the extension of the scope of Cap 10 to judgments of supreme courts of such country.

In each of the above cases, the Civil Procedure Law, Cap. 6 as amended, and the Civil Procedure Rules of the Republic of Cyprus will need to be adhered to.

The identity of the AIFM, the AIF’s depositary, auditor and any other service providers and a description of their duties and the investors’ rights

For details of the identity and duties of the AIFM, the Depositary and other service providers, please refer to the sections of the Prospectus entitled “**AIFM**” and “**Key Service Providers**” in **sections 9 and 10** respectively.

Absent a direct contractual relationship between an Investor and a service provider to the Fund, the Investor will generally have no direct rights against the service provider and there

are only limited circumstances in which an Investor could potentially bring a claim against a service provider.

Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund or the AIFM by the relevant service provider is the Fund or AIFM.

A description of how the AIFM is complying with the requirements of subsection (7) of section 9 and Professional liability cover

To cover potential professional liability risks resulting from its activities, the AIFM may carry out pursuant to the AIFM Rules professional indemnity insurance which is appropriate to cover risks, against liability arising from professional negligence. **Section 9** of the Prospectus under the heading “*AIFM Professional Liability Risk Cover*” provides for such insurance.

Management function and safekeeping function delegation arrangements

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|---|---|
| <ul style="list-style-type: none"> Any AIFM management function delegated by the AIFM | <p>The AIFM is authorised to delegate part of its functions as described in the Prospectus and subject to the AIFM rules as well as the relevant provision of the Management Agreement. The AIFM has delegated the performance of certain of its administration functions to the Administrator as described in Section 10 of the Prospectus.</p> |
| <ul style="list-style-type: none"> Any safe-keeping function delegated by the Depositary | <p>The Depositary has the power to delegate the whole or any part of its custodial functions, but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The AIFM will inform investors before they invest in the Fund of the presence and identity of any appointed delegates of the Depositary. The section 10 of the Prospectus under the heading “<i>The Depositary</i>” will be revised accordingly.</p> |
| <ul style="list-style-type: none"> Conflict of Interests arise from such delegations | <p>For details of any potential conflicts of interest that may arise as a result of such delegation arrangements referred to above, refer to Section 20 of the Prospectus.</p> |

Valuation procedure

The Prospectus provides that the AIFM is responsible for ensuring that the Net Asset Value per Share is calculated and disclosed to Investors. The procedures and methodology for calculating the Net Asset Value per Share are summarised in **section 18** of the Prospectus entitled "**Determination of the Net Asset Value**" under heading "**Method of Calculation**". As part of its control function, the AIFM shall verify and update as necessary these calculation procedures and methodologies.

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the Fund can be performed.

The assets and liabilities of each Sub-Fund will be valued in accordance with the Valuation Policy of the AIFM consistent with the provisions outlined in the Prospectus in **Section 18** under the heading "*Valuation of Assets and Liabilities*".

Liquidity policy and redemption procedure

For details in relation to the procedures and conditions for the redemption of Investor Shares, refer to **section 15** of the Prospectus and the section of each Sub-Fund Supplement entitled "**Key Features of the Sub-Fund**" and "**Redemption Procedure**".

Fees and expenses

For details of the fees and expenses payable out of the assets of the Fund, refer to **section 11** of the Prospectus entitled "**Fees and Expenses**".

Details of the fees and expenses payable out of the assets of a specific Sub-Fund shall be disclosed in the relevant Supplement in the section entitled "**Fees and Expenses**".

Fair treatment of investors and, whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the RAIF or AIFM;

The AIFM will treat all of the Fund's Investors fairly. The principles of treating investors fairly include, but are not limited to:

- acting in the best interests of the Fund and of the Investors;
- ensuring that the investment decisions taken for the account of the Fund are executed in accordance with the Fund's investment policy and objective and risk profile;
- ensuring that the interests of any group of Investors are not placed above the interests of any other group of Investors;
- ensuring that fair, correct and transparent pricing models and valuation systems are used for the Fund;
- preventing undue costs being charged to the Fund and Investors;

- taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Investors; and
- recognising and dealing with complaints fairly.

The Fund maintains and operates organisational, procedural and administrative arrangements and implements policies and procedures designed to manage actual and potential conflicts of interest.

The AIFM will not allow any Investor to obtain preferential treatment, unless such treatment is appropriately disclosed as required under section 30 (1) (j) of the AIFM Law.

Annual reports

The annual report and accounts of the Fund will be made up to 31st December in each year and made available to Investors within the following six (6) months.

Subscription procedure

For details in relation to the procedures and conditions for the issuance and sale of Investor Shares, refer to **section 13** of the Prospectus and the section of each Sub-Fund Supplement entitled “**Key Features of the Sub-Fund**” and “**Subscription Procedure**”.

Availability of net asset value information

The Net Asset Value per Share of each class of Investor Shares in each Sub-Fund will be made available to Investors upon request or at the registered office of the AIFM or the Administrator or may be accessed at a website as the AIFM may notify the Investors in advance from time to time.

These Net Asset Values will be those prices applicable to the previous Valuation Day’s subscriptions and redemptions and are therefore only indicative after the relevant Valuation Day.

The above are set in section of each Sub-Fund Supplement entitled “*Publications*”.

Availability of historical performance

Not applicable.

The historical performance of each Sub-Fund will in due course be available from the AIFM and/or the Administrator to prospective investors before they invest in the Fund.

Details of any prime broker appointed

At the date of this document, the Fund has not appointed any prime brokers.

Periodic and regular disclosure of information to Investors

Certain information as described under **section 22** under the heading “**Information made available to Investors**” of the Prospectus must be disclosed to Investors periodically. This shall be disclosed as part of the Fund’s periodic reporting to Investors and, at a minimum, at the same time as the Sub-Fund’s annual report is made available.

Without limitation on the generality of the foregoing, any information required under **section 22** may be disclosed (i) in the Sub-Fund’s annual report, (ii) by the Sub-Fund publishing the relevant information on its website or (iii) by an update to the Prospectus or the relevant Supplement and (iv) KID (where applicable) – the key information document for prospective investors, available to them prior to investing in any Sub-Fund.

Any contractual discharge arrangements of the Depositary

The AIFM will inform Investors before they invest in the Sub-Fund of any arrangement made by the Depositary to discharge itself contractually of any liability.

To the extent required by the AIFM Rules, the AIFM will inform Investors of any changes with respect to the Depositary’s liability without delay.

Additional disclosures in relation to the SFDR and Taxonomy regulation are found in the table below:

SFDR / Taxonomy Reference	
SFDR - Article 6(1)(a) • The manner in which sustainability risks are integrated into investment decisions.	The AIFM integrates sustainability risks into investment decisions in managing the investments of the Fund.
SFDR - Article 6 (1)(b) • Results of the assessment of the likely impacts of sustainability risks on the returns of the Fund.	Not applicable
SFDR - Article 7(2) • Consideration of adverse sustainability impacts at Fund level.	At present, the AIFM does not, within the meaning of SFDR, consider the adverse impacts of its investment decisions on sustainability factors. The AIFM does not currently do so because, among other reasons, the AIFM is not, in its view, currently in a position to obtain and/or measure all the data which it would be required by the SFDR to report, or to do so systematically, consistently and at a reasonable cost with respect to all its investment strategies to Investors. This is in part because underlying investments are not widely required to, and may not currently, report by reference to the same data.

APPENDIX II APPLICATION FORM

APPENDIX III REDEMPTION REQUEST FORM

APPENDIX IV SUB-FUND'S SUPPLEMENTS

SUPPLEMENT No.1: MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND I

SUPPLEMENT No.2: MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND II

SUPPLEMENT No.3: MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND III

SUPPLEMENT No.4: MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND IV

SUPPLEMENT No.5: MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND V

NEW SUB-FUNDS MAY BE CREATED FROM TIME TO TIME BY THE DIRECTORS IN COLLABORATION WITH THE PRIOR APPROVAL OF THE CYSEC IN WHICH CASE FURTHER SUPPLEMENTS INCORPORATING PROVISIONS RELATING TO THOSE SUB-FUNDS WILL BE ISSUED BY THE FUND.

FUND SUPPLEMENT No. 1

In relation to the offering of Investor Shares in

MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND I

a Sub-Fund of

MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD

A REGISTERED ALTERNATIVE INVESTMENT FUND ("THE FUND") BEING ESTABLISHED ACCORDING TO PART VIII OF THE ALTERNATIVE INVESTMENTS FUNDS LAW 124(I)/2018 OPERATING AS AN UMBRELLA FUND AND ADDRESSED ONLY TO PROFESSIONAL AND WELL-INFORMED INVESTORS.

THE FUND HAS BEEN ENTERED INTO THE REGISTER OF REGISTERED RAIFS KEPT BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ("CYSEC") ON THE BASIS OF AN APPLICATION SUBMITTED BY THE AIFM.

THE DIRECTORS OF THE FUND CONFIRM THAT GUARDO ASSETS MANAGEMENT LTD IS REGULATED AND SUPERVISED BY THE CYSEC UNDER THE ALTERNATIVE INVESTMENT FUNDS LAW AND THAT THEY HAVE REVIEWED AND APPROVED THE DOCUMENT.

THIS REGISTRATION INTO THE REGISTER OF RAIFS KEPT BY CYSEC IS NOT BEEN REGARDED AS AN AUTHORIZATION BY CYSEC. THEREFORE, THIS ENTRY DOES NOT CONSTITUTE AN ENDORSEMENT, GUARANTEE OR STATEMENT OF APPROVAL BY THE CYSEC NOR IS CYSEC RESPONSIBLE FOR THE CONTENT OF THIS DOCUMENT OR THE SELECTION OF ADEQUACY OF ITS GOVERNING BODY OR SERVICE PROVIDERS.

THE CYSEC HAS MADE NO ASSESSMENT OR VALUE JUDGMENT OF THE SOUNDNESS OF THE FUND OR FOR THE ACCURACY OR COMPLETENESS OF STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO IT. THE CYSEC HAS NOT REVIEWED OR APPROVED THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNAUTHORISED AND UNLAWFUL. INVESTORS MUST RELY SOLELY UPON THEIR OWN AND THEIR ADVISORS' DUE DILIGENCE IN MAKING ANY DECISION TO INVEST.

7 February 2025

*This Supplement is being issued pursuant to the offering of Investor Shares in **MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND I** (the "Sub-Fund") and contains supplemental information to that contained in the Prospectus dated 7 February 2025 issued by **MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD** (the "Prospectus"). This Supplement contains specific information in relation to the Sub-Fund. It forms part of and must be read in the context of and together with the Prospectus. Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus. For the avoidance of doubt, in case of any inconsistency between the terms of this **Supplement** and the Prospectus, this **Supplement** shall prevail to the Prospectus with respect to the Sub-Fund.*

Definitions

Capitalised terms used in this Sub-Fund Supplement have the same meaning as in the Prospectus.

Key features of the Sub-Fund

The following are the key features of the Sub-Fund:

Type of Sub-Fund	Open-ended with Limited Liquidity
Targeted investors	Professional Investors and/or Well-Informed Investors in and outside the European Economic Area, subject to the issue of a key information document (KID) where required under the PIIPS Regulation.
Available Class	Class A is offered
Reference Currency	EURO
Initial Offer Period	six (6) months following the registration date in the list of RAIFs kept by the CySEC under Part VIII of the AIF Law. <i>(may be shortened or prolonged by the AIFM and in any event shall not exceed 12 months from the date of registration of the Sub-Fund).</i>
Term	Unlimited
Initial Subscription Price	€100 (one hundred Euro) per Investor Share
Minimum Initial Subscription Amount	€125,000 (one hundred twenty-five thousand Euro)
Minimum Additional Subscription Amount	N/A
Minimum Holding	€125,000 (one hundred twenty-five thousand Euro)
Subscription Day	First Business Day of each calendar semester, (i.e., 1st January and 1st July) or such other day or days as may be determined by the AIFM.
Subscription Notice Period	5 (five) calendar days
Subscription Fee	N/A

Redemption Day	First Business Day of each calendar semester or such other day or days as may be determined by the AIFM (subject to the Lock-up-Period).
Redemption Fee	N/A
Lock up Period	2 (two) years unless the AIFM, may at its discretion allow an early redemption.
Redemption Notice Period	60 (sixty) calendar days
Gate	N/A
Holdback	N/A
Redemption Settlement Period	Up to 60 (sixty) calendar days from applicable Redemption Day
Valuation Day	The Net Asset Value (NAV) is calculated semi-annually, with the Valuation Day set as the last business day of each calendar semester or on any other day determined by the AIFM. It is important to note that the independent valuation of assets for NAV is conducted on December 31 each year. The AIFM may also determine additional dates on an ad hoc basis to accurately reflect the fair value of the assets.
Management Fee (MF)	Up to €30,000 per annum
Performance Fee	N/A
Administrator Fee	Up to €5,000 per annum
Depository Fee	Up to € 12,000 per annum
Audit Fee	A fee to be agreed on a yearly basis depending on the volume and complexity of transactions and will not exceed €4,000 per annum.
Investment Objective & Geographical region of operation of the Fund	The Sub-Fund aims to achieve long-term growth and income by investing mainly in controlling stakes in non-listed companies within the building materials industry, with a particular emphasis on Cyprus. It seeks to capitalise on the growing demand for innovative and durable materials in both residential and commercial

	construction, driven by trends in sustainability and technology.
Risk Factors	There are risks associated with investments in the Sub-Fund and Investors attention is drawn to the risks outlined in this Supplement and in section 21 of the Prospectus
Sub-Fund Strategy	Multi-Strategy Private Equity Fund (MULT_PEQF)

The Sub-Fund

The Sub-Fund comprises an investment compartment (the “Sub-Fund”) of the Fund within the meaning of section 9 of the AIF Law. Its assets and Investments are separate from those of other Sub-Funds, and are made and held in accordance with:

1. the Investment Objective and Investment Policy of the Fund, and
2. the specific provisions of the Sub-Fund, depending on its investment strategy

Accordingly, the assets and liabilities of the Sub-Fund will be kept separately from the assets and liabilities of other Sub-Funds, and separate accounts and accounting records will be maintained.

The AIFM is responsible for the management of the portfolio of the Sub-Fund, and monitoring the Investments, with further details being set out under **section 9 “AIFM”** of the Prospectus.

With respect to the Sub-Fund, the Depositary ensures that financial instruments are registered in its books within segregated accounts in the name of the Fund (on behalf of the Sub-Fund), for all other assets (i.e. other than cash and securities) the Depositary duties shall consist of verification of ownership and maintaining of records on the basis of information or documents provided to it by or on behalf of the Fund and where available on external evidence, such records to be kept up to date with further details being set out in **section 10 “Key Service Providers”** under “Depositary” of the Prospectus.

Investment Objective, Investment Policy and Restrictions

Investment Objective of the Sub-Fund

The Sub-Fund aims to achieve long-term capital appreciation and income by investing in private equity opportunities within the building materials industry and related sectors. The Sub-Fund seeks to capitalise on the growing demand for durable, innovative building materials in both residential and commercial sectors, driven by trends in sustainable construction and technological advancement. The primary geographic focus will be on Cyprus.

Investment Policy and strategies of the Sub-Fund

The Sub-Fund will primarily invest in private, non-listed companies, involved in the distribution and import of building materials, including artificial stone, acrylic, quartz, ceramics, and

related products. The focus will be on established market leaders with strong distribution networks and proven operational efficiency. However, the strategy will also consider innovative growth companies that demonstrate significant potential in leveraging new technologies or sustainable practices in material sourcing.

The Sub-Fund aims to acquire a controlling stake or, where possible, a 100% stake in its target investments. This strategy allows for greater influence over the company's operations and strategic direction, helping to ensure that investments align with the Sub-Fund's goals and drive long-term value creation.

The geographic focus will be primarily on Cyprus, targeting opportunities that align with the Sub-Fund's investment objectives and market conditions.

The investment selection process will prioritise companies that show a consistent ability to grow revenues and adapt to market demands. This will involve a thorough analysis of the company's financial stability, competitive positioning, and strategic initiatives to innovate within the sector.

The Sub-Fund will focus its investments in a specific geographic area, which may lead to increased concentration risk. To manage this risk, the Sub-Fund will apply a rigorous selection process within its target sectors to mitigate exposure to individual company or sector-specific risks, while adhering to its investment objectives.

Additionally, the Sub-Fund will closely monitor commodity price fluctuations, such as those affecting raw materials used in artificial stone and ceramics, and potential supply chain disruptions. Positions will be adjusted as necessary to manage these risks effectively.

Liquidity management is critical, as the portfolio consists of illiquid or less frequently traded assets. To address this, the Sub-Fund will implement comprehensive liquidity management processes, with the net asset value (NAV) calculated at least semi-annually. Subscription and redemption periods will be carefully timed accordingly to align with the liquidity profile of the underlying assets.

The Sub-Fund is structured as a long-term investment with a target holding period of 5–7 years; however, it retains the flexibility to exit earlier if market conditions are favourable and profitable opportunities arise. This timeframe is designed to allow portfolio companies to capitalize on growth opportunities, expand their market reach, and benefit from broader industry trends such as urbanization and technological advancements. Exits will be strategically planned to maximize value and return on investment, with potential strategies including secondary sales of stakes to other investors or strategic buyers, initial public offerings (IPOs) when market conditions are advantageous, and facilitating strategic mergers or acquisitions that present attractive exit opportunities. The Sub-Fund will continuously evaluate market conditions and company performance to optimize exit timing and strategy, ensuring alignment with overall investment goals and evolving market dynamics.

Investments as described above may be made by the Fund on behalf of the Sub-Fund directly or through Subsidiaries for the account of the relevant Sub-Fund, through any kind of debt or equity or combinations thereof. The decision on whether an investment will be made through equity or debt will depend on the legal and tax set-up of the investment.

The Sub-Fund may also hold cash or cash equivalents for distributions or redemptions, for cash management purposes, or as an intermediary investment prior to the deployment of any uninvested capital.

Sustainability Considerations

The AIFM incorporates Sustainability Risks into the investment decision-making process alongside traditional risks, ensuring a comprehensive evaluation of each investment opportunity at every stage of the Sub-Fund's process.

At the pre-investment stage, the Sub-Fund will target businesses with strong growth potential while taking sustainability risks into account. The AIFM will assess each target company's management team, focusing on their ability to implement effective business strategies, including addressing sustainability risks where relevant.

While the Sub-Fund may give preference to companies that promote environmentally friendly products or demonstrate low-emission practices, it will not limit investments solely to ESG-driven businesses. The Sub-Fund remains open to considering a broader range of opportunities, including companies that may not fully prioritise sustainability at the outset but show potential for improvement in this area over time.

Post-investment, the AIFM will actively monitor and engage with portfolio companies, including addressing relevant sustainability and ESG risks. This may involve activities such as proxy voting and shareholder engagement to encourage best practices.

For the time being the AIFM does not consider adverse impacts of investment decisions on Sustainability Factors in accordance with Art. 4 of the SFDR. The main reason for not considering adverse impacts of investment decisions on Sustainability Factors at the company level is the lack of data available in sufficient quantity and quality to adequately assess the principal adverse impacts.

EU classification system for sustainable business activities (the EU Taxonomy)

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. In relation to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Sub-Fund is categorised under SFDR Article 6.

Leverage and Borrowings

The Sub-Fund will not utilise, either directly or indirectly through its Subsidiaries, leverage and borrowings as part of its acquisition program or otherwise.

Typical Investor Profile

The Sub-Fund is suitable for investors with a medium to long-term horizon who aim for a mix of income and growth from their investment. Investors must be willing to accept temporary fluctuations in the Net Asset Value or price of Sub-Fund's units and not be reliant on realizing their investment at a specific date.

Risk Factors

INVESTMENT IN THE FUND IS SUBJECT TO RISK FACTORS. THE SPECIFIC RISK FACTORS HIGHLIGHTED BELOW SHOULD BE READ IN CONJUNCTION WITH THE RISK FACTORS OF SECTION 21 OF THE PROSPECTUS.

Potential investors are warned that investment in the Sub-Fund, as with all speculative investments, is subject to a certain degree of risk. Investor Shares of the Sub-Fund are only suitable for Investors who can fully evaluate the risks involved.

Investment risk

Private equity risk: The Sub-Fund's private equity investments involve a number of significant risks, these include:

- the market is subject to fluctuations and may significantly diminish owing to changes in interest rates, the availability of financing and general market conditions; a disruption in the market could cause the Sub-Fund's investment strategy to fail;
- investments are often dependent on the management talents and efforts of a small group of persons and, as a result, the death, disability, incapacity, resignation, termination or otherwise of one or more of those persons could have a material adverse impact on the investment made; and
- generally limited public information exists about companies in which investments are made and investors in those companies must rely on the ability of the AIFM to obtain adequate information for the purposes of evaluating potential returns and making a fully informed investment decision.

Private equity and private Investment fund governance rights : Although the AIFM may negotiate certain governance rights with respect to the companies in which it invests, such as, for example, the right to appoint a representative to the board of an underlying company, there can be no assurance that the AIFM will be successful in such negotiation or, if so, will be able to exercise any amount of influence through the board of the company or that determinations or recommendations advanced on behalf of the Sub-Fund will prevail.

Furthermore, if the Sub-Fund has the ability to appoint a member to the board of a company, the Sub-Fund may be subject to an increased risk of liability, which may result in potential indemnification payments by the Sub-Fund, thereby decreasing the returns to the Investors.

Access to information from Investments: The AIFM may not always receive full information from the investee companies (Portfolio Companies) in which the Sub-Fund invests because certain of this information may be considered proprietary by a private equity or private

investment fund/company. A Portfolio Company's use of proprietary investment strategies that are not fully disclosed to the AIFM may involve risks under some market conditions that are not anticipated by the AIFM. Furthermore, this lack of access to information may make it more difficult for the AIFM to select and evaluate potential Portfolio Companies.

Concentration risk: The AIFM may require time to identify suitable investment opportunities, which could result in the Sub-Fund's portfolio initially being concentrated in a limited number of Portfolio Companies involved in the distribution and import of building materials. This concentration may lead to increased volatility; any adverse conditions affecting a single portfolio investment could significantly impact the Sub-Fund's overall performance.

Furthermore, subject to the investment policy applicable to the Sub-Fund, the AIFM has broad investment discretion, with no limits on the concentration of Portfolio Companies in a single region, country, sector, or industry. Such concentration makes the Sub-Fund particularly vulnerable to adverse conditions affecting the region, country, sector, or industry in which it is invested. As a result, the Sub-Fund's primary focus on the Cypriot market may expose it to local economic and political risks, regulatory changes, and other external factors that could disproportionately affect the value of the portfolio and ultimately hinder its performance.

Price risk: Investing in equity securities involves financial risks. Investors need to realise that the price of any securities in which the Sub-Fund acquires a position can fluctuate. The relevant markets have generated favourable returns in the past. However, this is no indication or guarantee of the future. Because of variations in prices, the Sub-Fund's Net Asset Value is also susceptible to fluctuation.

Liquidity risk: The Sub-Fund's investments will be in unlisted private securities that require a long-term commitment of capital. In some cases, the Sub-Fund's investments are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell investments if the need arises or if the AIFM determines such sale would be in the Sub-Fund's best interests. In addition, if the Sub-Fund was required to liquidate all or a portion of an investment quickly, the Sub-Fund may realise significantly less than the value at which the investment was previously recorded, which could result in a decrease in the Net Asset Value of the Sub-Fund.

Insolvency of portfolio investments risks: The obligations of Portfolio Companies (and obligors of the underlying assets) are subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors which may result in the underlying assets having no value in the event of bankruptcy or insolvency.

The Sub-Fund's investments in the Investment companies will be subject to various laws for the protection of creditors in the jurisdictions of incorporation of the Portfolio Companies and, if different, the jurisdictions from which they conduct business and in which they hold assets, which may adversely affect a Portfolio Company's ability to make payment in full or on a timely basis. In the event of the insolvency of a Portfolio Company, the ability of the Sub-Fund to

recover the value of its investment in the Portfolio Company as part of any insolvency proceedings may be impacted by the insolvency regimes in force in the jurisdiction(s) in which the Portfolio Company is incorporated, mainly conducts its business and/or in which its assets are located. Such regimes may impose rules for the protection of creditors which could adversely affect the recovery of any value from the Sub-Fund's interest in such Portfolio Company and ultimately negatively affect the Sub-Fund's performance.

Type of interest held: The Sub-Fund may directly acquire preferred shares in its underlying Portfolio Companies; however, the Sub-Fund may hold other forms of equity in such Portfolio Companies.

Controlling interest: Investments made by the Sub-Fund, solely or as part of a co-investment opportunity, in investee companies may result in the Fund having (i) a controlling interest; or (ii) significant influence, over a Portfolio Company. The Sub-Fund may be granted the ability to appoint its representative(s) to the management body of a Portfolio Company, generally the board of directors.

The actions taken by the Sub-Fund in exercising control or significant influence over an entity may expose the Sub-Fund to additional risks such as liability for claims against the Portfolio Companies or the Sub-Fund's representatives on the board of directors including for breaches of relevant legislation or regulation. The AIFM will seek to manage the Sub-Fund's Investments in a manner that reduces such risks but there is no guarantee that successful claims against the Fund in respect of its investments will be avoided.

Minority interest: If the Sub-Fund is a minority shareholder in a Portfolio Company, it may not have the same ability to protect its investment in the underlying Portfolio Company as if it had a controlling interest or the ability to exert significant influence over that entity. If (i) the focus of the management team; or (ii) the business strategy for the Portfolio Company, changes and no longer align with the Sub-Fund's investment strategy as a minority shareholder the Sub-Fund may not have the ability to reduce the Sub-Fund's investment in the Portfolio Company and/or take action to protect this investment.

Commodity price risk: A significant portion of the Sub-Fund's investments will be in companies reliant on raw materials such as artificial stone, acrylic, quartz, and ceramics. Fluctuations in the prices of these commodities, driven by changes in global demand, supply chain disruptions, or inflation, could affect the profitability of the companies in which the Sub-Fund invests. Such volatility may adversely impact the value of the Sub-Fund's holdings.

Supply chain risk: The companies targeted by the Sub-Fund rely on global supply chains for the sourcing of raw materials and other inputs. Disruptions in these supply chains, whether due to geopolitical events, natural disasters, pandemics, or regulatory changes, could impact the operational efficiency and profitability of the portfolio companies. These supply chain risks could reduce revenues or increase costs for the Sub-Fund's investments, negatively affecting returns.

SUPPLEMENT no.1

Market and economic risk: The Sub-Fund is exposed to the overall economic conditions of the Cypriot and broader global markets. Adverse economic events, including recession, inflation, currency fluctuations, or political instability, could negatively affect the business environment and financial performance of the Sub-Fund's portfolio companies. The success of the Sub-Fund's investments is tied to the broader economic trends in the building materials sector and the real estate development industry, which may be subject to cyclical downturns.

Competitive environment risk: The Sub-Fund's focus on established market leaders in the building materials sector introduces risks associated with intense competition. Changes in the competitive landscape, including the emergence of new market entrants, pricing pressures, or shifts in consumer preferences, could erode the market share and profitability of the companies in which the Sub-Fund invests.

Currency risk: Although the Sub-Fund is primarily focused on investments in Cyprus, some portfolio companies may have international operations or exposure to foreign currencies. Currency fluctuations could impact the financial results of these companies, particularly if they are importing materials or exporting products to foreign markets, which may affect the overall return of the Sub-Fund.

Valuation risk: The Sub-Fund's investments in private, non-listed companies may not have readily available market prices. Valuations will be based on estimates, financial models, and internal assessments, which may be subject to significant uncertainty and may not accurately reflect the actual market value of the assets. Inaccurate valuations could lead to overestimation or underestimation of the NAV, affecting investor decisions and returns.

The Shares

As at the date of the present Supplement, the Sub-Fund issue the following Class of Investor Shares:

Share class	Currency	Minimum Initial Subscription Amount	Minimum Additional Subscription Amount	Minimum Holding
Class A	EURO	€125,000	N/A	€125,000

Additional Classes may be created in the future subject to the discretion of the Directors in collaboration with the AIFM. In such case this Supplement will be amended accordingly.

Subscription Procedure

The provisions of Section “**Subscription of Investor Shares**” of the Prospectus apply to the subscription of Investor Shares of this Sub-Fund.

Wire Instructions

The Initial Subscription Price or Subscription Price per Investor Share (as applicable) (NET OF BANK CHARGES) shall be transferred by bank transfer to the account included in the Application Form or as advised by the AIFM or the Administrator.

Redemption Procedure

The provisions of Section **"Redemption Procedure"** of the Prospectus apply to the redemption of Investor Shares of this Sub-Fund.

IT IS CLARIFIED THAT IN RESPECT OF EACH REDEMPTION REQUEST, THE REDEMPTION NOTICE PERIOD SHALL COMMENCE TO RUN FOLLOWING RECEIPT BY THE AIFM OF A VALID REDEMPTION REQUEST FORM. THE INVESTOR SHARES WILL BE REDEEMED ON THE FIRST REDEMPTION DAY FOLLOWING THE EXPIRATION OF THE SAID REDEMPTION NOTICE PERIOD.

Transfer of Investor Shares

The provisions of section **"Transfer / Transmission of Investor Shares"** apply to the transfer of Investor Shares of this Sub-Fund.

Management and Service Providers

Board of directors

Information on the Fund's Board of Directors is found under **section 8** of this Prospectus.

AIFM

Information on the AIFM is found under **section 9** of this Prospectus.

Administrator

Information on the Administrator is found under **section 10** of this Prospectus

Depository

Information on the Depository is found under **section 10** of this Prospectus.

Auditor

Information on the Auditor is found under **section 10** of this Prospectus.

External Valuer

The AIFM shall appoint one or more External Valuers to conduct an independent and accurate valuation of the Sub-Fund's assets in accordance with section 19 of the AIFM Law. The External Valuer will provide these valuation services in alignment with the AIFM's valuation policies. Delegation of the valuation function to a third party is not permitted for the External Valuer. The names of the External Valuers will be published in the annual report.

Fees and Expenses

The following fees and expenses relate to the Sub-Fund.

Management Fee

The AIFM shall be entitled to receive a Management Fee out of the assets of the Sub-Fund of up to €30,000 (thirty thousand Euros) per annum. Further details in regards to the fee are further specified in the Management Agreement.

Administrator Fees

The Administrator is entitled to receive an administration fee out of the assets of the Sub-Fund of up to €5,000 (five thousand Euros) per annum. Further details in regards to the fee are further specified in the Administration Agreement.

Depositary Fees

The Depositary is entitled to receive a depositary fee out of the net assets of the Sub-Fund of up to €12,000 (twelve thousand Euros) per annum. The Depositary is also entitled to its reasonable agreed-on transaction and other charges (which will be at normal commercial rates) and other out of pocket expenses out of the assets of the Sub-Fund. Further details in regards to the fee and any additional charges are further specified in the Depositary Agreement.

External Valuers

The External Valuer(s) is entitled to receive a fee out of the assets of the Sub-Fund charged at normal commercial rates not to exceed €5,000 (five thousand Euros) per annum.

Set up costs

The Sub-Fund will cover its own establishment costs and expenses which are estimated to be in the region of Euro xx. The Sub-Fund may also participate in its proportionate share of the establishment costs of the Fund as further set out in Section 6. of the Prospectus.

Miscellaneous fees, costs and expenses

The Sub-Fund will also pay a proportion of certain other fees, costs and expenses incurred in its operation as further set out in Section 6. of the Prospectus.

Distribution Policy

The Articles empower the Directors to declare dividends in respect of any Investor Shares out of the net income and net realised capital gains arising from the receipt of distributions from the Fund meaning after the payment of or making appropriate provisions (if any) for costs and expenses, as well as working capital requirements of the Sub-Fund, in their absolute discretion where they consider it appropriate to do so.

Publications

The Net Asset Value, the Subscription Price and the Redemption Price are calculated on every Valuation Day by the AIFM or the Administrator as its delegate and made available to the

Investors upon request or at the registered office of the AIFM, or the Administrator or may be accessed at a website as the AIFM may notify to the Investors in advance from time to time.

Amendments

For any Material Change made to this Supplement, and the Prospectus as well as amendments to the Articles which directly affect the Investors of this Sub-Fund (together, the "Fund Instruments"), Investors will be notified immediately upon their adoption. Dissenting Investors to such Material Changes as well as to the amendments to the Articles, have the right to request the redemption of their Investor Shares until the next scheduled Redemption Day in accordance with the provisions of the Fund Instruments applying prior to the implementation of such changes provided at least 30 days have lapsed between the above notification to the Investors and the expiration of their redemption right.

FUND SUPPLEMENT No. 2

In relation to the offering of Investor Shares in

MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND II

a Sub-Fund of

MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD

A REGISTERED ALTERNATIVE INVESTMENT FUND ("THE FUND") BEING ESTABLISHED ACCORDING TO PART VIII OF THE ALTERNATIVE INVESTMENTS FUNDS LAW 124(I)/2018 OPERATING AS AN UMBRELLA FUND AND ADDRESSED ONLY TO PROFESSIONAL AND WELL-INFORMED INVESTORS.

THE FUND HAS BEEN ENTERED INTO THE REGISTER OF REGISTERED RAIFS KEPT BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ("CYSEC") ON THE BASIS OF AN APPLICATION SUBMITTED BY THE AIFM.

THE DIRECTORS OF THE FUND CONFIRM THAT GUARDO ASSETS MANAGEMENT LTD IS REGULATED AND SUPERVISED BY THE CYSEC UNDER THE ALTERNATIVE INVESTMENT FUNDS LAW AND THAT THEY HAVE REVIEWED AND APPROVED THE DOCUMENT.

THIS REGISTRATION INTO THE REGISTER OF RAIFS KEPT BY CYSEC IS NOT BEEN REGARDED AS AN AUTHORIZATION BY CYSEC. THEREFORE, THIS ENTRY DOES NOT CONSTITUTE AN ENDORSEMENT, GUARANTEE OR STATEMENT OF APPROVAL BY THE CYSEC NOR IS CYSEC RESPONSIBLE FOR THE CONTENT OF THIS DOCUMENT OR THE SELECTION OF ADEQUACY OF ITS GOVERNING BODY OR SERVICE PROVIDERS.

THE CYSEC HAS MADE NO ASSESSMENT OR VALUE JUDGMENT OF THE SOUNDNESS OF THE FUND OR FOR THE ACCURACY OR COMPLETENESS OF STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO IT. THE CYSEC HAS NOT REVIEWED OR APPROVED THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNAUTHORISED AND UNLAWFUL. INVESTORS MUST RELY SOLELY UPON THEIR OWN AND THEIR ADVISORS' DUE DILIGENCE IN MAKING ANY DECISION TO INVEST.

7 February 2025

*This Supplement is being issued pursuant to the offering of Investor Shares in **MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND II** (the "Sub-Fund") and contains supplemental information to that contained in the Prospectus dated 7 February 2025 issued by **MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD** (the "Prospectus"). This Supplement contains specific information in relation to the Sub-Fund. It forms part of and must be read in the context of and together with the Prospectus. Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus. For the avoidance of doubt, in case of any inconsistency between the terms of this **Supplement** and the Prospectus, this **Supplement** shall prevail to the Prospectus with respect to the Sub-Fund.*

Definitions

Capitalised terms used in this Sub-Fund Supplement have the same meaning as in the Prospectus.

Key features of the Sub-Fund

The following are the key features of the Sub-Fund:

Type of Sub-Fund	Open-ended with Limited Liquidity
Targeted investors	Professional Investors and/or Well-Informed Investors in and outside the European Economic Area, subject to the issue of a key information document (KID) where required under the PIIPS Regulation.
Available Class	Class A is offered
Reference Currency	EURO
Initial Offer Period	six (6) months following the registration date in the list of RAIFs kept by the CySEC under Part VIII of the AIF Law. <i>(may be shortened or prolonged by the AIFM and in any event shall not exceed 12 months from the date of registration of the Sub-Fund).</i>
Term	Unlimited
Initial Subscription Price	€100 (one hundred Euro) per Investor Share
Minimum Initial Subscription Amount	€125,000 (one hundred twenty-five thousand Euro)
Minimum Additional Subscription Amount	N/A
Minimum Holding	€125,000 (one hundred twenty-five thousand Euro)
Subscription Day	First Business Day of each calendar semester, (i.e., 1st January and 1st July) or such other day or days as may be determined by the AIFM.
Subscription Notice Period	5 (five) calendar days
Subscription Fee	N/A

Redemption Day	First Business Day of each calendar semester or such other day or days as may be determined by the AIFM (subject to the Lock-up-Period).
Redemption Fee	N/A
Lock up Period	2 (two) years unless the AIFM, may at its discretion allow an early redemption.
Redemption Notice Period	60 (sixty) calendar days
Gate	N/A
Holdback	N/A
Redemption Settlement Period	Up to 60 (sixty) calendar days from applicable Redemption Day
Valuation Day	The Net Asset Value (NAV) is calculated semi-annually, with the Valuation Day set as the last business day of each calendar semester or on any other day determined by the AIFM. It is important to note that the independent valuation of assets for NAV is conducted on December 31 each year. The AIFM may also determine additional dates on an ad hoc basis to accurately reflect the fair value of the assets.
Management Fee (MF)	Up to €30,000 per annum
Performance Fee	N/A
Administrator Fee	Up to €5,000 per annum
Depositary Fee	Up to € 12,000 per annum
Audit Fee	A fee to be agreed on a yearly basis depending on the volume and complexity of transactions and will not exceed €4,000 per annum.
Investment Objective & Geographical region of operation of the Fund	The Sub-Fund seeks to achieve long-term growth and income by investing in non-listed companies within the building materials industry, particularly in Uzbekistan. It aims to leverage the increasing demand for innovative and durable materials in residential and

	commercial construction, driven by trends in sustainability and technological advancement.
Risk Factors	There are risks associated with investments in the Sub-Fund and Investors attention is drawn to the risks outlined in this Supplement and in section 21 of the Prospectus
Sub-Fund Strategy	Multi-Strategy Private Equity Fund (MULT_PEQF)

The Sub-Fund

The Sub-Fund comprises an investment compartment (the “Sub-Fund”) of the Fund within the meaning of section 9 of the AIF Law. Its assets and Investments are separate from those of other Sub-Funds, and are made and held in accordance with:

1. the Investment Objective and Investment Policy of the Fund, and
2. the specific provisions of the Sub-Fund, depending on its investment strategy

Accordingly, the assets and liabilities of the Sub-Fund will be kept separately from the assets and liabilities of other Sub-Funds, and separate accounts and accounting records will be maintained.

The AIFM is responsible for the management of the portfolio of the Sub-Fund, and monitoring the Investments, with further details being set out under **section 9 “AIFM”** of the Prospectus.

With respect to the Sub-Fund, the Depositary ensures that financial instruments are registered in its books within segregated accounts in the name of the Fund (on behalf of the Sub-Fund), for all other assets (i.e. other than cash and securities) the Depositary duties shall consist of verification of ownership and maintaining of records on the basis of information or documents provided to it by or on behalf of the Fund and where available on external evidence, such records to be kept up to date with further details being set out in **section 10 “Key Service Providers”** under “Depositary” of the Prospectus.

Investment Objective, Investment Policy and Restrictions

Investment Objective of the Sub-Fund

This Sub-Fund seeks to generate long-term growth in capital and income by targeting investments in private equity within the building materials industry and associated fields. It plans to leverage the increasing need for resilient and innovative construction materials in the residential and commercial sectors, influenced by developments in sustainability and technology. The geographic focus will predominantly be on Uzbekistan.

Investment Policy and strategies of the Sub-Fund

The Sub-Fund will primarily invest in private, non-listed companies, involved in the distribution and import of building materials, including artificial stone, acrylic, quartz, ceramics, and related products. The focus will be on established market leaders with strong distribution

networks and proven operational efficiency. However, the strategy will also consider innovative growth companies that demonstrate significant potential in leveraging new technologies or sustainable practices in material sourcing.

The Sub-Fund aims to acquire a controlling stake or, where possible, a 100% stake in its target investments. This strategy allows for greater influence over the company's operations and strategic direction, helping to ensure that investments align with the Sub-Fund's goals and drive long-term value creation.

The geographic focus will be primarily on Uzbekistan, targeting opportunities that align with the Sub-Fund's investment objectives and market conditions.

The investment selection process will prioritise companies that show a consistent ability to grow revenues and adapt to market demands. This will involve a thorough analysis of the company's financial stability, competitive positioning, and strategic initiatives to innovate within the sector.

The Sub-Fund will focus its investments in a specific geographic area, which may lead to increased concentration risk. To manage this risk, the Sub-Fund will apply a rigorous selection process within its target sectors to mitigate exposure to individual company or sector-specific risks, while adhering to its investment objectives.

Additionally, the Sub-Fund will closely monitor commodity price fluctuations, such as those affecting raw materials used in artificial stone and ceramics, and potential supply chain disruptions. Positions will be adjusted as necessary to manage these risks effectively.

Liquidity management is critical, as the portfolio consists of illiquid or less frequently traded assets. To address this, the Sub-Fund will implement comprehensive liquidity management processes, with the net asset value (NAV) calculated at least semi-annually. Subscription and redemption periods will be carefully timed accordingly to align with the liquidity profile of the underlying assets.

The Sub-Fund is structured as a long-term investment with a target holding period of 5–7 years; however, it retains the flexibility to exit earlier if market conditions are favourable and profitable opportunities arise. This timeframe is designed to allow portfolio companies to capitalize on growth opportunities, expand their market reach, and benefit from broader industry trends such as urbanization and technological advancements. Exits will be strategically planned to maximize value and return on investment, with potential strategies including secondary sales of stakes to other investors or strategic buyers, initial public offerings (IPOs) when market conditions are advantageous, and facilitating strategic mergers or acquisitions that present attractive exit opportunities. The Sub-Fund will continuously evaluate market conditions and company performance to optimize exit timing and strategy, ensuring alignment with overall investment goals and evolving market dynamics.

Investments as described above may be made by the Fund on behalf of the Sub-Fund directly or through Subsidiaries for the account of the relevant Sub-Fund, through any kind of debt or

equity or combinations thereof. The decision on whether an investment will be made through equity or debt will depend on the legal and tax set-up of the investment.

The Sub-Fund may also hold cash or cash equivalents for distributions or redemptions, for cash management purposes, or as an intermediary investment prior to the deployment of any uninvested capital.

Sustainability Considerations

The AIFM incorporates Sustainability Risks into the investment decision-making process alongside traditional risks, ensuring a comprehensive evaluation of each investment opportunity at every stage of the Sub-Fund's process.

At the pre-investment stage, the Sub-Fund will target businesses with strong growth potential while taking sustainability risks into account. The AIFM will assess each target company's management team, focusing on their ability to implement effective business strategies, including addressing sustainability risks where relevant.

While the Sub-Fund may give preference to companies that promote environmentally friendly products or demonstrate low-emission practices, it will not limit investments solely to ESG-driven businesses. The Sub-Fund remains open to considering a broader range of opportunities, including companies that may not fully prioritise sustainability at the outset but show potential for improvement in this area over time.

Post-investment, the AIFM will actively monitor and engage with portfolio companies, including addressing relevant sustainability and ESG risks. This may involve activities such as proxy voting and shareholder engagement to encourage best practices.

For the time being the AIFM does not consider adverse impacts of investment decisions on Sustainability Factors in accordance with Art. 4 of the SFDR. The main reason for not considering adverse impacts of investment decisions on Sustainability Factors at the company level is the lack of data available in sufficient quantity and quality to adequately assess the principal adverse impacts.

EU classification system for sustainable business activities (the EU Taxonomy)

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. In relation to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Sub-Fund is categorised under SFDR Article 6.

Leverage and Borrowings

The Sub-Fund will not utilise, either directly or indirectly through its Subsidiaries, leverage and borrowings as part of its acquisition program or otherwise.

Typical Investor Profile

The Sub-Fund is suitable for investors with a medium to long-term horizon who aim for a mix of income and growth from their investment. Investors must be willing to accept temporary fluctuations in the Net Asset Value or price of Sub-Fund's units and not be reliant on realizing their investment at a specific date.

Risk Factors

INVESTMENT IN THE FUND IS SUBJECT TO RISK FACTORS. THE SPECIFIC RISK FACTORS HIGHLIGHTED BELOW SHOULD BE READ IN CONJUNCTION WITH THE RISK FACTORS OF SECTION 21 OF THE PROSPECTUS.

Potential investors are warned that investment in the Sub-Fund, as with all speculative investments, is subject to a certain degree of risk. Investor Shares of the Sub-Fund are only suitable for Investors who can fully evaluate the risks involved.

Investment risk

Private equity risk: The Sub-Fund's private equity investments involve a number of significant risks, these include:

- the market is subject to fluctuations and may significantly diminish owing to changes in interest rates, the availability of financing and general market conditions; a disruption in the market could cause the Sub-Fund's investment strategy to fail;
- investments are often dependent on the management talents and efforts of a small group of persons and, as a result, the death, disability, incapacity, resignation, termination or otherwise of one or more of those persons could have a material adverse impact on the investment made; and
- generally limited public information exists about companies in which investments are made and investors in those companies must rely on the ability of the AIFM to obtain adequate information for the purposes of evaluating potential returns and making a fully informed investment decision.

Private equity and private Investment fund governance rights : Although the AIFM may negotiate certain governance rights with respect to the companies in which it invests, such as, for example, the right to appoint a representative to the board of an underlying company, there can be no assurance that the AIFM will be successful in such negotiation or, if so, will be able to exercise any amount of influence through the board of the company or that determinations or recommendations advanced on behalf of the Sub-Fund will prevail.

Furthermore, if the Sub-Fund has the ability to appoint a member to the board of a company, the Sub-Fund may be subject to an increased risk of liability, which may result in potential indemnification payments by the Sub-Fund, thereby decreasing the returns to the Investors.

Access to information from Investments: The AIFM may not always receive full information from the investee companies (Portfolio Companies) in which the Sub-Fund invests because certain of this information may be considered proprietary by a private equity or private

investment fund/company. A Portfolio Company's use of proprietary investment strategies that are not fully disclosed to the AIFM may involve risks under some market conditions that are not anticipated by the AIFM. Furthermore, this lack of access to information may make it more difficult for the AIFM to select and evaluate potential Portfolio Companies.

Concentration risk: The AIFM may require time to identify suitable investment opportunities, which could result in the Sub-Fund's portfolio initially being concentrated in a limited number of Portfolio Companies involved in the distribution and import of building materials. This concentration may lead to increased volatility; any adverse conditions affecting a single portfolio investment could significantly impact the Sub-Fund's overall performance.

Furthermore, subject to the investment policy applicable to the Sub-Fund, the AIFM has broad investment discretion, with no limits on the concentration of Portfolio Companies in a single region, country, sector, or industry. Such concentration makes the Sub-Fund particularly vulnerable to adverse conditions affecting the region, country, sector, or industry in which it is invested. As a result, the Sub-Fund's primary focus on the Cypriot market may expose it to local economic and political risks, regulatory changes, and other external factors that could disproportionately affect the value of the portfolio and ultimately hinder its performance.

Price risk: Investing in equity securities involves financial risks. Investors need to realise that the price of any securities in which the Sub-Fund acquires a position can fluctuate. The relevant markets have generated favourable returns in the past. However, this is no indication or guarantee of the future. Because of variations in prices, the Sub-Fund's Net Asset Value is also susceptible to fluctuation.

Liquidity risk: The Sub-Fund's investments will be in unlisted private securities that require a long-term commitment of capital. In some cases, the Sub-Fund's investments are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell investments if the need arises or if the AIFM determines such sale would be in the Sub-Fund's best interests. In addition, if the Sub-Fund was required to liquidate all or a portion of an investment quickly, the Sub-Fund may realise significantly less than the value at which the investment was previously recorded, which could result in a decrease in the Net Asset Value of the Sub-Fund.

Emerging market Investment risk

Potential investors should be aware that investments in emerging markets, such as Uzbekistan, carry additional risks compared to those in developed markets. Specifically, these investments may involve higher risks, including investment and repatriation restrictions, significant currency fluctuations, and government involvement in the private sector, which can lead to limited legal recourse for the Fund. Furthermore, these emerging markets often provide less information and legal protection to investors, and may impose controls on foreign ownership, potentially affecting the Sub-Fund's ability to acquire or maintain controlling stakes in target companies. Additionally, the accounting standards and auditing practices in

these countries may not align with internationally accepted principles, resulting in financial statements that could misrepresent a company's financial health. Taxation of interest and capital gains for non-residents can also vary considerably and may be comparatively high, compounded by less clearly defined tax laws and procedures that could allow for retroactive taxation. Consequently, the Sub-Fund might face unforeseen local tax liabilities that were not anticipated during investment activities or asset valuations.

Insolvency of portfolio investments risks: The obligations of Portfolio Companies (and obligors of the underlying assets) are subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors which may result in the underlying assets having no value in the event of bankruptcy or insolvency.

The Sub-Fund's investments in the Investment companies will be subject to various laws for the protection of creditors in the jurisdictions of incorporation of the Portfolio Companies and, if different, the jurisdictions from which they conduct business and in which they hold assets, which may adversely affect a Portfolio Company's ability to make payment in full or on a timely basis. In the event of the insolvency of a Portfolio Company, the ability of the Sub-Fund to recover the value of its investment in the Portfolio Company as part of any insolvency proceedings may be impacted by the insolvency regimes in force in the jurisdiction(s) in which the Portfolio Company is incorporated, mainly conducts its business and/or in which its assets are located. Such regimes may impose rules for the protection of creditors which could adversely affect the recovery of any value from the Sub-Fund's interest in such Portfolio Company and ultimately negatively affect the Sub-Fund's performance.

Type of interest held: The Sub-Fund may directly acquire preferred shares in its underlying Portfolio Companies; however, the Sub-Fund may hold other forms of equity in such Portfolio Companies.

Controlling interest: Investments made by the Sub-Fund, solely or as part of a co-investment opportunity, in investee companies may result in the Fund having (i) a controlling interest; or (ii) significant influence, over a Portfolio Company. The Sub-Fund may be granted the ability to appoint its representative(s) to the management body of a Portfolio Company, generally the board of directors.

The actions taken by the Sub-Fund in exercising control or significant influence over an entity may expose the Sub-Fund to additional risks such as liability for claims against the Portfolio Companies or the Sub-Fund's representatives on the board of directors including for breaches of relevant legislation or regulation. The AIFM will seek to manage the Sub-Fund's Investments in a manner that reduces such risks but there is no guarantee that successful claims against the Fund in respect of its investments will be avoided.

Minority interest: If the Sub-Fund is a minority shareholder in a Portfolio Company, it may not have the same ability to protect its investment in the underlying Portfolio Company as if it had a controlling interest or the ability to exert significant influence over that entity. If (i) the focus

of the management team; or (ii) the business strategy for the Portfolio Company, changes and no longer align with the Sub-Fund's investment strategy as a minority shareholder the Sub-Fund may not have the ability to reduce the Sub-Fund's investment in the Portfolio Company and/or take action to protect this investment.

Commodity price risk: A significant portion of the Sub-Fund's investments will be in companies reliant on raw materials such as artificial stone, acrylic, quartz, and ceramics. Fluctuations in the prices of these commodities, driven by changes in global demand, supply chain disruptions, or inflation, could affect the profitability of the companies in which the Sub-Fund invests. Such volatility may adversely impact the value of the Sub-Fund's holdings.

Supply chain risk: The companies targeted by the Sub-Fund rely on global supply chains for the sourcing of raw materials and other inputs. Disruptions in these supply chains, whether due to geopolitical events, natural disasters, pandemics, or regulatory changes, could impact the operational efficiency and profitability of the portfolio companies. These supply chain risks could reduce revenues or increase costs for the Sub-Fund's investments, negatively affecting returns.

Market and economic risk: The Sub-Fund is exposed to the overall economic conditions of the broader global markets. Adverse economic events, including recession, inflation, currency fluctuations, or political instability, could negatively affect the business environment and financial performance of the Sub-Fund's portfolio companies. The success of the Sub-Fund's investments is tied to the broader economic trends in the building materials sector and the real estate development industry, which may be subject to cyclical downturns.

Competitive environment risk: The Sub-Fund's focus on established market leaders in the building materials sector introduces risks associated with intense competition. Changes in the competitive landscape, including the emergence of new market entrants, pricing pressures, or shifts in consumer preferences, could erode the market share and profitability of the companies in which the Sub-Fund invests.

Valuation risk: The Sub-Fund's investments in private, non-listed companies may not have readily available market prices. Valuations will be based on estimates, financial models, and internal assessments, which may be subject to significant uncertainty and may not accurately reflect the actual market value of the assets. Inaccurate valuations could lead to overestimation or underestimation of the NAV, affecting investor decisions and returns.

Risk factors for Uzbekistan

Political and regulatory risk: Uzbekistan has undergone significant political reforms, but uncertainty remains regarding the consistency and transparency of regulatory frameworks. Changes in government policies, bureaucratic hurdles, or sudden shifts in regulations can impact business operations and investment stability.

Economic stability: The economy of Uzbekistan is growing, but it is still vulnerable to external shocks, such as fluctuations in global commodity prices or regional economic downturns. Economic instability can affect consumer demand for building materials and impact the financial health of target companies.

Infrastructure limitations: Although improving, Uzbekistan's infrastructure may still pose challenges for distribution and logistics. Inefficiencies in transport networks can lead to increased costs and delays in the supply chain, impacting operational efficiency.

Currency risk: The Uzbek som can be volatile, leading to exchange rate risks for international investors. Currency fluctuations can affect the profitability of investments, especially if revenues are generated in foreign currencies while costs are in som.

Geopolitical risks: Regional tensions or geopolitical events can create uncertainties that affect the business climate in Uzbekistan. Such risks could impact investment returns and operational stability.

The Shares

As at the date of the present Supplement, the Sub-Fund issue the following Class of Investor Shares:

Share class	Currency	Minimum Initial Subscription Amount	Minimum Additional Subscription Amount	Minimum Holding
Class A	EURO	€125,000	N/A	€125,000

Additional Classes may be created in the future subject to the discretion of the Directors in collaboration with the AIFM. In such case this Supplement will be amended accordingly.

Subscription Procedure

The provisions of Section “**Subscription of Investor Shares**” of the Prospectus apply to the subscription of Investor Shares of this Sub-Fund.

Wire Instructions

The Initial Subscription Price or Subscription Price per Investor Share (as applicable) (NET OF BANK CHARGES) shall be transferred by bank transfer to the account included in the Application Form or as advised by the AIFM or the Administrator.

Redemption Procedure

The provisions of Section “**Redemption Procedure**” of the Prospectus apply to the redemption of Investor Shares of this Sub-Fund.

IT IS CLARIFIED THAT IN RESPECT OF EACH REDEMPTION REQUEST, THE REDEMPTION NOTICE PERIOD SHALL COMMENCE TO RUN FOLLOWING RECEIPT BY THE AIFM OF A VALID

REDEMPTION REQUEST FORM. THE INVESTOR SHARES WILL BE REDEEMED ON THE FIRST REDEMPTION DAY FOLLOWING THE EXPIRATION OF THE SAID REDEMPTION NOTICE PERIOD.

Transfer of Investor Shares

The provisions of section “**Transfer / Transmission of Investor Shares**” apply to the transfer of Investor Shares of this Sub-Fund.

Management and Service Providers

Board of directors

Information on the Fund's Board of Directors is found under **section 8** of this Prospectus.

AIFM

Information on the AIFM is found under **section 9** of this Prospectus.

Administrator

Information on the Administrator is found under **section 10** of this Prospectus.

Depository

Information on the Depository is found under **section 10** of this Prospectus.

Auditor

Information on the Auditor is found under **section 10** of this Prospectus.

External Valuer

The AIFM shall appoint one or more External Valuers to conduct an independent and accurate valuation of the Sub-Fund's assets in accordance with section 19 of the AIFM Law. The External Valuer will provide these valuation services in alignment with the AIFM's valuation policies. Delegation of the valuation function to a third party is not permitted for the External Valuer. The names of the External Valuers will be published in the annual report.

Fees and Expenses

The following fees and expenses relate to the Sub-Fund.

Management Fee

The AIFM shall be entitled to receive a Management Fee out of the assets of the Sub-Fund of up to €30,000 (thirty thousand Euros) per annum. Further details in regards to the fee are further specified in the Management Agreement.

Administrator Fees

The Administrator is entitled to receive an administration fee out of the assets of the Sub-Fund of up to €5,000 (five thousand Euros) per annum. Further details in regards to the fee are further specified in the Administration Agreement.

Depository Fees

The Depositary is entitled to receive a depository fee out of the net assets of the Sub-Fund of up to €12,000 (twelve thousand Euros) per annum. The Depositary is also entitled to its reasonable agreed-on transaction and other charges (which will be at normal commercial rates) and other out of pocket expenses out of the assets of the Sub-Fund. Further details in regards to the fee and any additional charges are further specified in the Depositary Agreement.

External Valuers

The External Valuer(s) is entitled to receive a fee out of the assets of the Sub-Fund charged at normal commercial rates not to exceed €5,000 (five thousand Euros) per annum.

Set up costs

The Sub-Fund will cover its own establishment costs and expenses which are estimated to be in the region of Euro xx. The Sub-Fund may also participate in its proportionate share of the establishment costs of the Fund as further set out in Section 6. of the Prospectus.

Miscellaneous fees, costs and expenses

The Sub-Fund will also pay a proportion of certain other fees, costs and expenses incurred in its operation as further set out in Section 6. of the Prospectus.

Distribution Policy

The Articles empower the Directors to declare dividends in respect of any Investor Shares out of the net income and net realised capital gains arising from the receipt of distributions from the Fund meaning after the payment of or making appropriate provisions (if any) for costs and expenses, as well as working capital requirements of the Sub-Fund, in their absolute discretion where they consider it appropriate to do so.

Publications

The Net Asset Value, the Subscription Price and the Redemption Price are calculated on every Valuation Day by the AIFM, or the Administrator as its delegate, and made available to the Investors upon request or at the registered office of the AIFM, or the Administrator, or may be accessed at a website as the AIFM may notify to the Investors in advance from time to time.

Amendments

For any Material Change made to this Supplement, and the Prospectus as well as amendments to the Articles which directly affect the Investors of this Sub-Fund (together, the "Fund Instruments"), Investors will be notified immediately upon their adoption. Dissenting Investors to such Material Changes as well as to the amendments to the Articles, have the right to request the redemption of their Investor Shares until the next scheduled Redemption Day in accordance with the provisions of the Fund Instruments applying prior to the implementation of such changes provided at least 30 days have lapsed between the above notification to the Investors and the expiration of their redemption right.

FUND SUPPLEMENT No. 3

In relation to the offering of Investor Shares in

MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND III

a Sub-Fund of

MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD

A REGISTERED ALTERNATIVE INVESTMENT FUND ("THE FUND") BEING ESTABLISHED ACCORDING TO PART VIII OF THE ALTERNATIVE INVESTMENTS FUNDS LAW 124(I)/2018 OPERATING AS AN UMBRELLA FUND AND ADDRESSED ONLY TO PROFESSIONAL AND WELL-INFORMED INVESTORS.

THE FUND HAS BEEN ENTERED INTO THE REGISTER OF REGISTERED RAIFS KEPT BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ("CYSEC") ON THE BASIS OF AN APPLICATION SUBMITTED BY THE AIFM.

THE DIRECTORS OF THE FUND CONFIRM THAT GUARDO ASSETS MANAGEMENT LTD IS REGULATED AND SUPERVISED BY THE CYSEC UNDER THE ALTERNATIVE INVESTMENT FUNDS LAW AND THAT THEY HAVE REVIEWED AND APPROVED THE DOCUMENT.

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7 February 2025

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Capitalised terms used in this Sub-Fund Supplement have the same meaning as in the Prospectus.

Key features of the Sub-Fund

The following are the key features of the Sub-Fund:

Type of Sub-Fund	Open-ended with Limited Liquidity
Targeted investors	Professional Investors and/or Well-Informed Investors in and outside the European Economic Area, subject to the issue of a key information document (KID) where required under the PIIPS Regulation.
Available Class	Class A is offered
Reference Currency	EURO
Initial Offer Period	six (6) months following the registration date in the list of RAIFs kept by the CySEC under Part VIII of the AIF Law. <i>(may be shortened or prolonged by the AIFM and in any event shall not exceed 12 months from the date of registration of the Sub-Fund).</i>
Term	Unlimited
Initial Subscription Price	€100 (one hundred Euro) per Investor Share
Minimum Initial Subscription Amount	€125,000 (one hundred twenty-five thousand Euro)
Minimum Additional Subscription Amount	N/A
Minimum Holding	€125,000 (one hundred twenty-five thousand Euro)
Subscription Day	First Business Day of each calendar semester, (i.e., 1st January and 1st July) or such other day or days as may be determined by the AIFM.
Subscription Notice Period	5 (five) calendar days
Subscription Fee	N/A

Redemption Day	First Business Day of each calendar semester or such other day or days as may be determined by the AIFM (subject to the Lock-up-Period).
Redemption Fee	N/A
Lock up Period	2 (two) years unless the AIFM, may at its discretion allow an early redemption.
Redemption Notice Period	60 (sixty) calendar days
Gate	N/A
Holdback	N/A
Redemption Settlement Period	Up to 60 (sixty) calendar days from applicable Redemption Day
Valuation Day	The Net Asset Value (NAV) is calculated semi-annually, with the Valuation Day set as the last business day of each calendar semester or on any other day determined by the AIFM. It is important to note that the independent valuation of assets for NAV is conducted on December 31 each year. The AIFM may also determine additional dates on an ad hoc basis to accurately reflect the fair value of the assets.
Management Fee (MF)	Up to €30,000 per annum
Performance Fee	N/A
Administrator Fee	Up to €5,000 per annum
Depositary Fee	Up to € 12,000 per annum
Audit Fee	A fee to be agreed on a yearly basis depending on the volume and complexity of transactions and will not exceed €4,000 per annum.
Investment Objective & Geographical region of operation of the Fund	The Sub-Fund aims to achieve long-term growth and income by primarily investing in non-listed companies within the building materials industry, with a focus on Kazakhstan. It seeks to capitalise on the growing demand for innovative and durable materials in residential and

	commercial construction, driven by trends in sustainability and technological advancement.
Risk Factors	There are risks associated with investments in the Sub-Fund and Investors attention is drawn to the risks outlined in this Supplement and in section 21 of the Prospectus
Sub-Fund Strategy	Multi-Strategy Private Equity Fund (MULT_PEQF)

The Sub-Fund

The Sub-Fund comprises an investment compartment (the “Sub-Fund”) of the Fund within the meaning of section 9 of the AIF Law. Its assets and Investments are separate from those of other Sub-Funds, and are made and held in accordance with:

1. the Investment Objective and Investment Policy of the Fund, and
2. the specific provisions of the Sub-Fund, depending on its investment strategy

Accordingly, the assets and liabilities of the Sub-Fund will be kept separately from the assets and liabilities of other Sub-Funds, and separate accounts and accounting records will be maintained.

The AIFM is responsible for the management of the portfolio of the Sub-Fund, and monitoring the Investments, with further details being set out under **section 9 “AIFM”** of the Prospectus.

With respect to the Sub-Fund, the Depositary ensures that financial instruments are registered in its books within segregated accounts in the name of the Fund (on behalf of the Sub-Fund), for all other assets (i.e. other than cash and securities) the Depositary duties shall consist of verification of ownership and maintaining of records on the basis of information or documents provided to it by or on behalf of the Fund and where available on external evidence, such records to be kept up to date with further details being set out in **section 10 “Key Service Providers”** under “Depositary” of the Prospectus.

Investment Objective, Investment Policy and Restrictions

Investment Objective of the Sub-Fund

The Sub-Fund aims to achieve long-term capital appreciation and income by investing in private equity opportunities within the building materials industry and related sectors. The Sub-Fund seeks to capitalise on the growing demand for durable, innovative building materials in both residential and commercial sectors, driven by trends in sustainable construction and technological advancement. The primary geographic focus will be on Kazakhstan.

Investment Policy and strategies of the Sub-Fund

The Sub-Fund will primarily invest in private, non-listed companies, involved in the distribution and import of building materials, including artificial stone, acrylic, quartz, ceramics, and related products. The focus will be on established market leaders with strong distribution networks and proven operational efficiency. However, the strategy will also consider innovative growth companies that demonstrate significant potential in leveraging new technologies or sustainable practices in material sourcing.

The Sub-Fund aims to acquire a controlling stake or, where possible, a 100% stake in its target investments. This strategy allows for greater influence over the company's operations and strategic direction, helping to ensure that investments align with the Sub-Fund's goals and drive long-term value creation.

The geographic focus will be primarily on Kazakhstan, targeting opportunities that align with the Sub-Fund's investment objectives and market conditions.

The investment selection process will prioritise companies that show a consistent ability to grow revenues and adapt to market demands. This will involve a thorough analysis of the company's financial stability, competitive positioning, and strategic initiatives to innovate within the sector.

The Sub-Fund will focus its investments in a specific geographic area, which may lead to increased concentration risk. To manage this risk, the Sub-Fund will apply a rigorous selection process within its target sectors to mitigate exposure to individual company or sector-specific risks, while adhering to its investment objectives.

Additionally, the Sub-Fund will closely monitor commodity price fluctuations, such as those affecting raw materials used in artificial stone and ceramics, and potential supply chain disruptions. Positions will be adjusted as necessary to manage these risks effectively.

Liquidity management is critical, as the portfolio consists of illiquid or less frequently traded assets. To address this, the Sub-Fund will implement comprehensive liquidity management processes, with the net asset value (NAV) calculated at least semi-annually. Subscription and redemption periods will be carefully timed accordingly to align with the liquidity profile of the underlying assets.

The Sub-Fund is structured as a long-term investment with a target holding period of 5–7 years; however, it retains the flexibility to exit earlier if market conditions are favourable and profitable opportunities arise. This timeframe is designed to allow portfolio companies to capitalize on growth opportunities, expand their market reach, and benefit from broader industry trends such as urbanization and technological advancements. Exits will be strategically planned to maximize value and return on investment, with potential strategies including secondary sales of stakes to other investors or strategic buyers, initial public offerings (IPOs) when market conditions are advantageous, and facilitating strategic mergers or acquisitions that present attractive exit opportunities. The Sub-Fund will continuously

evaluate market conditions and company performance to optimize exit timing and strategy, ensuring alignment with overall investment goals and evolving market dynamics.

Investments as described above may be made by the Fund on behalf of the Sub-Fund directly or through Subsidiaries for the account of the relevant Sub-Fund, through any kind of debt or equity or combinations thereof. The decision on whether an investment will be made through equity or debt will depend on the legal and tax set-up of the investment.

The Sub-Fund may also hold cash or cash equivalents for distributions or redemptions, for cash management purposes, or as an intermediary investment prior to the deployment of any uninvested capital.

Sustainability Considerations

The AIFM incorporates Sustainability Risks into the investment decision-making process alongside traditional risks, ensuring a comprehensive evaluation of each investment opportunity at every stage of the Sub-Fund's process.

At the pre-investment stage, the Sub-Fund will target businesses with strong growth potential while taking sustainability risks into account. The AIFM will assess each target company's management team, focusing on their ability to implement effective business strategies, including addressing sustainability risks where relevant.

While the Sub-Fund may give preference to companies that promote environmentally friendly products or demonstrate low-emission practices, it will not limit investments solely to ESG-driven businesses. The Sub-Fund remains open to considering a broader range of opportunities, including companies that may not fully prioritise sustainability at the outset but show potential for improvement in this area over time.

Post-investment, the AIFM will actively monitor and engage with portfolio companies, including addressing relevant sustainability and ESG risks. This may involve activities such as proxy voting and shareholder engagement to encourage best practices.

For the time being the AIFM does not consider adverse impacts of investment decisions on Sustainability Factors in accordance with Art. 4 of the SFDR. The main reason for not considering adverse impacts of investment decisions on Sustainability Factors at the company level is the lack of data available in sufficient quantity and quality to adequately assess the principal adverse impacts.

EU classification system for sustainable business activities (the EU Taxonomy)

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. In relation to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Sub-Fund is categorised under SFDR Article 6.

Leverage and Borrowings

The Sub-Fund will not utilise, either directly or indirectly through its Subsidiaries, leverage and borrowings as part of its acquisition program or otherwise.

Typical Investor Profile

The Sub-Fund is suitable for investors with a medium to long-term horizon who aim for a mix of income and growth from their investment. Investors must be willing to accept temporary fluctuations in the Net Asset Value or price of Sub-Fund's units and not be reliant on realizing their investment at a specific date.

Risk Factors

INVESTMENT IN THE FUND IS SUBJECT TO RISK FACTORS. THE SPECIFIC RISK FACTORS HIGHLIGHTED BELOW SHOULD BE READ IN CONJUNCTION WITH THE RISK FACTORS OF SECTION 21 OF THE PROSPECTUS.

Potential investors are warned that investment in the Sub-Fund, as with all speculative investments, is subject to a certain degree of risk. Investor Shares of the Sub-Fund are only suitable for Investors who can fully evaluate the risks involved.

Investment risk

Private equity risk: The Sub-Fund's private equity investments involve a number of significant risks, these include:

- the market is subject to fluctuations and may significantly diminish owing to changes in interest rates, the availability of financing and general market conditions; a disruption in the market could cause the Sub-Fund's investment strategy to fail;
- investments are often dependent on the management talents and efforts of a small group of persons and, as a result, the death, disability, incapacity, resignation, termination or otherwise of one or more of those persons could have a material adverse impact on the investment made; and
- generally limited public information exists about companies in which investments are made and investors in those companies must rely on the ability of the AIFM to obtain adequate information for the purposes of evaluating potential returns and making a fully informed investment decision.

Private equity and private Investment fund governance rights : Although the AIFM may negotiate certain governance rights with respect to the companies in which it invests, such as, for example, the right to appoint a representative to the board of an underlying company, there can be no assurance that the AIFM will be successful in such negotiation or, if so, will be able to exercise any amount of influence through the board of the company or that determinations or recommendations advanced on behalf of the Sub-Fund will prevail.

Furthermore, if the Sub-Fund has the ability to appoint a member to the board of a company, the Sub-Fund may be subject to an increased risk of liability, which may result in potential indemnification payments by the Sub-Fund, thereby decreasing the returns to the Investors.

Access to information from Investments: The AIFM may not always receive full information from the investee companies (Portfolio Companies) in which the Sub-Fund invests because certain of this information may be considered proprietary by a private equity or private investment fund/company. A Portfolio Company's use of proprietary investment strategies that are not fully disclosed to the AIFM may involve risks under some market conditions that are not anticipated by the AIFM. Furthermore, this lack of access to information may make it more difficult for the AIFM to select and evaluate potential Portfolio Companies.

Concentration risk: The AIFM may require time to identify suitable investment opportunities, which could result in the Sub-Fund's portfolio initially being concentrated in a limited number of Portfolio Companies involved in the distribution and import of building materials. This concentration may lead to increased volatility; any adverse conditions affecting a single portfolio investment could significantly impact the Sub-Fund's overall performance.

Furthermore, subject to the investment policy applicable to the Sub-Fund, the AIFM has broad investment discretion, with no limits on the concentration of Portfolio Companies in a single region, country, sector, or industry. Such concentration makes the Sub-Fund particularly vulnerable to adverse conditions affecting the region, country, sector, or industry in which it is invested. As a result, the Sub-Fund's primary focus on the Cypriot market may expose it to local economic and political risks, regulatory changes, and other external factors that could disproportionately affect the value of the portfolio and ultimately hinder its performance.

Price risk: Investing in equity securities involves financial risks. Investors need to realise that the price of any securities in which the Sub-Fund acquires a position can fluctuate. The relevant markets have generated favourable returns in the past. However, this is no indication or guarantee of the future. Because of variations in prices, the Sub-Fund's Net Asset Value is also susceptible to fluctuation.

Liquidity risk: The Sub-Fund's investments will be in unlisted private securities that require a long-term commitment of capital. In some cases, the Sub-Fund's investments are subject to legal and other restrictions on resale or are otherwise less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell investments if the need arises or if the AIFM determines such sale would be in the Sub-Fund's best interests. In addition, if the Sub-Fund was required to liquidate all or a portion of an investment quickly, the Sub-Fund may realise significantly less than the value at which the investment was previously recorded, which could result in a decrease in the Net Asset Value of the Sub-Fund.

Emerging market Investment risk

Potential investors should be aware that investments in emerging markets, such as Kazakhstan, carry additional risks compared to those in developed markets. Specifically, these investments may involve higher risks, including investment and repatriation restrictions, significant currency fluctuations, and government involvement in the private sector, which can lead to limited legal recourse for the Fund. Furthermore, these emerging markets often

provide less information and legal protection to investors, and may impose controls on foreign ownership, potentially affecting the Sub-Fund's ability to acquire or maintain controlling stakes in target companies. Additionally, the accounting standards and auditing practices in these countries may not align with internationally accepted principles, resulting in financial statements that could misrepresent a company's financial health. Taxation of interest and capital gains for non-residents can also vary considerably and may be comparatively high, compounded by less clearly defined tax laws and procedures that could allow for retroactive taxation. Consequently, the Sub-Fund might face unforeseen local tax liabilities that were not anticipated during investment activities or asset valuations.

Insolvency of portfolio investments risks: The obligations of Portfolio Companies (and obligors of the underlying assets) are subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors which may result in the underlying assets having no value in the event of bankruptcy or insolvency.

The Sub-Fund's investments in the Investment companies will be subject to various laws for the protection of creditors in the jurisdictions of incorporation of the Portfolio Companies and, if different, the jurisdictions from which they conduct business and in which they hold assets, which may adversely affect a Portfolio Company's ability to make payment in full or on a timely basis. In the event of the insolvency of a Portfolio Company, the ability of the Sub-Fund to recover the value of its investment in the Portfolio Company as part of any insolvency proceedings may be impacted by the insolvency regimes in force in the jurisdiction(s) in which the Portfolio Company is incorporated, mainly conducts its business and/or in which its assets are located. Such regimes may impose rules for the protection of creditors which could adversely affect the recovery of any value from the Sub-Fund's interest in such Portfolio Company and ultimately negatively affect the Sub-Fund's performance.

Type of interest held: The Sub-Fund may directly acquire preferred shares in its underlying Portfolio Companies; however, the Sub-Fund may hold other forms of equity in such Portfolio Companies.

Controlling interest: Investments made by the Sub-Fund, solely or as part of a co-investment opportunity, in investee companies may result in the Fund having (i) a controlling interest; or (ii) significant influence, over a Portfolio Company. The Sub-Fund may be granted the ability to appoint its representative(s) to the management body of a Portfolio Company, generally the board of directors.

The actions taken by the Sub-Fund in exercising control or significant influence over an entity may expose the Sub-Fund to additional risks such as liability for claims against the Portfolio Companies or the Sub-Fund's representatives on the board of directors including for breaches of relevant legislation or regulation. The AIFM will seek to manage the Sub-Fund's Investments in a manner that reduces such risks but there is no guarantee that successful claims against the Fund in respect of its investments will be avoided.

Minority interest: If the Sub-Fund is a minority shareholder in a Portfolio Company, it may not have the same ability to protect its investment in the underlying Portfolio Company as if it had a controlling interest or the ability to exert significant influence over that entity. If (i) the focus of the management team; or (ii) the business strategy for the Portfolio Company, changes and no longer align with the Sub-Fund's investment strategy as a minority shareholder the Sub-Fund may not have the ability to reduce the Sub-Fund's investment in the Portfolio Company and/or take action to protect this investment.

Commodity price risk: A significant portion of the Sub-Fund's investments will be in companies reliant on raw materials such as artificial stone, acrylic, quartz, and ceramics. Fluctuations in the prices of these commodities, driven by changes in global demand, supply chain disruptions, or inflation, could affect the profitability of the companies in which the Sub-Fund invests. Such volatility may adversely impact the value of the Sub-Fund's holdings.

Supply chain risk: The companies targeted by the Sub-Fund rely on global supply chains for the sourcing of raw materials and other inputs. Disruptions in these supply chains, whether due to geopolitical events, natural disasters, pandemics, or regulatory changes, could impact the operational efficiency and profitability of the portfolio companies. These supply chain risks could reduce revenues or increase costs for the Sub-Fund's investments, negatively affecting returns.

Market and economic risk: The Sub-Fund is exposed to the overall economic conditions of the broader global markets. Adverse economic events, including recession, inflation, currency fluctuations, or political instability, could negatively affect the business environment and financial performance of the Sub-Fund's portfolio companies. The success of the Sub-Fund's investments is tied to the broader economic trends in the building materials sector and the real estate development industry, which may be subject to cyclical downturns.

Competitive environment risk: The Sub-Fund's focus on established market leaders in the building materials sector introduces risks associated with intense competition. Changes in the competitive landscape, including the emergence of new market entrants, pricing pressures, or shifts in consumer preferences, could erode the market share and profitability of the companies in which the Sub-Fund invests.

Valuation risk: The Sub-Fund's investments in private, non-listed companies may not have readily available market prices. Valuations will be based on estimates, financial models, and internal assessments, which may be subject to significant uncertainty and may not accurately reflect the actual market value of the assets. Inaccurate valuations could lead to overestimation or underestimation of the NAV, affecting investor decisions and returns.

Risk factors for Kazakhstan

Political and regulatory risk: Kazakhstan has a relatively stable political environment, but the regulatory landscape can be unpredictable. Sudden changes in laws, bureaucratic

inefficiencies, or lack of transparency can adversely affect business operations and investment security.

Economic volatility: Although Kazakhstan is rich in natural resources, its economy can be sensitive to fluctuations in global commodity prices, particularly oil and gas. Economic downturns can affect construction demand and, consequently, the performance of companies in the building materials sector.

Infrastructure challenges: While Kazakhstan has invested in infrastructure improvements, challenges still exist. Inadequate transport and logistics infrastructure can lead to higher distribution costs and inefficiencies in the supply chain, affecting operational performance.

Currency risk: The Kazakh tenge is subject to volatility, which can impact the profitability of investments. Fluctuations in the exchange rate can affect the cost structure for companies, particularly those dealing in imports and exports.

Geopolitical risks: Kazakhstan's geographic location exposes it to regional tensions and geopolitical issues. These risks can impact the business environment, investor confidence, and operational stability for companies in the building materials sector.\

The Shares

As at the date of the present Supplement, the Sub-Fund issue the following Class of Investor Shares:

Share class	Currency	Minimum Initial Subscription Amount	Minimum Additional Subscription Amount	Minimum Holding
Class A	EURO	€125,000	N/A	€125,000

Additional Classes may be created in the future subject to the discretion of the Directors in collaboration with the AIFM. In such case this Supplement will be amended accordingly.

Subscription Procedure

The provisions of Section “**Subscription of Investor Shares**” of the Prospectus apply to the subscription of Investor Shares of this Sub-Fund.

Wire Instructions

The Initial Subscription Price or Subscription Price per Investor Share (as applicable) (NET OF BANK CHARGES) shall be transferred by bank transfer to the account included in the Application Form or as advised by the AIFM or the Administrator.

Redemption Procedure

The provisions of Section “**Redemption Procedure**” of the Prospectus apply to the redemption of Investor Shares of this Sub-Fund.

IT IS CLARIFIED THAT IN RESPECT OF EACH REDEMPTION REQUEST, THE REDEMPTION NOTICE PERIOD SHALL COMMENCE TO RUN FOLLOWING RECEIPT BY THE AIFM OF A VALID REDEMPTION REQUEST FORM. THE INVESTOR SHARES WILL BE REDEEMED ON THE FIRST REDEMPTION DAY FOLLOWING THE EXPIRATION OF THE SAID REDEMPTION NOTICE PERIOD.

Transfer of Investor Shares

The provisions of section “**Transfer / Transmission of Investor Shares**” apply to the transfer of Investor Shares of this Sub-Fund.

Management and Service Providers

Board of directors

Information on the Fund's Board of Directors is found under **section 8** of this Prospectus.

AIFM

Information on the AIFM is found under **section 9** of this Prospectus.

Administrator

Information on the Administrator is found under **section 10** of this Prospectus.

Depositary

Information on the Depositary is found under **section 10** of this Prospectus.

Auditor

Information on the Auditor is found under **section 10** of this Prospectus.

External Valuer

The AIFM shall appoint one or more External Valuers to conduct an independent and accurate valuation of the Sub-Fund's assets in accordance with section 19 of the AIFM Law. The External Valuer will provide these valuation services in alignment with the AIFM's valuation policies. Delegation of the valuation function to a third party is not permitted for the External Valuer. The names of the External Valuers will be published in the annual report.

Fees and Expenses

The following fees and expenses relate to the Sub-Fund.

Management Fee

The AIFM shall be entitled to receive a Management Fee out of the assets of the Sub-Fund of up to €30,000 (thirty thousand Euros) per annum. Further details in regards to the fee are further specified in the Management Agreement.

Administrator Fees

The Administrator is entitled to receive an administration fee out of the assets of the Sub-Fund of up to €5,000 (five thousand Euros) per annum. Further details in regards to the fee are further specified in the Administration Agreement.

Depository Fees

The Depositary is entitled to receive a depository fee out of the net assets of the Sub-Fund of up to €12,000 (twelve thousand Euros) per annum. The Depositary is also entitled to its reasonable agreed-on transaction and other charges (which will be at normal commercial rates) and other out of pocket expenses out of the assets of the Sub-Fund. Further details in regards to the fee and any additional charges are further specified in the Depositary Agreement.

External Valuers

The External Valuer(s) is entitled to receive a fee out of the assets of the Sub-Fund charged at normal commercial rates not to exceed €5,000 (five thousand Euros) per annum.

Set up costs

The Sub-Fund will cover its own establishment costs and expenses which are estimated to be in the region of Euro xx. The Sub-Fund may also participate in its proportionate share of the establishment costs of the Fund as further set out in Section 6. of the Prospectus

Miscellaneous fees, costs and expenses

The Sub-Fund will also pay a proportion of certain other fees, costs and expenses incurred in its operation as further set out in Section 6. of the Prospectus.

Distribution Policy

The Articles empower the Directors to declare dividends in respect of any Investor Shares out of the net income and net realised capital gains arising from the receipt of distributions from the Fund meaning after the payment of or making appropriate provisions (if any) for costs and expenses, as well as working capital requirements of the Sub-Fund, in their absolute discretion where they consider it appropriate to do so.

Publications

The Net Asset Value, the Subscription Price and the Redemption Price are calculated on every Valuation Day by the AIFM, or the Administrator as its delegate, and made available to the Investors upon request or at the registered office of the AIFM, or the Administrator, or may be accessed at a website as the AIFM may notify to the Investors in advance from time to time.

Amendments

For any Material Change made to this Supplement, and the Prospectus as well as amendments to the Articles which directly affect the Investors of this Sub-Fund (together, the "Fund Instruments"), Investors will be notified immediately upon their adoption. Dissenting Investors to such Material Changes as well as to the amendments to the Articles, have the right to request the redemption of their Investor Shares until the next scheduled Redemption Day in accordance with the provisions of the Fund Instruments applying prior to the implementation of such changes provided at least 30 days have lapsed between the above notification to the Investors and the expiration of their redemption right.

FUND SUPPLEMENT No. 4

In relation to the offering of Investor Shares in

MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND IV

a Sub-Fund of

MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD

A REGISTERED ALTERNATIVE INVESTMENT FUND ("THE FUND") BEING ESTABLISHED ACCORDING TO PART VIII OF THE ALTERNATIVE INVESTMENTS FUNDS LAW 124(I)/2018 OPERATING AS AN UMBRELLA FUND AND ADDRESSED ONLY TO PROFESSIONAL AND WELL-INFORMED INVESTORS.

THE FUND HAS BEEN ENTERED INTO THE REGISTER OF REGISTERED RAIFS KEPT BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ("CYSEC") ON THE BASIS OF AN APPLICATION SUBMITTED BY THE AIFM.

THE DIRECTORS OF THE FUND CONFIRM THAT GUARDO ASSETS MANAGEMENT LTD IS REGULATED AND SUPERVISED BY THE CYSEC UNDER THE ALTERNATIVE INVESTMENT FUNDS LAW AND THAT THEY HAVE REVIEWED AND APPROVED THE DOCUMENT.

THIS REGISTRATION INTO THE REGISTER OF RAIFS KEPT BY CYSEC IS NOT BEEN REGARDED AS AN AUTHORIZATION BY CYSEC. THEREFORE, THIS ENTRY DOES NOT CONSTITUTE AN ENDORSEMENT, GUARANTEE OR STATEMENT OF APPROVAL BY THE CYSEC NOR IS CYSEC RESPONSIBLE FOR THE CONTENT OF THIS DOCUMENT OR THE SELECTION OF ADEQUACY OF ITS GOVERNING BODY OR SERVICE PROVIDERS. THE CYSEC HAS MADE NO ASSESSMENT OR VALUE JUDGMENT OF THE SOUNDNESS OF THE FUND OR FOR THE ACCURACY OR COMPLETENESS OF STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO IT. THE CYSEC HAS NOT REVIEWED OR APPROVED THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNAUTHORISED AND UNLAWFUL. INVESTORS MUST RELY SOLELY UPON THEIR OWN AND THEIR ADVISORS' DUE DILIGENCE IN MAKING ANY DECISION TO INVEST.

7 February 2025

*This Supplement is being issued pursuant to the offering of Investor Shares in **MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND IV** (the "Sub-Fund") and contains supplemental information to that contained in the Prospectus dated 7 February 2025 issued by **MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD** (the "Prospectus"). This Supplement contains specific information in relation to the Sub-Fund. It forms part of and must be read in the context of and together with the Prospectus. Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus. For the avoidance of doubt, in case of any inconsistency between the terms of this **Supplement** and the Prospectus, this **Supplement** shall prevail to the Prospectus with respect to the Sub-Fund.*

Definitions

Capitalised terms used in this Sub-Fund Supplement have the same meaning as in the Prospectus.

Key features of the Sub-Fund

The following are the key features of the Sub-Fund:

Type of Sub-Fund	Open-ended with Limited Liquidity
Targeted investors	Professional Investors and/or Well-Informed Investors in and outside the European Economic Area, subject to the issue of a key information document (KID) where required under the PIIPS Regulation.
Available Class	Class A is offered
Reference Currency	EURO
Initial Offer Period	six (6) months following the registration date in the list of RAIFs kept by the CySEC under Part VIII of the AIF Law. <i>(may be shortened or prolonged by the AIFM and in any event shall not exceed 12 months from the date of registration of the Sub-Fund).</i>
Term	Unlimited
Initial Subscription Price	€100 (one hundred Euro) per Investor Share
Minimum Initial Subscription Amount	€125,000 (one hundred twenty-five thousand Euro)
Minimum Additional Subscription Amount	N/A
Minimum Holding	€125,000 (one hundred twenty-five thousand Euro)
Subscription Day	First Business Day of each calendar semester, (i.e., 1st January and 1st July) or such other day or days as may be determined by the AIFM.
Subscription Notice Period	5 (five) calendar days
Subscription Fee	N/A

Redemption Day	First Business Day of each calendar semester or such other day or days as may be determined by the AIFM (subject to the Lock-up-Period).
Redemption Fee	N/A
Lock up Period	2 (two) years unless the AIFM, may at its discretion allow an early redemption.
Redemption Notice Period	60 (sixty) calendar days
Gate	N/A
Holdback	N/A
Redemption Settlement Period	Up to 60 (sixty) calendar days from applicable Redemption Day
Valuation Day	The Net Asset Value (NAV) is calculated semi-annually, with the Valuation Day set as the last business day of each calendar semester or on any other day determined by the AIFM. It is important to note that the independent valuation of assets for NAV is conducted on December 31 each year. The AIFM may also determine additional dates on an ad hoc basis to accurately reflect the fair value of the assets.
Management Fee (MF)	Up to €30,000 per annum
Performance Fee	N/A
Administrator Fee	Up to €5,000 per annum
Depository Fee	Up to € 12,000 per annum
Audit Fee	A fee to be agreed on a yearly basis depending on the volume and complexity of transactions and will not exceed €4,000 per annum.
Investment Objective & Geographical region of operation of the Fund	The Sub-Fund aims for long-term growth through a combination of capital appreciation and regular income distribution by primarily investing, either directly or indirectly, in a broad range of real estate-related investments, with a focus on commercial properties located in Hungary.

Risk Factors	There are risks associated with investments in the Sub-Fund and Investors attention is drawn to the risks outlined in this Supplement and in section 21 of the Prospectus
Sub-Fund Strategy	Multi-Strategy Real Estate Fund (MULT_REST)

The Sub-Fund

The Sub-Fund comprises an investment compartment (the “Sub-Fund”) of the Fund within the meaning of section 9 of the AIF Law. Its assets and Investments are separate from those of other Sub-Funds, and are made and held in accordance with:

1. the Investment Objective and Investment Policy of the Fund, and
2. the specific provisions of the Sub-Fund, depending on its investment strategy

Accordingly, the assets and liabilities of the Sub-Fund will be kept separately from the assets and liabilities of other Sub-Funds, and separate accounts and accounting records will be maintained.

The AIFM is responsible for the management of the portfolio of the Sub-Fund, and monitoring the Investments, with further details being set out under **section 9 “AIFM”** of the Prospectus.

With respect to the Sub-Fund, the Depositary ensures that financial instruments are registered in its books within segregated accounts in the name of the Fund (on behalf of the Sub-Fund), for all other assets (i.e. other than cash and securities) the Depositary duties shall consist of verification of ownership and maintaining of records on the basis of information or documents provided to it by or on behalf of the Fund and where available on external evidence, such records to be kept up to date with further details being set out in **section 10 “Key Service Providers”** under “Depositary” of the Prospectus.

Investment Objective

The purpose of the Sub-Fund is to provide its Investors long-term growth through a combination of capital appreciation and regular distribution of income by primarily investing (directly or indirectly) in a broad range of real estate related investments and essentially property located in the Central and Eastern European region with a focus on Hungary.

Investment Strategy

To achieve its Investment Objective, the Sub-Fund will primarily focus on investing in the commercial real estate sector, while remaining open to opportunities in other sectors, such as residential flats and other property types, if they present strong potential. The strategy involves direct or indirect investments aimed at acquiring and/or developing various real estate projects that offer superior, risk-adjusted returns. This approach will be executed via the following key methods:

- Property acquisition and development: The Sub-Fund aims to acquire, lease, and manage both residential and commercial properties for purposes such as rental income, sale, or further development. Additionally, the Sub-Fund may acquire properties that complement or enhance the value of its existing portfolio, further driving growth. These investments may include office buildings, retail spaces, residential complexes, and mixed-use developments, allowing the Sub-Fund to diversify its exposure within the real estate market.
- Value enhancement and management: The Sub-Fund is committed to enhancing the value of its real estate assets by focusing on active property management. This includes improving and managing various types of properties—such as office spaces, retail units, and residential buildings—to increase their value and ensure stable rental income. A crucial component of this strategy is the partnership with established operators like Regus, or others within the flexible workspace sector. Collaborations with these reputable operators will ensure efficient property management, optimization of space utilization, and the development of sustainable income streams. By leveraging their expertise in managing and leasing flexible workspaces, the Sub-Fund can enhance property value and secure long-term, stable rental income, contributing to the overall success of the Fund.
- Investment lifecycle: The Sub-Fund is designed to maintain flexibility by investing at any stage of a real estate project's lifecycle—whether during the planning, development, or completion phase. This adaptable approach allows the Sub-Fund to capitalize on a wide range of opportunities in different market conditions, enabling strategic entry and exit points to maximize potential returns. Whether it's a new development or an existing property requiring redevelopment, the Sub-Fund can adjust its investment focus accordingly.

- **Geographic focus:** The Sub-Fund's real estate investments will primarily target high-quality commercial properties in prime locations within Hungary, with a specific focus on Budapest. Budapest's dynamic commercial sector and central location make it an attractive market for commercial real estate, providing opportunities for stable rental income and capital appreciation. While Hungary will be the main area of focus, the Sub-Fund remains open to exploring potential investments in other Central and Eastern European.

Investments will be closely monitored throughout their term to identify and mitigate risks, as well as to determine the optimal time for exit. The AIFM will be responsible for overseeing the competitive environment, market developments, and emerging opportunities.

The typical time horizon for the Sub-Fund's real estate investments is 2-4 years; however, exit decisions may be made earlier if favourable market conditions or attractive opportunities arise. Exit strategies will be guided by factors such as the property's progress and prevailing market dynamics, as assessed by the AIFM through both internal resources and a network of consultants.

Investments, as described above, may be made directly by the Fund on behalf of the Sub-Fund or through Subsidiaries. These investments can involve equity, debt, or a combination of both, with decisions based on the legal and tax considerations of each investment.

Additionally, the Sub-Fund may acquire equity stakes in companies involved in real estate development or land utilisation. It may also pursue joint ventures or consortiums, allowing for collaborative investments in real estate projects. The Sub-Fund may take control stakes or fully own entities in these ventures to ensure a strong influence over project execution and management.

The Sub-Fund may hold cash or cash equivalents for distributions, redemptions, cash management, or as a temporary investment pending the deployment of uninvested capital.

Sustainability Considerations

Sustainability risk consideration

In line with the requirements of the Sustainable Finance Disclosure Regulation (SFDR), the AIFM integrates Sustainability Risks into its investment decision-making process alongside traditional financial risks. Sustainability Risks are systematically evaluated throughout all stages of the Sub-Fund's investment process, ensuring that each investment opportunity is thoroughly assessed for potential environmental, social, and governance (ESG) impacts.

ESG focus in the Real Estate sector

As the Sub-Fund's investments are focused on the real estate sector, ESG considerations are especially concentrated on environmental factors related to the investment properties. This includes a detailed evaluation of environmental conditions such as potential contamination, energy efficiency, and compliance with local environmental regulations. The AIFM remains vigilant of environmental risks, both in relation to the current and prior uses of each asset, ensuring that the properties meet applicable environmental standards and do not pose significant liabilities.

Social and governance factors, while less immediately impactful in real estate investments, are also considered. The AIFM ensures that governance standards are maintained in

compliance with relevant regulations, though the primary focus remains on managing environmental risks and enhancing sustainability in property management.

Tenant engagement and environmental awareness

While the AIFM does not directly control the business operations of tenants leasing the properties, it recognises that the management and operation of real estate assets have a significant impact on the environment. Accordingly, the AIFM is committed to promoting environmental responsibility by engaging with tenants to encourage the adoption of sustainability practices. This includes promoting energy efficiency, implementing waste reduction initiatives, and exploring eco-friendly solutions to reduce the overall environmental footprint of the properties.

Principal Adverse Impact (PAI) consideration

For the time being the AIFM does not consider adverse impacts of investment decisions on Sustainability Factors in accordance with Art. 4 of the SFDR. The main reason for not considering adverse impacts of investment decisions on Sustainability Factors at the company level is the lack of data available in sufficient quantity and quality to adequately assess the principal adverse impacts.

EU classification system for sustainable business activities (the EU Taxonomy)

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. In relation to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Sub-Fund is categorised under SFDR Article 6.

Leverage and Borrowings

The Sub-Fund will not utilise, either directly or indirectly through its Subsidiaries, leverage and borrowings as part of its acquisition program or otherwise.

Typical Investor Profile

The Sub-Fund is suitable for investors with a medium to long-term horizon who aim for a mix of income and growth from their investment. Investors must be willing to accept temporary fluctuations in the Net Asset Value or price of Sub-Fund's units and not be reliant on realizing their investment at a specific date.

Risk Factors

INVESTMENT IN THE FUND IS SUBJECT TO RISK FACTORS. THE SPECIFIC RISK FACTORS HIGHLIGHTED BELOW SHOULD BE READ IN CONJUNCTION WITH THE RISK FACTORS OF SECTION 21 OF THE PROSPECTUS.

Potential investors are warned that investment in the Sub-Fund, as with all speculative investments, is subject to a certain degree of risk. Investor Shares of the Sub-Fund are only suitable for Investors who can fully evaluate the risks involved.

General real estate risks

Real Estate investments generally will be subject to the risks incident to the ownership and operation of the asset concerned, including (i) risks associated with both the domestic and international general economic climate; (ii) local Real Estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing assets in an area; (vi) the financial condition of tenants, buyers and sellers of assets; (vii) changes in availability of debt financing; (viii) energy and supply shortages; (ix) changes in the tax, real estate, environmental and zoning laws and regulations; (x) various uninsured or uninsurable risks; (xi) natural disasters; (xii) the ability to manage and successfully exit the assets; (xiii) availability and (xiv) cost of debt. Finally, there is no assurance that there will be a ready market for resale of investments because investments in Real Estate assets generally are not liquid.

Property risks

The performance of the Sub-Fund will be affected by specific property risks including, amongst other matters, changes in property market conditions leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market; the quality of property available; the ability of the Fund to maintain the recoverability of service charges and other expenditure and to control the cost of these items; the risk that one or more tenants may be unable to meet their obligations to the Fund or the Fund may not be able to lease existing or new properties on favourable terms and the potential illiquidity of property investments, particularly in times of economic downturn.

Commercial Real Estate risk

This refers to the risk that economic, political, or market factors may negatively affect the performance and value of commercial real estate in Hungary. Key risks include regulatory unpredictability, which may impact property rights, leasing laws, or taxation policies. Additionally, economic factors such as inflation, rising interest rates, and currency volatility could reduce demand for commercial space, erode rental income, and lower property valuations. Market oversupply or sector-specific downturns, such as in retail or office space, can further depress commercial property values and occupancy rates, undermining long-term investment returns.

Environmental risk

Real estate assets may be subject to numerous statutes, rules and regulations relating to environmental protection. Certain statutes, rules and regulations might require that investments address prior environmental contamination, including soil and groundwater contamination, which results from the spillage of fuel, hazardous materials or other pollutants. Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability,

whether or not the owner or operator knew of or was responsible for the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury or property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. The Fund may be exposed to substantial risk of loss from environmental claims arising in respect of the assets of the Fund, and the loss may exceed the value of such investment. Furthermore, changes in environmental laws or in the environmental condition of an asset of the Fund may create liabilities that did not exist at the time of acquisition of an asset and that could not have been foreseen. For example, new environmental regulations may create costly compliance procedures for real estate assets.

Country risk

This refers to the risk that political developments, regulatory changes, or economic instability in Hungary may adversely affect real estate values, operational activities, financial performance, and the income-generating potential of properties. Recent concerns include increasing government intervention, unpredictable regulatory shifts, and strained relations with the European Union, which can lead to economic sanctions or reduced investment. Additionally, inflationary pressures, currency volatility, and shifting fiscal policies may undermine property valuations and disrupt real estate operations in the country.

Difficulty to identify suitable investments risk

As the targeted investments of the Sub-Fund are limited to a specific country and specific types, the Sub-Fund may not always be successful in identifying, selecting or realizing suitable investments within the specified time frames. The Sub-Fund could proceed in a restricted number of investments, and if any such investments are considered high risk, their low performance could affect investment returns. Potentially the Sub-Fund could compete with third parties for the acquisition of certain investment, resulting to a drop in the number of available opportunities, or changes to the relevant terms and conditions applicable to such investments.

Risks relating to valuations

The value of property and property related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty and are a matter of an independent valuer's opinion. There is no assurance that the valuations of the properties will reflect the actual realisable sale price even where such sales occur shortly after the relevant Valuation Day in other words valuation prices may not be achieved due to lack of market liquidity. If an asset cannot be liquidated in a timely manner, then it may be harder to attain a reasonable price. As a result, at times, the AIFM may have to delay giving instructions to sell investments which may have a materially adverse impact on the value of the Investors Shares.

Market risk

Investment in real estate carries higher risk than investment in liquid and tradable financial instruments, higher costs or bureaucracy tend to be associated with this sector which may have an impact on the value, or overall return, of the Investment. Existence of mortgaged real estates on the market also increases uncertainties in respect of liquidity and market value of investments especially in crisis and/or unemployment environment.

Illiquid risk

Investments in Real Estate assets are likely to be illiquid and long-term. Such investments may be illiquid because, among other reasons, they may have unique geographic and market characteristics, there is no established market for the particular type of asset, there is a scarcity of disposal options and/or potential acquirers, or there are legal, tax, regulatory or contractual restrictions and/or public opinion or political considerations associated with the disposal of the investment. As a result, it may be difficult from time to time for the Fund to realise, sell or dispose of an investment at an attractive price, or at the appropriate time or in response to changing market conditions, or the Fund may otherwise be unable to complete a favourable exit strategy.

Income risk

It cannot be guaranteed that property owned by the Sub-Fund being rented or leased to third party tenants will obtain a sufficient monthly income to cover the expenses of operating the property.

Disposal of properties

It may be difficult to dispose of properties in the Sub-Fund at their stated portfolio values on account of: (a) market conditions; (b) the size or value of the overall portfolio; or (c) the specialised nature of the properties in question. It may prove necessary to dispose of properties at values which the AIFM considers are reasonable in the circumstances, but which represent discounts to book valuations, in order to satisfy redemptions and manage an orderly winding up of the Sub-Fund.

Competition

The real estate industry is intensely competitive. The Sub-Fund will compete with traditional real estate companies and developers, large real estate investors and private individuals attempting to pursue the similar investment business strategies, some of which have greater financial resources and/or access to less expensive capital. While the Sub-Fund believes that it has certain competitive advantages over its competition, there is no guarantee that the Sub-Fund can maintain its competitive position. Moreover, there are no significant barriers to entry that would prevent additional competition from entering into certain markets targeted by the Sub-Fund. Therefore, competition in our target market could reduce the supply of potential acquisition properties and/or increase their purchase price. There is no assurance that the

Sub-Fund will be able to acquire properties on favorable terms or at all. Moreover, we face significant competition in the leasing market for quality tenants from other lessors, including single-family property landlords, property management companies, apartment and condominium buildings and new development in our target markets, some of which may attract tenants with incentives and amenities outside our control. Our ability to obtain quality tenants on favorable terms, or at all, may be adversely affected by such competition, which could negatively affect our investments.

Insurance risk

Even though the owner of a Real Estate asset often intends to maintain comprehensive insurance on its assets, including physical loss or damage, business interruption and public liability in amounts sufficient to permit replacement in the event of total loss, subject to applicable deductibles, there are certain types of losses, however, generally of a catastrophic nature, such as earthquakes, floods, hurricanes and terrorism that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents, encumbering properties that have been pledged as collateral for loans, and other factors might make it economically impractical to use insurance proceeds to replace a Real Estate asset if it is damaged or destroyed. Under such circumstances the insurance proceeds received by the Fund, if any, might not be adequate to restore the Fund's investment with respect to the affected asset.

Reliance on third party's due diligence

Prior to entering into any agreement to acquire any property, the Sub-Fund will perform or procure the performance of due diligence on the proposed acquisition target. In so doing, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (such as surveyors' reports and legal reports on title and property valuations). To the extent the Sub-Fund, or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Sub-Fund may incur, directly or indirectly, unexpected liabilities, such as defects in title, an inability to obtain permits, or environmental, structural or operational defects requiring remediation. In addition, if there is a failure of due diligence, there may be a risk that properties are acquired which are not consistent with the Investment Objective and the Investment Policy, that properties are acquired that fail to perform in accordance with projections or that material defects or liabilities are not covered by insurance proceeds. This may, in turn, have a material adverse effect on the Fund's performance, financial condition and business prospects.

Underlying business risk

Commercial Real Estate assets performance are heavily dependent on the performance of the tenants. As a result, investing in this type of real estate asset, an Investor is indirectly exposed to the underlying business activity of the tenant. As a result, it is important to understand what factors might impact the performance of the tenant.

Legal and regulatory

Risks It is not uncommon even for existing Real Estate asset to be exposed to a variety of legal risks. These can include, but are not limited to, environmental issues, land expropriation and other property-related claims, industrial action and legal action from special interest groups. Special interest groups may use legal processes to seek to impede particular Real Estate assets to which they are opposed. In many cases, Real Estate assets involve some kind of ongoing commitment by a governmental agency. The nature of these commitments exposes the owners of Real Estate asset to a higher level of regulatory control than typically imposed on other businesses. The risk that a governmental agency will repeal, amend, enact or promulgate a new law or regulation, or that a government authority will issue a new interpretation of a law or regulation, may affect an asset significantly. Court decisions and actions of government agencies may also affect an asset's economic performance. Similarly, there is a risk that changes in the regulatory and legislative environments, such as the likelihood of a public inquiry or political opposition to rates or recoverable costs, may overturn the awarding, reduce revenues or increase capital expenditure. The distributions received from investments may be affected by changes in tax legislation. These changes may reduce the level of cash flows received from investments. There is also a risk that an asset does not have all the permits necessary for its operation. Permits or special rulings may be required on taxation, financial and regulatory related issues. Many of these licences and permits have to be maintained over the life of the asset.

Catastrophes, terrorism risk

Real Estate assets are exposed to risks of a catastrophic nature such as earthquakes, floods and hurricanes as well as to acts of terrorism. If such risks materialise, the resulting damages and losses may exceed the value of the asset affected impacting on the performance of the Sub-Fund as a whole. Terrorist attacks may adversely affect or even destroy completely the value of individual assets or wide areas. Economic disruption or recession stemming from such attacks can reduce the value of Real Estate of all kinds. Such attacks can also disrupt business and tourism, either in a particular city or in the nation as a whole, which can adversely affect the value of the assets concerned. Higher insurance costs may adversely affect the Sub-Fund. In addition to any direct impact of catastrophes, the likelihood of earthquakes, floods and hurricanes may adversely affect the market value of Real Estate assets if the investment area turns out to be exposed to such risks or if it is deemed to be exposed to such risks.

The Shares

As at the date of the present Supplement, the Sub-Fund issue the following Class of Investor Shares:

Share class	Currency	Minimum Initial Subscription Amount	Minimum Additional Subscription Amount	Minimum Holding
Class A	EURO	€125,000	N/A	€125,000

Additional Classes may be created in the future subject to the discretion of the Directors in collaboration with the AIFM. In such case this Supplement will be amended accordingly.

Subscription Procedure

The provisions of Section “**Subscription of Investor Shares**” of the Prospectus apply to the subscription of Investor Shares of this Sub-Fund.

Wire Instructions

The Initial Subscription Price or Subscription Price per Investor Share (as applicable) (NET OF BANK CHARGES) shall be transferred by bank transfer to the account included in the Application Form or as advised by the AIFM or the Administrator.

Redemption Procedure

The provisions of Section “**Redemption Procedure**” of the Prospectus apply to the redemption of Investor Shares of this Sub-Fund.

IT IS CLARIFIED THAT IN RESPECT OF EACH REDEMPTION REQUEST, THE REDEMPTION NOTICE PERIOD SHALL COMMENCE TO RUN FOLLOWING RECEIPT BY THE AIFM OF A VALID REDEMPTION REQUEST FORM. THE INVESTOR SHARES WILL BE REDEEMED ON THE FIRST REDEMPTION DAY FOLLOWING THE EXPIRATION OF THE SAID REDEMPTION NOTICE PERIOD.

Transfer of Investor Shares

The provisions of section “**Transfer / Transmission of Investor Shares**” apply to the transfer of Investor Shares of this Sub-Fund.

Management and Administration**Board of directors**

Information on the Fund's Board of Directors is found under **section 8** of this Prospectus.

AIFM

Information on the AIFM is found under **section 9** of this Prospectus.

Administrator

Information on the Administrator is found under **section 10** of this Prospectus.

Depository

Information on the Depository is found under **section 10** of this Prospectus.

Auditor

Information on the Auditor is found under **section 10** of this Prospectus.

External Valuer

The AIFM shall appoint one or more External Valuers to conduct an independent and accurate valuation of the Sub-Fund's assets in accordance with section 19 of the AIFM Law. The External Valuer will provide these valuation services in alignment with the AIFM's valuation policies. Delegation of the valuation function to a third party is not permitted for the External Valuer. The names of the External Valuers will be published in the annual report.

Fees and Expenses

The following fees and expenses relate to the Sub-Fund.

Management Fee

The AIFM shall be entitled to receive a Management Fee out of the assets of the Sub-Fund of up to €30,000 (thirty thousand Euros) per annum. Further details in regards to the fee are further specified in the Management Agreement.

Administrator Fees

The Administrator is entitled to receive an administration fee out of the assets of the Sub-Fund of up to €5,000 (five thousand Euros) per annum. Further details in regards to the fee are further specified in the Administration Agreement.

Depository Fees

The Depository is entitled to receive a depository fee out of the net assets of the Sub-Fund of up to €12,000 (twelve thousand Euros) per annum. The Depository is also entitled to its reasonable agreed-on transaction and other charges (which will be at normal commercial rates) and other out of pocket expenses out of the assets of the Sub-Fund. Further details in regards to the fee and any additional charges are further specified in the Depository Agreement.

External Valuers

The External Valuer(s) is entitled to receive a fee out of the assets of the Sub-Fund charged at normal commercial rates not to exceed €5,000 (five thousand Euros) per annum.

Set up costs

The Sub-Fund will cover its own establishment costs and expenses which are estimated to be in the region of Euro xx. The Sub-Fund may also participate in its proportionate share of the establishment costs of the Fund as further set out in Section 6. of the Prospectus.

Miscellaneous fees, costs and expenses

The Sub-Fund will also pay a proportion of certain other fees, costs and expenses incurred in its operation as further set out in Section 6. of the Prospectus.

Distribution Policy

The Articles empower the Directors to declare dividends in respect of any Investor Shares out of the net income and net realised capital gains arising from the receipt of distributions from the Fund meaning after the payment of or making appropriate provisions (if any) for costs and expenses, as well as working capital requirements of the Sub-Fund, in their absolute discretion where they consider it appropriate to do so.

Publications

The Net Asset Value, the Subscription Price and the Redemption Price are calculated on every Valuation Day by the AIFM or the Administrator as its delegate and made available to the Investors upon request or at the registered office of the AIFM, or the Administrator, or may be accessed at a website as the AIFM may notify to the Investors in advance from time to time.

Amendments

For any Material Change made to this Supplement, and the Prospectus as well as amendments to the Articles which directly affect the Investors of this Sub-Fund (together, the "Fund Instruments"), Investors will be notified immediately upon their adoption. Dissenting Investors to such Material Changes as well as to the amendments to the Articles, have the right to request the redemption of their Investor Shares until the next scheduled Redemption Day in accordance with the provisions of the Fund Instruments applying prior to the implementation of such changes provided at least 30 days have lapsed between the above notification to the Investors and the expiration of their redemption right.

FUND SUPPLEMENT No. 5

In relation to the offering of Investor Shares in

MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND V

a Sub-Fund of

MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD

A REGISTERED ALTERNATIVE INVESTMENT FUND ("THE FUND") BEING ESTABLISHED ACCORDING TO PART VIII OF THE ALTERNATIVE INVESTMENTS FUNDS LAW 124(I)/2018 OPERATING AS AN UMBRELLA FUND AND ADDRESSED ONLY TO PROFESSIONAL AND WELL-INFORMED INVESTORS.

THE FUND HAS BEEN ENTERED INTO THE REGISTER OF REGISTERED RAIFS KEPT BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ("CYSEC") ON THE BASIS OF AN APPLICATION SUBMITTED BY THE AIFM.

THE DIRECTORS OF THE FUND CONFIRM THAT GUARDO ASSETS MANAGEMENT LTD IS REGULATED AND SUPERVISED BY THE CYSEC UNDER THE ALTERNATIVE INVESTMENT FUNDS LAW AND THAT THEY HAVE REVIEWED AND APPROVED THE DOCUMENT.

THIS REGISTRATION INTO THE REGISTER OF RAIFS KEPT BY CYSEC IS NOT BEEN REGARDED AS AN AUTHORIZATION BY CYSEC. THEREFORE, THIS ENTRY DOES NOT CONSTITUTE AN ENDORSEMENT, GUARANTEE OR STATEMENT OF APPROVAL BY THE CYSEC NOR IS CYSEC RESPONSIBLE FOR THE CONTENT OF THIS DOCUMENT OR THE SELECTION OF ADEQUACY OF ITS GOVERNING BODY OR SERVICE PROVIDERS. THE CYSEC HAS MADE NO ASSESSMENT OR VALUE JUDGMENT OF THE SOUNDNESS OF THE FUND OR FOR THE ACCURACY OR COMPLETENESS OF STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO IT. THE CYSEC HAS NOT REVIEWED OR APPROVED THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNAUTHORISED AND UNLAWFUL. INVESTORS MUST RELY SOLELY UPON THEIR OWN AND THEIR ADVISORS' DUE DILIGENCE IN MAKING ANY DECISION TO INVEST.

7 February 2025

*This Supplement is being issued pursuant to the offering of Investor Shares in **MODERN SURFACES TRADE AND DEVELOPMENT SUB-FUND V** (the "Sub-Fund") and contains supplemental information to that contained in the Prospectus dated 7 February 2025 issued by **MODERN SURFACES TRADE AND DEVELOPMENT RAIF V.C.I.C. LTD** (the "Prospectus"). This Supplement contains specific information in relation to the Sub-Fund. It forms part of and must be read in the context of and together with the Prospectus. Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus. For the avoidance of doubt, in case of any inconsistency between the terms of this **Supplement** and the Prospectus, this **Supplement** shall prevail to the Prospectus with respect to the Sub-Fund.*

Definitions

Capitalised terms used in this Sub-Fund Supplement have the same meaning as in the Prospectus.

Key features of the Sub-Fund

The following are the key features of the Sub-Fund:

Type of Sub-Fund	Open-ended with Limited Liquidity
Targeted investors	Professional Investors and/or Well-Informed Investors in and outside the European Economic Area, subject to the issue of a key information document (KID) where required under the PIIPS Regulation.
Available Class	Class A is offered
Reference Currency	EURO
Initial Offer Period	six (6) months following the registration date in the list of RAIFs kept by the CySEC under Part VIII of the AIF Law. <i>(may be shortened or prolonged by the AIFM and in any event shall not exceed 12 months from the date of registration of the Sub-Fund).</i>
Term	Unlimited
Initial Subscription Price	€100 (one hundred Euro) per Investor Share
Minimum Initial Subscription Amount	€125,000 (one hundred twenty-five thousand Euro)
Minimum Additional Subscription Amount	N/A
Minimum Holding	€125,000 (one hundred twenty-five thousand Euro)
Subscription Day	First Business Day of each calendar semester, (i.e., 1st January and 1st July) or such other day or days as may be determined by the AIFM.
Subscription Notice Period	5 (five) calendar days
Subscription Fee	N/A

Redemption Day	First Business Day of each calendar semester or such other day or days as may be determined by the AIFM (subject to the Lock-up-Period).
Redemption Fee	N/A
Lock up Period	2 (two) years unless the AIFM, may at its discretion allow an early redemption.
Redemption Notice Period	60 (sixty) calendar days
Gate	N/A
Holdback	N/A
Redemption Settlement Period	Up to 60 (sixty) calendar days from applicable Redemption Day
Valuation Day	The Net Asset Value (NAV) is calculated semi-annually, with the Valuation Day set as the last business day of each calendar semester or on any other day determined by the AIFM. It is important to note that the independent valuation of assets for NAV is conducted on December 31 each year. The AIFM may also determine additional dates on an ad hoc basis to accurately reflect the fair value of the assets.
Management Fee (MF)	Up to €30,000 per annum
Performance Fee	N/A
Administrator Fee	Up to €5,000 per annum
Depository Fee	Up to € 12,000 per annum
Audit Fee	A fee to be agreed on a yearly basis depending on the volume and complexity of transactions and will not exceed €4,000 per annum.
Investment Objective & Geographical region of operation of the Fund	The Sub-Fund seeks to achieve long-term growth by focusing on capital appreciation and consistent income distribution. It primarily invests, whether directly or indirectly, in a diverse range of real estate-related assets, emphasising commercial properties situated in Ukraine.

Risk Factors	There are risks associated with investments in the Sub-Fund and Investors attention is drawn to the risks outlined in this Supplement and in section 21 of the Prospectus
Sub-Fund Strategy	Multi-Strategy Real Estate Fund (MULT_REST)

The Sub-Fund

The Sub-Fund comprises an investment compartment (the “Sub-Fund”) of the Fund within the meaning of section 9 of the AIF Law. Its assets and Investments are separate from those of other Sub-Funds, and are made and held in accordance with:

1. the Investment Objective and Investment Policy of the Fund, and
2. the specific provisions of the Sub-Fund, depending on its investment strategy

Accordingly, the assets and liabilities of the Sub-Fund will be kept separately from the assets and liabilities of other Sub-Funds, and separate accounts and accounting records will be maintained.

The AIFM is responsible for the management of the portfolio of the Sub-Fund, and monitoring the Investments, with further details being set out under **section 9 “AIFM”** of the Prospectus.

With respect to the Sub-Fund, the Depositary ensures that financial instruments are registered in its books within segregated accounts in the name of the Fund (on behalf of the Sub-Fund), for all other assets (i.e. other than cash and securities) the Depositary duties shall consist of verification of ownership and maintaining of records on the basis of information or documents provided to it by or on behalf of the Fund and where available on external evidence, such records to be kept up to date with further details being set out in **section 10 “Key Service Providers”** under “Depositary” of the Prospectus.

Investment Objective

The purpose of the Sub-Fund is to provide its Investors long-term growth through a combination of capital appreciation and regular distribution of income by primarily investing (directly or indirectly) in a broad range of real estate related investments and essentially property located in the Central and Eastern European region with a focus on Ukraine.

Investment Strategy

To achieve its Investment Objective, the Sub-Fund will primarily focus on investing in the commercial real estate sector, while remaining open to opportunities in other sectors, such as residential flats and other property types, if they present strong potential. The strategy involves direct or indirect investments aimed at acquiring and/or developing various real estate projects that offer superior, risk-adjusted returns. This approach will be executed via the following key methods:

- Property acquisition and development: The Sub-Fund aims to acquire, lease, and manage both residential and commercial properties for purposes such as rental income, sale, or further development. Additionally, the Sub-Fund may acquire properties that complement or enhance the value of its existing portfolio, further driving growth. These investments may include office buildings, retail spaces, residential complexes, and mixed-use developments, allowing the Sub-Fund to diversify its exposure within the real estate market.
- Value enhancement and management: The Sub-Fund is committed to enhancing the value of its real estate assets by focusing on active property management. This includes improving and managing various types of properties—such as office spaces, retail units, and residential buildings—to increase their value and ensure stable rental income. A crucial component of this strategy is the partnership with established operators like Regus, or others within the flexible workspace sector. Collaborations with these reputable operators will ensure efficient property management, optimization of space utilization, and the development of sustainable income streams. By leveraging their expertise in managing and leasing flexible workspaces, the Sub-Fund can enhance property value and secure long-term, stable rental income, contributing to the overall success of the Fund.
- Investment lifecycle: The Sub-Fund is designed to maintain flexibility by investing at any stage of a real estate project's lifecycle—whether during the planning, development, or completion phase. This adaptable approach allows the Sub-Fund to capitalize on a wide range of opportunities in different market conditions, enabling strategic entry and exit points to maximize potential returns. Whether it's a new development or an existing property requiring redevelopment, the Sub-Fund can adjust its investment focus accordingly.

- **Geographic focus:** The Sub-Fund will primarily target high-quality commercial properties in prime locations within Ukraine, acknowledging the challenges posed by the ongoing conflict. Despite the current geopolitical situation, Ukraine's growing commercial sector presents significant opportunities for stable rental income and capital appreciation in the long term.

While Ukraine will be the main focus, the Sub-Fund remains open to exploring potential investments in other Central and Eastern European countries, where a more stable environment may provide additional growth prospects.

Investments will be closely monitored throughout their term to identify and mitigate risks, as well as to determine the optimal time for exit. The AIFM will be responsible for overseeing the competitive environment, market developments, and emerging opportunities.

The typical time horizon for the Sub-Fund's real estate investments is 2-4 years; however, exit decisions may be made earlier if favourable market conditions or attractive opportunities arise. Exit strategies will be guided by factors such as the property's progress and prevailing market dynamics, as assessed by the AIFM through both internal resources and a network of consultants.

Investments, as described above, may be made directly by the Fund on behalf of the Sub-Fund or through Subsidiaries. These investments can involve equity, debt, or a combination of both, with decisions based on the legal and tax considerations of each investment.

Additionally, the Sub-Fund may acquire equity stakes in companies involved in real estate development or land utilisation. It may also pursue joint ventures or consortiums, allowing for collaborative investments in real estate projects. The Sub-Fund may take control stakes or fully own entities in these ventures to ensure a strong influence over project execution and management.

The Sub-Fund may hold cash or cash equivalents for distributions, redemptions, cash management, or as a temporary investment pending the deployment of uninvested capital.

Sustainability Considerations

Sustainability risk consideration

In line with the requirements of the Sustainable Finance Disclosure Regulation (SFDR), the AIFM integrates Sustainability Risks into its investment decision-making process alongside traditional financial risks. Sustainability Risks are systematically evaluated throughout all stages of the Sub-Fund's investment process, ensuring that each investment opportunity is thoroughly assessed for potential environmental, social, and governance (ESG) impacts.

ESG focus in the Real Estate sector

As the Sub-Fund's investments are focused on the real estate sector, ESG considerations are especially concentrated on environmental factors related to the investment properties. This includes a detailed evaluation of environmental conditions such as potential contamination, energy efficiency, and compliance with local environmental regulations. The AIFM remains vigilant of environmental risks, both in relation to the current and prior uses of each asset, ensuring that the properties meet applicable environmental standards and do not pose significant liabilities.

Social and governance factors, while less immediately impactful in real estate investments, are also considered. The AIFM ensures that governance standards are maintained in compliance with relevant regulations, though the primary focus remains on managing environmental risks and enhancing sustainability in property management.

Tenant engagement and environmental awareness

While the AIFM does not directly control the business operations of tenants leasing the properties, it recognises that the management and operation of real estate assets have a significant impact on the environment. Accordingly, the AIFM is committed to promoting environmental responsibility by engaging with tenants to encourage the adoption of sustainability practices. This includes promoting energy efficiency, implementing waste reduction initiatives, and exploring eco-friendly solutions to reduce the overall environmental footprint of the properties.

Principal Adverse Impact (PAI) consideration

For the time being the AIFM does not consider adverse impacts of investment decisions on Sustainability Factors in accordance with Art. 4 of the SFDR. The main reason for not considering adverse impacts of investment decisions on Sustainability Factors at the company level is the lack of data available in sufficient quantity and quality to adequately assess the principal adverse impacts.

EU classification system for sustainable business activities (the EU Taxonomy)

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. In relation to the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR"), the Sub-Fund is categorised under SFDR Article 6.

Leverage and Borrowings

The Sub-Fund will not utilise, either directly or indirectly through its Subsidiaries, leverage and borrowings as part of its acquisition program or otherwise.

Typical Investor Profile

The Sub-Fund is suitable for investors with a medium to long-term horizon who aim for a mix of income and growth from their investment. Investors must be willing to accept temporary fluctuations in the Net Asset Value or price of Sub-Fund's units and not be reliant on realizing their investment at a specific date.

Risk Factors

INVESTMENT IN THE FUND IS SUBJECT TO RISK FACTORS. THE SPECIFIC RISK FACTORS HIGHLIGHTED BELOW SHOULD BE READ IN CONJUNCTION WITH THE RISK FACTORS OF SECTION 21 OF THE PROSPECTUS.

Potential investors are warned that investment in the Sub-Fund, as with all speculative investments, is subject to a certain degree of risk. Investor Shares of the Sub-Fund are only suitable for Investors who can fully evaluate the risks involved.

General real estate risks

Real Estate investments generally will be subject to the risks incident to the ownership and operation of the asset concerned, including (i) risks associated with both the domestic and international general economic climate; (ii) local Real Estate conditions; (iii) risks due to dependence on cash flow; (iv) risks and operating problems arising out of the absence of certain construction materials; (v) changes in supply of, or demand for, competing assets in an area; (vi) the financial condition of tenants, buyers and sellers of assets; (vii) changes in availability of debt financing; (viii) energy and supply shortages; (ix) changes in the tax, real estate, environmental and zoning laws and regulations; (x) various uninsured or uninsurable risks; (xi) natural disasters; (xii) the ability to manage and successfully exit the assets; (xiii) availability and (xiv) cost of debt. Finally, there is no assurance that there will be a ready market for resale of investments because investments in Real Estate assets generally are not liquid.

Property risks

The performance of the Sub-Fund will be affected by specific property risks including, amongst other matters, changes in property market conditions leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market; the quality of property available; the ability of the Fund to maintain the recoverability of service charges and other expenditure and to control the cost of these items; the risk that one or more tenants may be unable to meet their obligations to the Fund or the Fund may not be able to lease existing or new properties on favourable terms and the potential illiquidity of property investments, particularly in times of economic downturn.

Commercial Real Estate risk

The risk that political instability, military conflict, and economic factors may significantly impact the performance and value of commercial real estate in Ukraine. The ongoing conflict poses direct risks, including physical damage to properties, disruption of business operations, and reduced tenant demand. Additionally, legal and regulatory uncertainty, currency instability, inflation, and difficulties accessing financing increase the complexity of managing and investing in commercial properties. The shifting economic landscape and potential sanctions may further depress demand for office, retail, and industrial spaces, reducing rental income and long-term asset values.

Environmental risk

Real estate assets may be subject to numerous statutes, rules and regulations relating to environmental protection. Certain statutes, rules and regulations might require that investments address prior environmental contamination, including soil and groundwater contamination, which results from the spillage of fuel, hazardous materials or other pollutants. Under various environmental statutes, rules and regulations, a current or previous owner or operator of real property may be liable for non-compliance with applicable

environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability, whether or not the owner or operator knew of or was responsible for the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury or property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. The Fund may be exposed to substantial risk of loss from environmental claims arising in respect of the assets of the Fund, and the loss may exceed the value of such investment. Furthermore, changes in environmental laws or in the environmental condition of an asset of the Fund may create liabilities that did not exist at the time of acquisition of an asset and that could not have been foreseen. For example, new environmental regulations may create costly compliance procedures for real estate assets.

Country risk

This refers to the risk that political instability, military conflict, or economic sanctions in Ukraine may negatively impact real estate values, operational activities, financial performance, and the income-generating potential of properties. The ongoing conflict, geopolitical tensions, and the potential for abrupt legal or regulatory changes can disrupt development, reduce investor confidence, and devalue assets. Additionally, infrastructure damage, fluctuating currency values, and inflation pose further risks to the stability and growth of real estate investments in the region.

Difficulty to identify suitable investments risk

As the targeted investments of the Sub-Fund are limited to a specific country and specific types, the Sub-Fund may not always be successful in identifying, selecting or realizing suitable investments within the specified time frames. The Sub-Fund could proceed in a restricted number of investments, and if any such investments are considered high risk, their low performance could affect investment returns. Potentially the Sub-Fund could compete with third parties for the acquisition of certain investment, resulting to a drop in the number of available opportunities, or changes to the relevant terms and conditions applicable to such investments.

Risks relating to valuations

The value of property and property related assets is inherently subjective due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty and are a matter of an independent valuer's opinion. There is no assurance that the valuations of the properties will reflect the actual realisable sale price even where such sales occur shortly after the relevant Valuation Day in other words valuation prices may not be achieved due to lack of market liquidity. If an asset cannot be liquidated in a timely manner, then it may be harder to attain a reasonable price. As a result, at times, the AIFM may have to delay giving instructions

to sell investments which may have a materially adverse impact on the value of the Investors Shares.

Market risk

Investment in real estate carries higher risk than investment in liquid and tradable financial instruments, higher costs or bureaucracy tend to be associated with this sector which may have an impact on the value, or overall return, of the Investment. Existence of mortgaged real estates on the market also increases uncertainties in respect of liquidity and market value of investments especially in crisis and/or unemployment environment.

Illiquid risk

Investments in Real Estate assets are likely to be illiquid and long-term. Such investments may be illiquid because, among other reasons, they may have unique geographic and market characteristics, there is no established market for the particular type of asset, there is a scarcity of disposal options and/or potential acquirers, or there are legal, tax, regulatory or contractual restrictions and/or public opinion or political considerations associated with the disposal of the investment. As a result, it may be difficult from time to time for the Fund to realise, sell or dispose of an investment at an attractive price, or at the appropriate time or in response to changing market conditions, or the Fund may otherwise be unable to complete a favourable exit strategy.

Income risk

It cannot be guaranteed that property owned by the Sub-Fund being rented or leased to third party tenants will obtain a sufficient monthly income to cover the expenses of operating the property.

Disposal of properties

It may be difficult to dispose of properties in the Sub-Fund at their stated portfolio values on account of: (a) market conditions; (b) the size or value of the overall portfolio; or (c) the specialised nature of the properties in question. It may prove necessary to dispose of properties at values which the AIFM considers are reasonable in the circumstances, but which represent discounts to book valuations, in order to satisfy redemptions and manage an orderly winding up of the Sub-Fund.

Competition

The real estate industry is intensely competitive. The Sub-Fund will compete with traditional real estate companies and developers, large real estate investors and private individuals attempting to pursue the similar investment business strategies, some of which have greater financial resources and/or access to less expensive capital. While the Sub-Fund believes that it has certain competitive advantages over its competition, there is no guarantee that the Sub-Fund can maintain its competitive position. Moreover, there are no significant barriers to entry that would prevent additional competition from entering into certain markets targeted by the

Sub-Fund. Therefore, competition in our target market could reduce the supply of potential acquisition properties and/or increase their purchase price. There is no assurance that the Sub-Fund will be able to acquire properties on favorable terms or at all. Moreover, we face significant competition in the leasing market for quality tenants from other lessors, including single-family property landlords, property management companies, apartment and condominium buildings and new development in our target markets, some of which may attract tenants with incentives and amenities outside our control. Our ability to obtain quality tenants on favorable terms, or at all, may be adversely affected by such competition, which could negatively affect our investments.

Insurance risk

Even though the owner of a Real Estate asset often intends to maintain comprehensive insurance on its assets, including physical loss or damage, business interruption and public liability in amounts sufficient to permit replacement in the event of total loss, subject to applicable deductibles, there are certain types of losses, however, generally of a catastrophic nature, such as earthquakes, floods, hurricanes and terrorism that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents, encumbering properties that have been pledged as collateral for loans, and other factors might make it economically impractical to use insurance proceeds to replace a Real Estate asset if it is damaged or destroyed. Under such circumstances the insurance proceeds received by the Fund, if any, might not be adequate to restore the Fund's investment with respect to the affected asset.

Reliance on third party's due diligence

Prior to entering into any agreement to acquire any property, the Sub-Fund will perform or procure the performance of due diligence on the proposed acquisition target. In so doing, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (such as surveyors' reports and legal reports on title and property valuations). To the extent the Sub-Fund, or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Sub-Fund may incur, directly or indirectly, unexpected liabilities, such as defects in title, an inability to obtain permits, or environmental, structural or operational defects requiring remediation. In addition, if there is a failure of due diligence, there may be a risk that properties are acquired which are not consistent with the Investment Objective and the Investment Policy, that properties are acquired that fail to perform in accordance with projections or that material defects or liabilities are not covered by insurance proceeds. This may, in turn, have a material adverse effect on the Fund's performance, financial condition and business prospects.

Underlying business risk

Commercial Real Estate assets performance are heavily dependent on the performance of the tenants. As a result, investing in this type of real estate asset, an Investor is indirectly

exposed to the underlying business activity of the tenant. As a result, it is important to understand what factors might impact the performance of the tenant.

Legal and regulatory

Risks It is not uncommon even for existing Real Estate asset to be exposed to a variety of legal risks. These can include, but are not limited to, environmental issues, land expropriation and other property-related claims, industrial action and legal action from special interest groups. Special interest groups may use legal processes to seek to impede particular Real Estate assets to which they are opposed. In many cases, Real Estate assets involve some kind of ongoing commitment by a governmental agency. The nature of these commitments exposes the owners of Real Estate asset to a higher level of regulatory control than typically imposed on other businesses. The risk that a governmental agency will repeal, amend, enact or promulgate a new law or regulation, or that a government authority will issue a new interpretation of a law or regulation, may affect an asset significantly. Court decisions and actions of government agencies may also affect an asset's economic performance. Similarly, there is a risk that changes in the regulatory and legislative environments, such as the likelihood of a public inquiry or political opposition to rates or recoverable costs, may overturn the awarding, reduce revenues or increase capital expenditure. The distributions received from investments may be affected by changes in tax legislation. These changes may reduce the level of cash flows received from investments. There is also a risk that an asset does not have all the permits necessary for its operation. Permits or special rulings may be required on taxation, financial and regulatory related issues. Many of these licences and permits have to be maintained over the life of the asset.

Catastrophes, terrorism risk

Real Estate assets are exposed to risks of a catastrophic nature such as earthquakes, floods and hurricanes as well as to acts of terrorism. If such risks materialise, the resulting damages and losses may exceed the value of the asset affected impacting on the performance of the Sub-Fund as a whole. Terrorist attacks may adversely affect or even destroy completely the value of individual assets or wide areas. Economic disruption or recession stemming from such attacks can reduce the value of Real Estate of all kinds. Such attacks can also disrupt business and tourism, either in a particular city or in the nation as a whole, which can adversely affect the value of the assets concerned. Higher insurance costs may adversely affect the Sub-Fund. In addition to any direct impact of catastrophes, the likelihood of earthquakes, floods and hurricanes may adversely affect the market value of Real Estate assets if the investment area turns out to be exposed to such risks or if it is deemed to be exposed to such risks.

The Shares

As at the date of the present Supplement, the Sub-Fund issue the following Class of Investor Shares:

Share class	Currency	Minimum Initial Subscription Amount	Minimum Additional Subscription Amount	Minimum Holding
Class A	EURO	€125,000	N/A	€125,000

Additional Classes may be created in the future subject to the discretion of the Directors in collaboration with the AIFM. In such case this Supplement will be amended accordingly.

Subscription Procedure

The provisions of Section “**Subscription of Investor Shares**” of the Prospectus apply to the subscription of Investor Shares of this Sub-Fund.

Wire Instructions

The Initial Subscription Price or Subscription Price per Investor Share (as applicable) (NET OF BANK CHARGES) shall be transferred by bank transfer to the account included in the Application Form or as advised by the AIFM or the Administrator.

Redemption Procedure

The provisions of Section “**Redemption Procedure**” of the Prospectus apply to the redemption of Investor Shares of this Sub-Fund.

IT IS CLARIFIED THAT IN RESPECT OF EACH REDEMPTION REQUEST, THE REDEMPTION NOTICE PERIOD SHALL COMMENCE TO RUN FOLLOWING RECEIPT BY THE AIFM OF A VALID REDEMPTION REQUEST FORM. THE INVESTOR SHARES WILL BE REDEEMED ON THE FIRST REDEMPTION DAY FOLLOWING THE EXPIRATION OF THE SAID REDEMPTION NOTICE PERIOD.

Transfer of Investor Shares

The provisions of section “**Transfer / Transmission of Investor Shares**” apply to the transfer of Investor Shares of this Sub-Fund.

Management and Service Providers**Board of directors**

Information on the Fund's Board of Directors is found under **section 8** of this Prospectus.

AIFM

Information on the AIFM is found under **section 9** of this Prospectus.

Administrator

Information on the Administrator is found under **section 10** of this Prospectus.

Depository

Information on the Depository is found under **section 10** of this Prospectus.

Auditor

Information on the Auditor is found under **section 10** of this Prospectus.

External Valuer

The AIFM shall appoint one or more External Valuers to conduct an independent and accurate valuation of the Sub-Fund's assets in accordance with section 19 of the AIFM Law. The External Valuer will provide these valuation services in alignment with the AIFM's valuation policies. Delegation of the valuation function to a third party is not permitted for the External Valuer. The names of the External Valuers will be published in the annual report.

Fees and Expenses

The following fees and expenses relate to the Sub-Fund.

Management Fee

The AIFM shall be entitled to receive a Management Fee out of the assets of the Sub-Fund of up to €30,000 (thirty thousand Euros) per annum. Further details in regards to the fee are further specified in the Management Agreement.

Administrator Fees

The Administrator is entitled to receive an administration fee out of the assets of the Sub-Fund of up to €5,000 (five thousand Euros) per annum. Further details in regards to the fee are further specified in the Administration Agreement.

Depository Fees

The Depository is entitled to receive a depository fee out of the net assets of the Sub-Fund of up to €12,000 (twelve thousand Euros) per annum. The Depository is also entitled to its reasonable agreed-on transaction and other charges (which will be at normal commercial rates) and other out of pocket expenses out of the assets of the Sub-Fund. Further details in regards to the fee and any additional charges are further specified in the Depository Agreement.

External Valuers

The External Valuer(s) is entitled to receive a fee out of the assets of the Sub-Fund charged at normal commercial rates not to exceed €5,000 (five thousand Euros) per annum.

Set up costs

The Sub-Fund will cover its own establishment costs and expenses which are estimated to be in the region of Euro xx. The Sub-Fund may also participate in its proportionate share of the establishment costs of the Fund as further set out in Section 6. of the Prospectus.

Miscellaneous fees, costs and expenses

The Sub-Fund will also pay a proportion of certain other fees, costs and expenses incurred in its operation as further set out in Section 6. of the Prospectus.

Distribution Policy

The Articles empower the Directors to declare dividends in respect of any Investor Shares out of the net income and net realised capital gains arising from the receipt of distributions from the Fund meaning after the payment of or making appropriate provisions (if any) for costs and expenses, as well as working capital requirements of the Sub-Fund, in their absolute discretion where they consider it appropriate to do so.

Publications

The Net Asset Value, the Subscription Price and the Redemption Price are calculated on every Valuation Day by the AIFM, or the Administrator as its delegate, and made available to the Investors upon request or at the registered office of the AIFM, or the Administrator, or may be accessed at a website as the AIFM may notify to the Investors in advance from time to time.

Amendments

For any Material Change made to this Supplement, and the Prospectus as well as amendments to the Articles which directly affect the Investors of this Sub-Fund (together, the "Fund Instruments"), Investors will be notified immediately upon their adoption. Dissenting Investors to such Material Changes as well as to the amendments to the Articles, have the right to request the redemption of their Investor Shares until the next scheduled Redemption Day in accordance with the provisions of the Fund Instruments applying prior to the implementation of such changes provided at least 30 days have lapsed between the above notification to the Investors and the expiration of their redemption right.