

# ISSUING DOCUMENT

DECEMBER 2007

## ELITE'S EXCLUSIVE COLLECTION

*Société d'investissement à capital variable - Fonds d'investissement spécialisé*

**APPLICATIONS FOR SUBSCRIPTION ARE RESERVED TO WELL-INFORMED INVESTORS WHO, ON THE BASIS OF THIS CONFIDENTIAL OFFERING MEMORANDUM, THE ARTICLES AND THE SUBSCRIPTION AGREEMENT, HAVE MADE THEIR OWN ASSESSMENT OF THE CONDITIONS OF THEIR PARTICIPATION IN THE COMPANY. ACCORDINGLY, IT IS THE RESPONSIBILITY OF PARTICIPATING INVESTORS TO DETERMINE WHETHER THEIR RIGHTS AND OBLIGATIONS AS MEMBERS ARE SUITABLE FOR THEM.**

## Definitions

The following definitions apply throughout this Issuing Document, unless the context requires otherwise, and reference to the singular shall be deemed to include reference to the plural (and *vice versa*):

<b>1915 Act</b>	the Luxembourg act of 10 August 1915 on commercial companies as amended from time to time
<b>2002 Act</b>	the Luxembourg act of 20 December 2002 on undertakings for collective investment as amended from time to time
<b>2007 Act</b>	the Luxembourg act of 13 February 2007 on specialised investment funds
<b>Administrator</b>	the registrar, transfer agent and administrative agent which is CACEIS Bank Luxembourg S.A. with registered office at 5, Allée Scheffer, L-2520 Luxembourg
<b>Articles</b>	the articles of incorporation of the Company
<b>Auction Price</b>	the price for an underlying asset in the Sub-Fund Elite's Exclusive Collection – Nobles Crus which has been established during an auction as described for the Sub-Fund Elite's Exclusive Collection – Nobles Crus under header VIII in Part B of the Issuing Document
<b>Auditor</b>	Deloitte S.A., acting in its capacity as qualified independent auditor ( <i>réviseur d'entreprises agréé</i> ) of the Company
<b>Business Day</b>	each day on which the banks are open for general business in Luxembourg
<b>Class or Classes</b>	different types of Ordinary Shares which are issued within a Sub-Fund where specific features with respect to placing, conversion or redemption charge, minimum subscription amount, dividend policy or other specific features may be applicable
<b>Company</b>	Elite's Exclusive Collection, a Luxembourg investment company with variable capital – specialised investment fund ( <i>société d'investissement à capital variable – fonds d'investissement spécialisé</i> ) incorporated as a partnership limited by shares ( <i>société en commandite par actions</i> )
<b>Custodian</b>	the custodian bank and paying agent which is CACEIS Bank Luxembourg S.A. with registered office at 5, Allée Scheffer, L-2520 Luxembourg
<b>Eligible Investors</b>	investors who qualify as well-informed investors in accordance with article 2 of the 2007 Act
<b>Entity or Entities</b>	companies, trusts, partnerships or any other type of entities the Company will invest in either under the form of equity or debt or a combination of both
<b>EUR</b>	Euro, the single currency of the participating Member States of the European Economic and Monetary Union
<b>General Partner</b>	Elite Partners S.à r.l. with registered office at 39, boulevard Joseph II, L-1840 Luxembourg

<b>Investment Adviser</b>	the investment adviser for a relevant Sub-Fund as more fully described in Part B of the Issuing Document
<b>Investment Advisory Committee</b>	a committee which may be established by the General Partner and where Limited Shareholders are represented in order to provide to the General Partner advice and recommendations in relation to the organisation of a relevant Sub-Fund and its investment and disinvestment decisions
<b>Investment Manager</b>	the investment manager for the Sub-Fund Elite's Exclusive Collection – Nobles Crus which is Vino e Finanza S.a.s. with registered office in 13 Via Morigi, I – 20123 Milan
<b>Investment Structures</b>	entities of any kind and nature which have been established for the purpose of investing in (directly or indirectly) and/or financing any kind of investments
<b>Issuing Document</b>	this issuing document
<b>Limited Shareholders</b>	the holders of Ordinary Shares and whose liability is limited to the amount of their investments in the Company
<b>Management Fee</b>	the fee calculated and payable by the Company to the General Partner
<b>Management Shares</b>	the management shares held by the General Partner in the share capital of the Company in its capacity as Unlimited Shareholder
<b>Merchant Price</b>	the price for an underlying asset in the Sub-Fund Elite's Exclusive Collection – Nobles Crus which has been published or made available by first class wine merchants as described for the Sub-Fund Elite's Exclusive Collection – Nobles Crus under header VIII in Part B of the Issuing Document
<b>Net Asset Value</b>	the net asset value of a relevant Sub-Fund as determined in accordance with the Articles and Part B of this Issuing Document
<b>OECD</b>	the Organisation for Economic Cooperation and Development
<b>Ordinary Shares</b>	the ordinary shares held by the Limited Shareholders in the share capital of the Company
<b>Performance Fee</b>	the fee calculated and payable to the Investment Manager and/or the General Partner in accordance with Part B of the Issuing Document
<b>Prohibited Person</b>	any person which is not allowed to invest in the Company either due to a restriction by Luxembourg or foreign laws and regulations or due to a decision of the General Partner; persons which are not well informed investors in the meaning of the 2007 Act and citizens of the United States of America are examples of Prohibited Persons
<b>Redemption Price</b>	the price at which Ordinary Shares are redeemed decreased by the redemption fee as described for each Sub-Fund in Part B of the Issuing Document (if any), taxes (if any) and other eventual costs

<b>Reference Currency</b>	the currency in which the combined statements of the Company are maintained which is in EUR
<b>Regulated Market</b>	a market which operates regularly and is recognized and open to the public
<b>Shareholders</b>	the holders of the shares, i.e. the Limited Shareholders and/or the Unlimited Shareholder as the case may be
<b>Sub-Fund</b>	a separate portfolio of assets established for one or more Classes of shares which is invested in accordance with a specific investment objective as described in Part B of the Issuing Document; a Sub-Fund has no legal existence distinct of the Company; however each Sub-Fund is liable only for the debts, liabilities and obligations attributable to it
<b>Subscription Agreement</b>	the subscription agreement entered into between an investor and the Company by which the investor subscribes for Ordinary Shares of a relevant Sub-Fund of the Company
<b>Subscription Price</b>	the price at which Ordinary Shares are issued increased by the subscription fee as described for each Sub-Fund in Part B of the Issuing Document (if any)
<b>Transferable Securities</b>	stock-listed securities, fixed income securities and structured financial instruments which are sufficiently liquid that the Company copes with subscription and redemption requests and which are subject to an accurate, reliable and regular valuation provided by the market or by an independent valuation system
<b>Underlying Funds</b>	all types of investment entities either under corporate or contractual form which collect funds in order to invest in assets with or without diversification of its investments; an Underlying Fund may be subject to the supervision by a regulatory body with the purpose of investor protection or not
<b>Unlimited Shareholder</b>	Elite Partners S.à r.l. who holds one or more Management Shares and who will be, in its capacity as Unlimited Shareholder, liable without any limits for any obligations that cannot be met out of the assets of the Company
<b>USD</b>	United States Dollars, the currency of the United States of America
<b>Valuation Day</b>	a date on which the Net Asset Value is determined in accordance with the Articles and the Issuing Document
<b>VAT</b>	Value Added Tax
<b>Wine Asset</b>	any type of wines including <i>en primeur</i> and investment grade wines
<b>Warehouse</b>	a warehouse which is equipped for the storage of wine as described for the Sub-Fund Elite's Exclusive Collection – Nobles Crus under header III of Part B of the Issuing Document

## Important Information

Elite's Exclusive Collection (the **Company**) is offering ordinary shares (the **Ordinary Shares**) of several separate sub-funds (individually a **Sub-Fund** and collectively the **Sub-Funds**) on the basis of the information contained in this issuing document (the **Issuing Document**) and in the documents referred to herein. No person is authorised to give any information or to make any representations concerning the Company other than as contained in the Issuing Document and in the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Issuing Document will be solely at the risk of the purchaser.

The Company is a partnership limited by shares subject to the act of 10 August 1915 as amended (the **1915 Act**). The Company is managed by Elite Partners S.à r.l. (the **General Partner**).

The Company is subject to the provisions of the act of 13 February 2007 (the **2007 Act**) on specialised investment funds. Hence, the sale of the Ordinary Shares is reserved to well-informed investors within the meaning of the 2007 Act. The Company will refuse to issue Ordinary Shares to physical persons and companies that do not qualify as well-informed investors within the meaning of the 2007 Act. The General Partner will further refuse any transfer of Ordinary Shares that would result in Ordinary Shares being held by a non-well-informed investor. The General Partner, at its sole discretion, may refuse the issue or transfer of Ordinary Shares if there exists no sufficient evidence that the person or entity to which the Ordinary Shares should be issued or transferred is an well-informed investor within the meaning of the 2007 Act. The General Partner may, at its sole discretion, reject any application for subscription of Ordinary Shares and proceed, at any time, to the compulsory redemption of all the Ordinary Shares held by a non-well-informed investor.

The Ordinary Shares to be issued hereunder will be issued in several separate Sub-Funds of the company. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to the relevant Sub-Fund. As a result, the Company is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which one or more Sub-Fund(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs. Furthermore, in accordance with the articles of incorporation of the Company (the **Articles**), the General Partner (the **General Partner**) may resolve to issue Ordinary Shares of different classes (individually a **Class** and collectively the **Classes**) in each Sub-Fund; within each Sub-Fund, investors may then also choose the alternative Class features which are most suitable to their individual circumstances, given their qualification, the amount subscribed, the currency of the relevant Class and the fee structure of the relevant Class.

The General Partner has currently authorised the issuance of the Classes of Ordinary Shares that are more fully described in Part B of the Issuing Document for specific Sub-Funds.

Ordinary Shares of the different Classes, if any, within the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the net asset value (the **Net Asset Value**) per Share of the relevant Class within the relevant Sub-Fund, as defined in the Articles.

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

The distribution of the Issuing Document and the offering of the Ordinary Shares may be restricted in certain jurisdictions. The Issuing Document does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or where the person making the offer or solicitation is not qualified to do so or where a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession

of the Issuing Document and of any person wishing to apply for Ordinary Shares to inform themselves of and to observe all applicable laws and regulations of relevant jurisdictions.

The Company is an investment company governed by the laws of the Grand Duchy of Luxembourg (Luxembourg) and is subject to the 2007 Act. The registration of the Company does however not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of the Issuing Document or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorised and unlawful.

The Articles give powers to the General Partner to impose such restrictions as they may think necessary for the purpose of ensuring that no Ordinary Shares are acquired or held by any person in breach of the law or the requirements of any country or governmental authority or by any person in circumstances which in the opinion of the General Partner might result in the Company incurring any liability or taxation or suffering any other disadvantage which the Company may not otherwise have incurred or suffered (such persons being referred to as the **Prohibited Persons**). Persons which are not well informed investors as defined by the 2007 Act are Prohibited Persons.

The offering of the Ordinary Shares and subscription rights is being made in reliance upon an exemption from registration under the US Securities Act of 1933 or an offer and sale of securities which does not involve a public offering. Each purchaser of the Ordinary Shares and subscription rights offered hereby in making its purchase will be deemed to have made certain acknowledgments, representations and agreements, as set forth under "Eligible Investor". The Ordinary Shares and subscription rights have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Company has not been and will not be registered under the US Investment Company Act of 1940, in reliance on the exemption provided by Section 3(c)(7) thereof. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. No transfer of the Ordinary Shares and subscription rights which would have the effect of requiring the Company to register as an investment company under the Investment Company Act will be permitted. This Issuing Document is confidential in the United States and may be distributed within the United States only to qualified institutional buyers (as defined in Rule 144A of the Securities Act) who are also qualified purchasers (as defined in Section 2 (a) (51) (A) of the Investment Company Act). Any other reproduction or dissemination, including via e-mail, within the United States of this Issuing Document is not permitted.

Prospective investors are hereby notified that the seller of any Ordinary Shares and subscription rights may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

The Company may compulsorily redeem all Ordinary Shares held by Prohibited Persons.

The value of the Ordinary Shares may fall as well as rise and a Limited Shareholder on transfer or redemption of Ordinary Shares may not get back the amount initially invested. Income from the Ordinary Shares may fluctuate in money terms and changes in rates of exchange may cause the value of Ordinary Shares to go up or down. The levels and bases of, and reliefs from, taxation may change.

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

All references in the Issuing Document to EUR are to the legal currency of the countries participating in the Economic and Monetary Union. All references to **Business Day** refer to any day on which banks are open for general business in Luxembourg.

## **DIRECTORY**

### **Registered Office**

39, boulevard Joseph II  
L-1840 Luxembourg

### **General Partner**

Elite Partners S.à r.l.  
39, boulevard Joseph II  
L-1840 Luxembourg

### **Board of Managers of the General Partner**

Miriam Mascherin, member of the board of managers, Luxembourg  
Michel Tamisier, member of the board of managers, Luxembourg

### **Custodian Bank and Paying Agent**

CACEIS Bank Luxembourg S.A.  
5, Allée Scheffer  
L-2520 Luxembourg

### **Registrar, Transfer Agent and Administrative Agent**

CACEIS Bank Luxembourg S.A.  
5, Allée Scheffer  
L-2520 Luxembourg

### **Auditor**

Deloitte S.A.  
560, rue de Neudorf  
L-2220 Luxembourg

### **Legal Adviser**

Allen & Overy Luxembourg  
58, rue Charles Martel  
L-2134 Luxembourg

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## **PART A – GENERAL INFORMATION**

## **1. INVESTMENT OBJECTIVES AND INVESTMENT RESTRICTIONS**

### **1.1 Investment Objectives**

The objective of the Company is to achieve an optimum return for the Shareholders by undertaking directly or indirectly investments in the widest meaning of the 2007 Act, while reducing investment risk through diversification.

The Company is entitled to invest in all types of transferable securities, in structured financial instruments, in units and shares issued by all types of investment entities, in cash and cash equivalent assets, in non transferable securities such as private equity and loans as well as in any type of assets such as but not limited to real estate properties, landplots, precious metals, commodities, wines and art.

The investment objectives are described for each Sub-Fund individually in Part B of the Issuing Document.

The Company may undertake investments through investment structures of any kind and nature which have been established for the purpose of investing in (directly or indirectly) and/or financing any kind of investments which are eligible under the 2007 Act (the **Investment Structures**). Such Investment Structures may have legal personality or not, be listed or unlisted, be regulated or unregulated, and be incorporated in any jurisdiction. Such investments in Investment Structures will be made using equity or debt instruments (securitised or not) or combinations thereof. Each Sub-Fund may invest and hold its investments including co-investments with other Sub-Funds.

### **1.2 Investment Restrictions**

The management of the assets of the Sub-Funds will be undertaken within the following investment restrictions. A Sub-Fund has to comply with the investment restrictions within a period and under the conditions determined for the relevant Sub-Fund in Part B of the Issuing Document. A Sub-Fund may be subject to additional investment restrictions set out in Part B of the Issuing Document.

#### **(a) Restrictions applicable to investments in transferable securities**

Transferable securities (the **Transferable Securities**) cover stock-listed securities, fixed income securities and structured financial instruments which are sufficiently liquid that the Company copes with subscription and redemption requests and which are subject to an accurate, reliable and regular valuation provided by the market or by an independent valuation system.

Unless otherwise provided for in Part B of the Issuing Document, a Sub-Fund is authorised to acquire up to 100% of the Transferable Securities of the same nature issued by the same Entity but will not invest more than 30% of its assets in Transferable Securities of the same nature issued by the same Entity.

The restriction set forth in the previous paragraph is not applicable to Transferable Securities issued or guaranteed by an OECD Member State or by its local authorities or by supranational institutions and organisations with European, regional or worldwide scope.

#### **(b) Restrictions applicable to investments in units and shares issued by investment funds and entities**

The Company may, in principle, not invest more than 30% of the net assets of each Sub-Fund in units and shares issued by the same underlying investment entity (the **Underlying Fund**) provided that the latter are subject to comparable risk diversification requirements. For the purpose of this 30% limit, each sub-fund of an Underlying Fund with multiple compartments is to be considered as a distinct Underlying Fund provided that the principle of segregation of the commitments of the different sub-funds of an Underlying Fund towards third parties is ensured.

Each Sub-Fund can invest exclusively in Underlying Funds governed by any foreign legislation including Underlying Funds not submitted in their country of origin to a permanent control carried out by a regulatory authority in order to ensure the protection of investors as for example, the British Virgin Islands, the Cayman Islands, the Netherlands Antilles or other legislations.

Each Sub-Fund may only invest up to 30% of its net assets in open-ended or closed-ended Underlying Funds investing themselves in investment funds ("funds of funds") provided that such a decision will not result in an accumulation of fees detrimental to the relevant Sub-Fund's investors. The Investment Manager will consider any resulting indirect investment in an investment fund. The reasons behind such investments are that:

- they may provide the Sub-Funds indirect access to Underlying Funds, which do not accept new subscriptions;
- certain funds of funds offer more favourable liquidity conditions than other Underlying Funds in which they invest;
- certain funds investing in other Underlying Funds and specialised in one or a limited number of management strategies may offer the Sub-Fund a significant degree of diversification.

Sub-funds may invest in hedge funds and private equity funds pursuing alternative strategies. Such investments are generally considered to be risky. In addition to the risks involved in traditional investments (market risk, credit risk, liquidity risk) alternative investments are subject to a number of specific risks.

**(c) Restrictions applicable to holding of cash and cash equivalents**

Each Sub-Fund may hold cash and cash equivalents such as but not limited to bankers acceptances, short term bonds, time deposits, certificates of deposit, treasury bills, floating rate notes and commercial papers. In this respect, cash equivalents are regularly negotiated and have a residual maturity of 397 days or less from the acquisition date will be deemed to be cash equivalents.

**(d) Restrictions applicable to the use of financial derivative instruments and other techniques**

Subject to an efficient portfolio management, each Sub-Fund is authorised to make use of the financial derivative instruments and the techniques referred to hereafter.

The financial derivative instruments may include, amongst others, futures and options which are traded or dealt on a regular markets as well as forward contracts, swaps and OTC options which are not traded or dealt on a regular markets. Particularly the Sub-Fund may enter into contracts by private agreement on any type of financial instruments or assets including credit derivatives such as credit default swaps. The market for forward contracts, swaps, OTC options and credit derivatives may from time to time be less liquid than the markets for Transferable Securities. The Sub-Fund will always seek to be in a position enabling it to liquidate its exposure to OTC derivatives in order to meet redemption request, as the case may be. The financial derivative instruments must be dealt on an organised market or contracted by private agreement with first class professionals specialised in

this type of transactions. The risk exposure of a Sub-Fund to counterparty of OTC derivative transactions may not exceed 30% of its net assets.

In addition, each Sub-Fund may participate in securities lending transactions as well as sale with right of repurchase transactions and repurchase transactions (*opérations à réméré* and *opérations de mise en pension*).

The maximum total leverage resulting from the use of these derivative financial instruments or techniques will be set out for each Sub-Fund, if appropriate, in Part B of the Issuing Document

**(e) Restrictions applicable to investments in assets other than transferable securities, units and shares of investment entities, cash and cash equivalents.**

Investment restrictions for other assets those described under (a) to (d) of this paragraph such as but not limited to private equity, real estate properties, landplots, precious metals, commodities, wines and art are determined for each Sub-Fund in Part B of the Issuing Document.

**(f) Restrictions applicable to borrowings**

A Sub-Fund may borrow permanently and for investment purposes from first class professionals specialised in this type of transactions.

Such borrowings are limited to 200% of the net assets of the relevant Sub-Fund, or 300% of the net assets if there is a significant correlation between long and short positions. Consequently, the value of the assets of the Sub-Fund may not exceed 300% of its net assets unless there is a significant correlation between long and short positions, in which case the value of the assets of the Sub-Fund may not exceed 400% of its net assets.

**1.3 Investment Policy**

The investment policy and in particular the allocation to different type of asset classes are specified for each Sub-Fund in Part B.

**2. GENERAL RISK CONSIDERATIONS**

An investment in the Company involves certain risks relating to the structure, the investment objectives and the environment in which the Company operates. Particularly the investment in a Sub-Fund of the Company involves certain risks relating to the Sub-Fund's particular investment strategy which investors should carefully evaluate before making a decision to invest in such Sub-Fund.

The investments within each Sub-Fund are subject to the risks inherent in all investments; accordingly, no assurance can be given that the investment objective will be achieved.

The following is a brief description of certain factors which should be considered along with other matters discussed elsewhere in this Issuing Document. The following however, does not purport to be a comprehensive summary of all the risks associated with any Sub-Fund.

**2.1 Risks linked to the investment objectives and the investment policies**

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

its capacity and ability to generate cash flow to repay its debt obligations. A Sub-Fund may invest in debt which are issued without any guarantee, letter of credit, debt insurance or collateral including junior debt.

**Risks linked to equity investments:** A Sub-Fund may be exposed to equity risk including failures of the issuer and substantial declines in value at any stage. Investments in stock-listed equities made by a Sub-Fund depend for a large part of the evolution of the stock markets, and there will be little or no collateral to protect an investment once made. Sales of equity may not always be possible, and could therefore have to be made at substantial discounts. Equity holders have in general an inferior rank towards debt holders and so are exposed to higher risks. Furthermore a Sub-Fund may be entitled to take privately negotiated equity participations. In many cases, private equity invest in companies that have been in existence for only a short time and which intend to establish themselves in an existing market or occupy new business areas. Consequently, the process of forecasting the performance of such companies, their potential success, is often fraught with uncertainty. The market risks for private equity investments are partly dependent on the trade-sale and the IPO market which constitute key instruments for exiting from/selling a private equity investment. A reduced level of activity on the trade-sale and the IPO market may have an adverse, overall influence on the implementation of exit strategies.

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

**Risks linked to the lack of liquidity and marketability:** A Sub-Fund may invest in assets which have not an access to financial markets. Consequently the asset may represents a low level of liquidity and marketability involving that selling of the asset in the market may only be possible with high discounts.

**Risks linked to investments in assets exposed to emerging market risk and political risk:** A Sub-Fund may invest in securities issued in emerging markets as well as in assets produced, extracted, traded or stocked in emerging markets. Certain issues are more prevalent in emerging markets than in other markets, such as high inflation making valuations problematic, macroeconomic volatility, capital restrictions and controls, and political risks. Furthermore there can be no assurance that the political and economic evolution in these countries will continue a business friendly path. The political system of these countries is vulnerable to the population's dissatisfaction and exposed to internal pressure exercised by groups of influence with reforms, social unrest and changes in governmental policies, any of which could indirectly have a material adverse effect on the performance of Company.

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

**Risk of early liquidation:** In the event of the early liquidation of a Sub-Fund, the funds would have to be distributed to the Limited Shareholders pro-rata their interest in the assets of the Sub-Fund. The Sub-Fund's investments would have to be sold by the Company or distributed to the Limited

Shareholders. It is possible that at the time of such sale or redemption certain investments held by the Sub-Fund may be worth less than the initial cost of the investment, resulting in a loss to the Sub-Fund and to its Limited Shareholders. Moreover, in the event the Sub-Fund terminates prior to the complete amortisation of organisational expenses, any non amortised portion of such expenses will be accelerated and will be debited (and thereby reduce) amounts otherwise available for distribution to Limited Shareholders.

**Risks due to foreign exchanges and currency risk:** The Company may invest its assets in equity and debt denominated in a wide range of currencies. The Net Asset Value of each Class expressed in its respective unit currency will fluctuate in accordance with the changes in foreign exchange rate between its unit currency, the reference currency of the Company and the currencies in which the Company's investments are denominated.

**Higher costs in investing in Underlying Funds:** The Company will indirectly bear, as an investor in the Underlying Funds, its share of fees and expenses attributable to the Underlying Funds, including, but not limited to, management fees, performance fees, custody fees and administration fees of the Underlying Funds. As a consequence the Company will bear higher costs with the indirect approach as opposed to the direct approach.

**Risks linked to investment in unregulated Underlying Funds:** A Sub-Fund may invest its net assets in shares or units of Underlying Funds which are not submitted in their State of origin to a permanent control exercised by a regulatory authority set up by law in order to ensure the protection of the investors, investments in any of the Sub-Funds of the Company are subject to a corresponding risk. This may be due to the absence of accounting standards and the absence of a regulatory authority imposing rules and regulations to the entity exercising the custodian and/or central administration functions. The consequence of the leverage effect is that the value of a fund's assets increases faster if capital gains arising from investments financed by borrowing exceed the related costs, notably the interest on borrowed monies and premiums payable on derivative instruments. A fall in prices, however, causes a faster decrease in the value of the fund's assets. In extreme cases the use of derivative instruments and short sales may result in individual investment funds becoming worthless. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

## 2.2 Risks of using special investment techniques

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

**Risks linked to entering into a forwards, swaps, OTC options or any other OTC derivatives:** The Sub-Fund may enter into one or more forward rate agreements, forwards, swaps, OTC options in connection either with a hedge or an exposure. OTC derivatives are not traded on exchanges but rather banks and dealers act as principals by entering into an agreement to pay and receive certain cash flow over a certain time period, as specified in the OTC derivative. Consequently, the Sub-Fund

is subject to the risk of the counterparty's inability or refusal to perform according to the terms of the OTC derivative. The OTC derivative market is generally unregulated by any governmental authority. To mitigate the counterparty risk resulting from such transactions, the Sub-Fund will enter into such transactions only with highly rated, first class financial institutions with which it has established ISDA agreements. The use of credit derivative such as credit default swaps can be subject to higher risk than direct investment in securities. The market for credit derivative may from time to time be less liquid than the markets for Transferable Securities. In relation to credit default swaps where the Sub-Fund buys protection, the Sub-Fund is subject to the risk of the counterparty of the credit default swaps defaulting. To mitigate the counterparty risk resulting from credit default swap transactions, the Sub-Fund will only enter into credit default swaps with highly rated financial institutions specialised in this type of transaction and in accordance with the standard terms laid down by the ISDA.

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

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

### 2.3 Specific risks associated with the structure of the Company

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

**Risks linked to limited power of the investors:** Limited Shareholders will not participate in the management of the Company. Subscribers of the Ordinary Shares pursuant to the terms and conditions of this Issuing Document will become Limited Shareholders of the Company and will not be entitled to participate in the management of the Company.

**Risks linked to the General Partner:** The General Partner is a newly established company with no track record upon which the potential investors in the Company may base an evaluation of the merits of purchasing an interest in the Company. The General Partner may only be removed by means of a resolution of the general meeting of Limited Shareholders adopted further to fraud, gross negligence or willful misconduct by at least two third of the votes of the Limited Shareholders present or represented, provided that the fraud, gross negligence or willful misconduct has been established by a final court decision. The success of the Company depends significantly on the efforts and abilities of its General Partner to evaluate investment opportunities. Although the General Partner will devote such time and effort as may be reasonably required to implement the objectives of the Company, there can be no guarantee that investments will be successful.

**Risks linked to dependence on the Investment Manager and/or the Investment Adviser:** Decisions with respect to the investment management of a relevant Sub-Fund will be made by an Investment Manager appointed by the General Partner or by the General Partner based on the advice

of an Investment Adviser. As a result, the success of each Sub-Fund for the foreseeable future will depend largely upon the abilities of the Investment Manager and/or the Investment Adviser and in particular key people exercising a mandate or working for the Investment Manager and/or the Investment Adviser. There can be no assurance that key people remain director or employee for the Investment Manager and/or the Investment Adviser.

**Risks linked to lower level of regulation:** The Company is subject to less stringent regulatory requirements than undertakings for collective investment subject to the 2002 Act.

### **3. THE STRUCTURE OF THE COMPANY**

#### **3.1 Corporate information on the Company**

The Company was incorporated on 19 November 2007 for an unlimited period of time under the form of a Luxembourg partnership limited by shares, a *société en commandite par actions* governed by the 1915 Act.

The registered office of the Company is established at 39, boulevard Joseph II, L-1840 Luxembourg. The Company is registered at the "*Registre de Commerce et des Sociétés*" of Luxembourg under the number B 134050.

The Articles have been filed with the "*Registre de Commerce et des Sociétés*" of Luxembourg and are published in the *Mémorial, Recueil des Sociétés et Associations C* (the Mémorial C) of 14 December 2007.

As a Luxembourg partnership limited by shares, the Company has two types of Shareholders:

- the Unlimited Shareholder or General Partner (*associé gérant commandité*) holding the Management Shares (*actions de l'associé gérant commandité*) and who will be liable without any limits for any obligations that cannot be met out of the assets of the Company; and
- the Limited Shareholders (*actionnaires commanditaires*) holding the Ordinary Shares (*actions ordinaires de commanditaires*) whose liability is limited to the amount of their investments in the Company.

The minimum subscribed capital of the Company, as provided by article 27 of the 2007 Act, which must be achieved within one year after the date on which the Company has been authorised as a collective investment undertaking under Luxembourg law, is EUR 1,250,000. The initial capital of the Company has been set at EUR 31,000 divided into one (1) fully paid-up Management Share of EUR 1,000 and into thirty (30) fully paid-up Ordinary Shares of EUR 1,000.

In accordance with article 71 of the 2007 Act, the Company is constituted under the form of an investment company with different Sub-Funds. A separate portfolio of assets is maintained for each Sub-Fund and is invested in accordance with the investment objectives, restrictions and policy applicable to the relevant Sub-Fund as disclosed in Part B of the Issuing Document. As a result, the Company is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. The share capital of the Company will be equal, at any time, to the total value of the net assets of all the Sub-Funds.

#### **3.2 The General Partner**

The Company is managed by the General Partner in its capacity as sole Unlimited Shareholder of the Company. Elite Partners S.à r.l. is the General Partner of the Company.

The General Partner was incorporated under the form of a private limited liability company (*société à responsabilité limitée*) on 19 November 2007 for an unlimited period of time and is governed by the 1915 Act. The registered office of General Partner is established at 39, boulevard Joseph II, L-1840 Luxembourg. The General Partner is registered at the "*Registre de Commerce et des Sociétés*" of Luxembourg under the number B 134049. The Articles have been filed with the *Registre de Commerce et des Sociétés* of Luxembourg and are published in the *Mémorial, Recueil des Sociétés et Association C* (the *Mémorial C*) of 14 December 2007. The minimum subscribed capital of the General Partner has been set at EUR 12,500 divided into EUR 125 fully paid-up shares of EUR 100.

The General Partner is currently managed by the following board of managers:

**Miriam Mascherin**, Luxembourg, born in 1961 gained extensive experience in asset management and fund distribution in Dublin, Paris and Luxembourg before joining Carmignac Gestion as Managing Director in 1999 where she built-up the distribution network of Carmignac funds. In 2007, Miriam co-founded Elite Advisers S.A. with registered office at 39, boulevard Joseph II, L-1840 Luxembourg. Elite Advisers S.A. is specialised in investment advisory and placing of investment funds. Elite Advisers S.A. is subject to the supervision of Luxembourg regulator.

**Michel Tamisier**, Luxembourg, born in 1961 gained extensive experience in private banking, investment fund custody, fund accounting and transfer agency with Credit Agricole, J. P. Morgan and Banque Paribas in Paris, Milan and Luxembourg before joining Carmignac Gestion as Managing Director in 2003. In 2007, Michel co-founded Elite Advisers S.A. with registered office at 39, boulevard Joseph II, L-1840 Luxembourg. Elite Advisers S.A. is specialised in investment advisory and placing of investment funds. Elite Advisers S.A. is subject to the supervision of Luxembourg regulator.

The General Partner, acting through its managers, has the power to administer and to manage the Company and to decide on the investment objectives, restrictions and policies of each Sub-Fund. The General Partner determines the course of conduct of the management and business affairs of the Company and its Sub-Funds, in compliance with applicable laws, regulations and this Issuing Document. All powers not expressly reserved by law or by the Articles to the general meeting of Limited Shareholders are with the General Partner.

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

The General Partner selects the custodian bank and paying agent as well as the central administrator, registrar and transfer agent.

In particular, it is the intention of the General Partner to delegate the management of the assets of each Sub-Fund to a specialised investment manager (the **Investment Manager**) which is carefully selected by the General Partner based on the Investment Manager's experience, know-how, skills and reputation as well as the specific needs required by the investment objectives, the restrictions and the policy of a relevant Sub-Fund. The General Partner selects under its sole responsibility an investment manager and supervises the performance of the latter.

Furthermore the General Manager may appoint one or more investment advisers (the **Investment Adviser**) to provide support in the investment decision process of a relevant Sub-Fund. The investment adviser is carefully selected by the General Partner based on its experience, know-how, skills and reputation as well as the specific needs required by the investment objectives, the restrictions and the policy of a relevant Sub-Fund. The General Partner selects under its sole responsibility an Investment Adviser and supervises the performance of the latter.

The General Partner may also authorise an Investment Manager to delegate part or all of its tasks to a sub-investment manager and/or to appoint one or more investment advisers.

The General Partner may also authorise an Investment Adviser to delegate part or all of its tasks to one or more sub-investment advisers.

The appointed Investment Manager, Investment Adviser, sub-investment manager and/or sub-investment adviser, as the case may be, are described for the concerned Sub-Fund in Part B of the Issuing Document.

The General Partner has taken all reasonable care to ensure that at the date of this Issuing Document the information contained herein is accurate and complete in all material respects. The General Partner accepts responsibility accordingly.

The General Partner may from time to time decide to create further Sub-Funds; in that event, the Issuing Document will be updated and amended so as to include detailed information on the new Sub-Funds. The General Partner may also decide to create further Classes of Ordinary Shares; in that event the Issuing Document will be updated and amended as to include detailed information on such new Classes. Each Class within a concerned Sub-Fund are described in Part B of the Issuing Document.

The General Partner will on a reasonably regular basis report on the activities of and investments by the Company and its Sub-Funds.

The General Partner and its managers observes confidentiality concerning information they possess relating directly or indirectly to the Company or its affairs, unless legal requirements oblige the General Partner and/or its managers to divulge such information and/or unless the proper performance of the duties of the General Partner and/or its managers requires so.

The Company instructs and expressly authorises the General Partner to provide all relevant (including personal and financial) data pertaining to the Company and its shareholders to the custodian bank and paying agent, the registrar, transfer agent and administrative agent, the auditors, the lawyers, the investment managers and advisers, the representatives, the agents, the sub-contractors, the consultants and the business partners of the mentioned parties under the condition that they are subject to a similar confidentiality duty and limited to the proper execution of the obligations and fulfilment of duties in connection with the direct or indirect rendering of services to the Company.

### **3.3 Meetings of Shareholders and Reports to Shareholders**

Any regularly constituted meeting of Shareholders of the Company shall represent the entire body of Limited Shareholders of the Company.

Each share grants the right to vote at every general meeting of Shareholders. Except as otherwise required by the 1915 Act or as otherwise provided by the Articles, resolutions at a duly convened general meeting of Shareholders will be passed by a simple majority of those present or represented and voting provided that no resolution of a general meeting of Shareholders may be taken without the affirmative vote of the General Partner.

The annual general meeting of Shareholders is held at the registered office of the Company or at any other location in the City of Luxembourg on the second Wednesday of April (unless such date falls on a legal bank holiday, in which case the meeting will be held on the next Business Day) at 2.p.m.. The first annual general meeting of Shareholders will be held in 2009.

General meetings of Shareholders shall be called by the General Partner, or upon request of Shareholders holding a minimum of ten per cent (10%) of the Company's share capital.

Notices of all general meetings are sent by registered mail by the Administrator to all Limited Shareholders at their registered address prior to such meeting. Such notice will indicate the time and place of such meeting and the conditions of admission thereto, will contain the agenda and will refer to the requirements of Luxembourg law with regard to the necessary quorum and majorities at such meeting. To the extent required by Luxembourg law, further notices will be published in the *Mémorial* and in one Luxembourg newspaper.

If the Articles are amended, such amendments will be filed with the "*Registre de Commerce et des Sociétés*" of Luxembourg and published in the *Mémorial C*.

The Company publishes annually a detailed audited report on its investment activities and on the management of its energy-supply assets; such report will include, *inter alia*, the combined accounts relating to all the Sub-Funds, a detailed description of the assets of each Sub-Fund and a report from the Auditor. The first audited annual report will be published as at 31 December 2008.

The aforementioned documents will be available to registered Shareholders within six months for the annual reports and copies may be obtained free of charge for Shareholders at the registered office of the Company.

The accounting year of the Company will commence on the first of January and will terminate on thirty first of December. The first accounting year will start on the date of formation of the Company and will end on 31 December 2008.

The combined accounts of the Company will be maintained in EUR being the currency of the share capital (the **Reference Currency**). The financial statements relating to the various separate Sub-Funds will also be expressed in the currency of each Sub-Fund as determined in Part B of the Issuing Document.

### **3.4 The Investment Advisory Committees**

The General Partner may decide to establish for a relevant Sub-Fund a dedicated investment advisory committee (the **Investment Advisory Committee**). The Investment Advisory Committee will be composed by representatives of Limited Shareholders of the relevant Sub-Fund and/or third parties formally appointed by the General Partner in accordance with the provisions set out herein and in the General Partner's resolution to establish the Investment Advisory Committee.

The Investment Advisory Committee shall make recommendations and provide assistance to the General Partner on various matters regarding the Sub-Fund including, but not limited to, investment and disinvestment decisions, matters of conflicts of interests, the sanctions against a Prohibited Investor and on any matters where the members could potentially add value to the investments done by the Company.

Each of the Limited Shareholders whose investment represents a minimum investment amount to be determined by the General Partner has the right to propose a representative to the Investment Advisory Committee.

For the avoidance of doubt, the Investment Advisory Committee has only an advisory function and it shall have no other power and discretion to make any decision or approve or disapprove any decision of the General Partner. The General Partner will on a reasonably regular basis report on the activities of and investments by the Company to the Investment Advisory Committee.

The quorum and majority rules for meetings of the Investment Advisory Committee shall be as follows: the Investment Advisory Committee is subject to a quorum requirement of fifty per cent (50%) of its appointed members and any decisions on these matters will be validly taken with a majority of fifty per cent (50%) of the present or represented representatives of the Investment Advisory Committee. If the quorum is not achieved in a meeting of the Investment Advisory Committee, a subsequent meeting shall be called within a reasonable period of time which is not subject to any quorum requirement.

Members of the Investment Advisory Committee may appoint proxies to attend meetings of the Investment Advisory Committee. Each member of the Investment Advisory Committee shall have one vote.

The members of the Investment Advisory Committee will appoint a chairman if the Investment Advisory Committee has more than two members. The Investment Advisory Committee shall meet upon a call from the General Partner, the chairman of the Investment Advisory Committee or by two members of the Investment Advisory Committee. It shall meet at least twice a year. The General Partner must be informed of the meetings of the Investment Advisory Committee and can attend the meetings of the Investment Advisory Committee as guests. The Investment Advisory Committee shall meet by phone or in-person following not less than fifteen (15) Business Days notice.

In case the Investment Advisory Committee must meet in person, reasonable out-of-pocket expenses of members of the Investment Advisory Committee attending the meetings shall be paid by the Company.

The members of the Investment Advisory Committee observe confidentiality concerning information it possesses relating directly or indirectly to the Company and the General Partner or its affairs, unless legal requirements oblige the members of the Investment Advisory Committee to divulge such information and/or unless the proper performance of the duties of the members of the Investment Advisory Committee requires so.

### **3.5 Dissolution and Liquidation of the Company**

The Company has been established for an unlimited period of time.

The Company shall be dissolved in the case of the General Partner's legal incapacity, dissolution, resignation, retirement, insolvency or bankruptcy or for any other reason provided under applicable law where it is impossible for the General Partner to act.

At the proposal of the General Partner and unless otherwise provided by law and the Articles, the Company may be dissolved by a resolution of the Limited Shareholders adopted in the manner required to amend the Articles, and subject to the approval of the General Partner.

In particular, the General Partner shall submit to the general meeting of the Shareholders the dissolution of the Company when all investments of the Company have been disposed of or liquidated.

Whenever the share capital falls below two-thirds of the minimum capital indicated in Article 5 of the Articles, the question of the dissolution of the Company will be referred to a general meeting of Shareholders by the General Partner. The general meeting, for which no quorum will be required, will decide by the simple majority of the Ordinary Shares represented at the meeting.

The question of the dissolution of the Company will also be referred to a general meeting of Shareholders whenever the share capital falls below one-fourth of the minimum capital set by Article 5 of the Articles; in such event, the general meeting will be held without any quorum requirement

and the dissolution may be decided by Shareholders holding one-fourth of the Ordinary Shares represented at the meeting.

The meeting must be convened so that it is held within a period of forty days as from ascertainment that the capital has fallen below two-thirds or one-fourth of the legal minimum, as the case may be.

Liquidation will be carried out by one or several liquidators, who may be physical persons or legal entities, duly approved by the regulatory authority and appointed by the general meeting of Shareholders, which will determine their powers and their compensation.

The net proceeds of liquidation corresponding to each Class within each Sub-Fund will be distributed by the liquidators to the holders of Ordinary Shares of the relevant Class in the relevant Sub-Fund in proportion to their holding of such Ordinary Shares in such Class.

The net proceeds of liquidation corresponding to each Class within each Sub-Fund will be distributed by the liquidators to the holders of Shares of the relevant Class in the relevant Sub-Fund in proportion to their holding of such Shares in such Class.

Should the Company be voluntarily or compulsorily liquidated, its liquidation will be carried out in accordance with the provisions of the 2007 Act. The 2007 Act specifies the steps to be taken to enable Shareholders to participate in the distribution(s) of the liquidation proceeds and provides for a deposit in escrow at the "*Caisse de Consignation*" at the time of the close of liquidation. Amounts not claimed from escrow within the statute of limitation period will be liable to be forfeited in accordance with the provisions of Luxembourg law.

#### **4. CUSTODIAN BANK AND PAYING AGENT**

The General Partner has appointed CACEIS Bank Luxembourg S.A. as custodian bank and paying agent (the **Custodian**) of all of the Company's assets, including but not limited to its Transferable Securities, Underlying Funds, cash and cash equivalents which will be held either directly or through a third party such as correspondents, nominees, agents or delegates of the Custodian. The Custodian's liability is not affected by the fact that it has entrusted all or some of the assets in its custody to a third party.

The relationship between the Company and the Custodian is subject to the terms of the custodian and paying agent agreement. Each appendix to the custodian and paying agent agreement describes the obligations, rights and responsibilities specific for a relevant Sub-Fund. The Company and the Custodian may terminate this agreement upon 3 months days prior written notice. In the same agreement as the one which governs the rights and duties of the Custodian, the Company has further appointed CACEIS Bank Luxembourg S.A. as paying agent responsible among others for the payment of dividends and distributions and for the payment of the redemption price by the Company.

The Custodian is not responsible for the decisions taken by the General Partner and the effect of such decisions on the performance of the Company.

#### **5. REGISTRAR, TRANSFER AGENT AND ADMINISTRATIVE AGENT**

CACEIS Bank Luxembourg S.A. has been appointed as the registrar, transfer agency and administrative agent (the **Administrator**). The Administrator will carry out all administrative duties related to the administration of the Company, including the calculation of the Net Asset Value of the Ordinary Shares and the provision of accounting services to the Company.

The relationship between the Company and the Administrator is subject to the terms of the custodian and central administration agreements. The Company and the Administrator may terminate this agreement upon 3 months prior written notice.

The Administrator is responsible for maintaining the books and financial records of each Sub-Fund, preparing the financial statements, calculating the amounts of any distribution, if any, and calculating the Net Asset Value of each Sub-Fund and each Class. In connection with the calculation of the Net Asset Value, the Administrator relies on information supplied by third parties (such as administrative or valuation agents or managers of an Underlying Fund) or by the General Partner. In the absence of manifest error, the Administrator will not be liable for the accuracy of the relevant information received or for any errors in the Net Asset Value calculation resulting from the inaccuracy of the relevant information received by the Administrator. In relation to assets which are not listed, the Administrator may completely rely on the valuations provided by the General Partner or by any third party authorised to that effect by the General Partner.

Finally the Administrator will be responsible for handling the processing of subscription of Ordinary Shares, dealing with requests for redemption and conversion and accepting transfer of funds, for the safekeeping of the register of each Sub-Fund, the delivery of the global share certificates and the supervision of mailing reports, notices and other documents to the Shareholders.

The Administrator is not responsible for decisions taken by the General Partner and the effect of such decisions on the performance of the Company.

## **6. THE AUDITOR**

Deloitte S.A. with registered office at 560, rue de Neudorf, L-2220 Luxembourg has been appointed as the auditor of the Company. The general meeting of Shareholders has instructed the auditor to perform an annual audit on the Company to determine if the General Partner, the Investment Managers, the Custodian, the Administrator or any other duly involved party have observed all applicable laws and regulations as well as the provisions of this Issuing Document and of the Articles.

## **7. PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING**

Measures aimed towards the prevention of money laundering and terrorism financing require a detailed verification of an investor's identity in accordance with the applicable laws and regulations in Luxembourg in relation to anti-money laundering and terrorism financing obligations. The General Partner and the Administrator reserves the right to request such information as it is necessary to verify the identity of an investor in conformity with the before mentioned laws and regulations. In the event of delay or failure by the investor to produce any information required for verification purposes, the General Partner, the Administrator and each of other intermediary acting on behalf of the Company may refuse to accept the application and all subscription monies.

## **8. PREVENTION OF MARKET TIMING AND LATE TRADING**

Market Timing is to be understood as an arbitrage method through which an investor systematically subscribes and redeems or converts units or shares of the same Underlying Fund within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the Underlying Fund.

The General Partner does not permit practices related to Market Timing. Both the General Partner and the Administrator reserve the right to reject subscription and conversion orders from an investor who the General Partner or the Administrator suspects of using such practices. The General Partner

further reserves the right to take, if appropriate, the necessary measures to protect the other Limited Shareholders of the Company.

Late Trading is to be understood as the acceptance of a subscription, conversion or redemption order after the time limit fixed for accepting orders (cut-off time) on the relevant Valuation Day and the execution of such order at the price based on the Net Asset Value per Share of the relevant Sub-Fund applicable to such same day.

Subscriptions, redemptions and conversions are dealt with at an unknown Net Asset Value per Share of the relevant Sub-Fund on the relevant Valuation Day. The cut-off time is disclosed in the Specific Part of the Prospectus for each Sub-Fund individually.

## 9. THE ORDINARY SHARES

The Company is an umbrella fund and as such may provide investors the choice of investment in a range of several separate Sub-Funds each of which relates to a separate portfolio of eligible assets, as further described under Part B of the Issuing Document for each Sub-Fund individually.

Ordinary Shares may be issued in one or more Classes in each Sub-Fund as more fully disclosed in Part B of the Issuing Document for each Sub-Fund individually.

The General Partner may launch additional Sub-Funds or Classes, the offering terms and conditions of which will be described for each Sub-Fund in Part B of the Issuing Document.

The net proceeds from the subscriptions are invested in the specific portfolio of assets constituting the relevant Sub-Fund.

The General Partner will maintain for each Sub-Fund a separate portfolio of assets. As between Limited Shareholders, each portfolio of assets will be invested for the exclusive benefit of the relevant Sub-Fund.

**The Company constitutes one single legal entity. However, with regard to third parties, in particular towards the Company's creditors, each Sub-Fund will be exclusively responsible for all liabilities attributable to it.**

The inscription of the Limited Shareholder's name in the register of Ordinary Shares evidences his or her right of ownership of such registered Ordinary Shares. A holder of registered Ordinary Shares will receive a written confirmation of his or her shareholding.

Forms for the transfer of Ordinary Shares are available at the registered office of the Company. Ordinary Shares are freely transferable except to Prohibited Persons.

All Ordinary Shares must be fully paid-up; they are of no par value and carry no preferential or preemptive rights. Each Share of the Company of any Class to whatever Sub-Fund it belongs is entitled to one vote at any general meeting of Limited Shareholders, in compliance with Luxembourg law and the Articles.

Fractional Ordinary Shares may be issued to the nearest thousandth of a Share, and such fractional Ordinary Shares will not be entitled to vote but will be entitled to a participation in the net results and in the proceeds of liquidation attributable to the relevant Class in the relevant Sub-Fund on a pro rata basis. Part B of the Issuing Document specifies if fractional Ordinary Shares are issued.

## 10. ISSUE AND SALE OF ORDINARY SHARES

The conditions for a Limited Shareholder to request the Company to subscribe Ordinary Shares are determined for each Sub-Fund in Part B of this Issuing Document. In particular, Part B of the Issuing Document determines for each Sub-Fund if the subscription is subject to commitments, drawdown and default provisions as well as the establishment and the conditions of an initial subscription period.

The subscription price per Share of each Class in each Sub-Fund (the **Subscription Price**) is the total of (i) the Net Asset Value per Share plus (ii) any subscription fees as stated for each Class within each Sub-Fund individually in Part B of the Issuing Document (if any). The Subscription Price is available for inspection at the registered office of the Company and of the Administrator.

Issue and sale of Ordinary Shares is only allowed to well-informed investors in the meaning of article 2 of the 2007 Act. An institutional investor, a professional investor and any other investor, including a natural person, if the latter declares in writing his or her adhesion to the well-informed status and if the latter invests a minimum amount of EUR 125,000 or the equivalent in any other convertible currency.

If the investor declares in writing his or her adhesion to the well-informed status and benefits from the appreciation, from a credit institution within the meaning of Directive 2006/48/EC, an investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2001/107/EEC certifying his or her expertise, experience and its knowledge to appreciate in an adequate way the investment made in the Company, then he or she may be allowed to invest in the Company an amount of less than EUR 125,000.

The requirements of the two previous paragraphs are not applicable for the directors, partners, managers and to any other persons taking part in the management and the investment decision process of the Company.

Part B of the Issuing Document may impose stricter conditions in relation to the admission of an investor as shareholder of a relevant Sub-Fund as those required by article 2 of the 2007 Act.

The General Partner has the right to refuse the sale of Ordinary Shares to a potential investor if the General Partner considers that there is a risk that this sale involve a breach of Luxembourg or foreign law and regulation or that it may harm the interests of the Ordinary Shareholders or the reputation of the Company.

Investors whose applications are accepted will be allotted Ordinary Shares issued on the basis of the Net Asset Value per Share determined as of the Valuation Day (as defined in Part B of the Issuing Document for each Sub-Fund individually) following receipt of the application order provided that such application is received at the registered office of the Company at a time as defined in Part B of the Issuing Document for each Class within each Sub-Fund individually.

Payments for Ordinary Shares will be required to be made in the currency as determined in Part B of the Issuing Document or in any major freely convertible currency (in which case any currency conversion costs will be borne by the investor).

Written confirmations of shareholding will be sent to Limited Shareholders within twelve (12) Business Days after the relevant Valuation Day.

The Company reserves the right to reject any application in whole or in part, in which case subscription monies paid, or the balance thereof, as appropriate, will be returned to the applicant

within five (5) Business Days thereafter or to suspend at any time and without prior notice the issue of Ordinary Shares in one, several or all of the Sub-Funds.

The General Partner may agree that the Company issues Ordinary Shares for a contribution in kind of equity, debt, loans, financial instruments or any other assets provided that such assets comply with the investment objectives, restrictions and policy of the relevant Sub-Fund and with the conditions set forth by Luxembourg law. Furthermore the General Partner will require a valuation report on the relevant contribution in kind from the Auditor of the Company (*réviseur d'entreprises agréé*). Any costs incurred in connection with a contribution in kind of the said assets will be borne by the relevant Limited Shareholder.

No Ordinary Shares of any Sub-Fund will be issued during any period when the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the Company, pursuant to the powers reserved to it by Article 10 of the Articles.

In the case of suspension of dealings in Ordinary Shares the application will be dealt with on the first Valuation Day following the end of such suspension period.

Each Investor acknowledges that the Subscription Agreement entered into with the Company for the participation to a given Sub-Fund may, even if they provide for similar provisions, contain some different terms and conditions.

## **11. REDEMPTION OF ORDINARY SHARES**

The conditions for a Limited Shareholder to request the Company to redeem all or any of the Ordinary Shares held by such Limited Shareholder are determined for each Sub-Fund in Part B of this Issuing Document.

It may be that for a determined Sub-Fund and/or for a determined Class of Ordinary Shares, a Limited Shareholder is only allowed to redeem all or some of the Ordinary Shares after a lock-up period and/or subject to the prior approval of the General Partner and/or to any other conditions described for a relevant Sub-Fund in Part B of the Issuing Document.

If Limited Shareholders are allowed to request the Company to redeem all or any of the Ordinary Shares on a given Valuation Day then the concerned Limited Shareholder should apply in writing to the registered office of the Company or to the registered office of the Administrator.

Redemption requests should contain the following information (if applicable): the identity and address of the Limited Shareholder requesting the redemption, the number of Ordinary Shares to be redeemed, the relevant Class (if any), the relevant Sub-Fund and details as to whom payment should be made. Share certificates in proper form (if any) and all necessary documents to complete the redemption should be enclosed with such application.

Limited Shareholders whose applications for redemption are accepted will have their Ordinary Shares redeemed on any Valuation Day provided that the applications have been received in Luxembourg at a time defined in Part B of the Issuing Document within each Sub-Fund individually.

Ordinary Shares will be redeemed at a price equal to the Net Asset Value per Share of the relevant Class within the relevant Sub-Fund less a redemption charge, the rate of which is indicated in Part B of the Issuing Document (if any).

The payment of the Redemption Price (the **Redemption Price**) will be made within a period as defined in Part B of the Issuing Document for each Class within each Sub-Fund individually.

Payment will be made by wire to an account indicated by the Limited Shareholder, at such Limited Shareholder's expense and at the Limited Shareholder's risk.

The Redemption Price will be paid in the currency of the relevant Class, if any, or in the Reference Currency of the relevant Sub-Fund. The Redemption Price may be higher or lower than the price paid at the time of subscription or purchase.

Ordinary Shares in any Sub-Fund will not be redeemed if the calculation of the Net Asset Value per Share in such Sub-Fund is suspended by the General Partner in accordance with Article 10 of the Articles.

If, as a result of any request for redemption, the aggregate Net Asset Value of the Ordinary Shares held by any Limited Shareholder would fall below EUR 125,000 or the equivalent in freely convertible currency, the General Partner may treat such request as a request to redeem the entire shareholding of such Limited Shareholder excepted in the case where the investor declares in writing his or her adhesion to the well-informed status and benefits from the appreciation, from a credit institution within the meaning of Directive 2006/48/EC, an investment company within the meaning of Directive 2004/39/EC or a management company within the meaning of Directive 2001/107/EEC certifying his or her expertise, experience and his or her knowledge to appreciate in an adequate way the investment in the Company.

Furthermore, if on any Valuation Day redemption requests pursuant to Article 7 of the Articles relate to more than 10% of the Ordinary Shares in issue in a specific Sub-Fund, the General Partner may decide that part or all of such requests for redemption will be deferred proportionally for such period as the General Partner considers to be in the best interests of the Sub-Fund. These redemption requests will be met on a pro-rata basis in priority to later requests and in compliance with the principle of equal treatment of Limited Shareholders at a following Valuation Day.

The Articles contain at Article 9 provisions enabling the Company to compulsorily redeem Ordinary Shares held by Prohibited Persons.

The Company will have the right, if the General Partner so determines, to satisfy payment of the Redemption Price to any Limited Shareholder who agrees or requires, in specie by allocating to the holder investments from the portfolio of assets set up in connection with such Sub-Fund equal in value (calculated in the manner described in Article 10 of the Articles) as of the Valuation Day, on which the Redemption Price is calculated, to the value of the Ordinary Shares to be redeemed. The nature and type of assets to be transferred in such case will be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Ordinary Shares and the valuation used will be confirmed by a special report of the Auditor of the Company. The costs of any such transfers will be borne by the transferee.

## **12. CONVERSION OF ORDINARY SHARES**

Limited Shareholders may have the right, subject to the provisions hereinafter specified and subject to any limitations set out in Part B of the Issuing Document, to convert on the Valuation Day specified for each Sub-Fund in Part B of the Issuing Document Ordinary Shares from one Sub-Fund for Ordinary Shares of another Sub-Fund.

The rate at which Ordinary Shares in any Sub-Fund may be converted will be determined by reference to the respective Net Asset Values of the relevant Ordinary Shares calculated as of the same specific Valuation Day following receipt of the documents referred to below by a time defined in Part B of the Issuing Document for each Class individually in each Sub-Fund.

A conversion fee may be charged, the rate of which fee is indicated in Part B of the Issuing Document (if any). If no conversion fee is indicated in Part B of the Prospectus, the redemption fee (if any) followed by the subscription fee (if any) will be applied. The General Partner has the right to waive the conversion fee.

A conversion of Ordinary Shares of one Sub-Fund for Ordinary Shares of another Sub-Fund will be treated as a redemption of Ordinary Shares and a simultaneous purchase of Ordinary Shares. A converting Limited Shareholder may, therefore, realise a taxable gain or loss in connection with the conversion under the laws of the country of the Limited Shareholder's citizenship, residence or domicile.

All terms and notices regarding the redemption of Ordinary Shares will equally apply to the conversion of Ordinary Shares.

No conversion of Ordinary Shares will be effected until the following documents have been received at the registered office of the Administrator:

- a duly completed conversion request form or other written notification acceptable to the Administrator;
- the conversion form duly completed together with any other documentation that may be requested by the Administrator from time to time.

Written confirmations of shareholding will be sent to Limited Shareholders within two (2) Business Days after the relevant Valuation Day.

Ordinary Shares of any Class, if any, in any Sub-Fund will not be converted in circumstances where the calculation of the Net Asset Value per Share of such Sub-Fund is suspended by the Company pursuant to Article 8 of the Articles.

### **13. DATA PROTECTION**

The General Partner, the Company and the Administrator may collect information from a Limited Shareholder or a potential investor from time to time in order to develop and process the business relationship between the Company and the Limited Shareholder or the potential investor. If a Limited Shareholder or a potential investor fails to provide such information in a form which is not satisfactory to the Company and the Administrator, the General Partner and the Administrator may restrict or prevent the ownership of Ordinary Shares in the Company. The General Partner, the Company and the Administrator as well as their delegates and agents will be held harmless and indemnified against any loss arising as a result of the restriction or prevention of the ownership of Ordinary Shares.

By completing and returning an application form, Limited Shareholders consent to the use of personal data by the General Partner, the Company and/or the Administrator. The General Partner, the Company and/or the Administrator may disclose personal data to its agents, service providers or if required to do so by force of law or regulatory authority. Limited Shareholders will upon written request be given access to personal data provided to the General Partner, the Company and/or the Administrator. Limited Shareholders may request in writing the rectification of, and the General Partner and the Administrator will upon written request rectify, personal data. All personal data will not be held by the General Partner, the Company and/or the Administrator for longer than necessary with regard to the purpose of the data processing.

The General Partner, the Company and/or the Administrator may need to disclose personal data to entities located in jurisdictions outside the European Union, which may not have developed an

adequate level of data protection legislation. The General Partner, the Company and the Administrator will comply with Luxembourg data protection legislation in respect of personal data and, if applicable, with Luxembourg professional secrecy as defined in the act of 5 April 1993 relating to the financial sector as amended.

The General Partner may use personal data to regularly inform Limited Shareholders about other products and services that the General Partner believes may be of interest to Limited Shareholders, unless the Limited Shareholder indicates to the General Partner on the application form or in writing that he or she does not wish to receive such information.

## **14. DETERMINATION OF THE NET ASSET VALUE**

### **14.1 Calculation and Publication**

The Net Asset Value per Share of each Class within the relevant Sub-Fund will be expressed in the currency of such Class or in the Reference Currency and will be determined as of any Valuation Day by dividing the net assets of the Company attributable to the relevant Sub-Fund, being the value of the portion of assets less the portion of liabilities attributable to such Class within such Sub-Fund, on any such Valuation Day, by the number of Ordinary Shares then outstanding, in accordance with the valuation rules set forth below. The Net Asset Value per Share may be rounded up or down to the nearest unit of the relevant currency as the Company will determine. If since the time of determination of the Net Asset Value there has been a material change in the quotations in the markets on which a substantial portion of the investments attributable to the relevant Sub-Fund are dealt in or quoted, the General Partner may, in order to safeguard the interests of the Limited Shareholders and the Company, cancel the first valuation and carry out a second valuation for all applications received on the relevant Valuation Day.

The frequency of the Net Asset Value calculation is detailed for each Sub-Fund in Part B.

The value of any assets will be determined as follows:

- (1) The value of any cash on hand or on deposit, money market instruments, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- (2) Securities (debt, equity and structured financial instruments) which are listed or dealt in on a stock exchange or dealt in on a Regulated Market, are based on the last available price on the stock exchange or the Regulated Market, which is normally the principal market for such securities.
- (3) Securities (debt, equity and structured financial instruments) which are not listed on a stock exchange nor dealt in on a Regulated Market are determined at the fair value based on the reasonably foreseeable sales price determined prudently and in good faith by the General Partner who may use valuation guidelines such as European Private Equity and Venture Capital Association (EVCA) as a basis.
- (4) Units and shares of Underlying Funds are based on the last available value provided by the administrative agent, the manager or any other reliable party involved with the Underlying Fund.

- (5) The liquidating value of forwards and OTC options contracts which are not traded on exchanges or on other Regulated Markets will mean their net liquidating value determined, pursuant to the policies established by the General Partner, on a basis consistently applied for each different variety of derivative. The liquidating value of futures or options contracts traded on exchanges or on other Regulated Markets will be based upon the last available prices of these contracts on exchanges and Regulated Markets on which the particular futures, forward or options contracts are traded by the Company; provided that if a futures, or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract will be such value as the General Partner may deem fair and reasonable. Credit default swaps will be valued at their present value of future cash flows by reference to standard market conventions, where the cash flows are adjusted for default probability or such other method determined in good faith by the General Partner if it considers that such valuation better reflects the fair value of the relevant credit default swaps. Interest rate swaps will be valued at their market value established by reference to the applicable interest rates' curve. Other swaps will be valued at fair market value as determined in good faith pursuant to the procedures established by the General Partner and recognised by the Auditor of the Company.
- (6) All other assets will be valued at fair market value or by any other reliable value as determined in good faith pursuant to the procedures established by the General Partner.

Specific valuation rules may be described in Part B of the Issuing Document for certain categories of assets.

The value of all assets and liabilities not expressed in the Reference Currency will be converted into the Reference Currency at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the General Partner.

The General Partner, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Company.

The Net Asset Value per Share of each Class and the issue and Redemption Prices per Share of each Sub-Fund may be obtained during business hours at the registered office of the Company.

## **14.2 Temporary Suspension of the Calculation**

The Company may temporarily suspend the determination of the Net Asset Value per Share of any Sub-Fund and the issue and redemption of its Ordinary Shares from its Limited Shareholders:

- (1) during any period when any of the principal stock exchanges or other markets on which any substantial portion of the investments of the Company attributable to such Sub-Fund from time to time is quoted or dealt in is closed otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended, provided that such restriction or suspension affects the valuation on the investments of the Company attributable to a Sub-Fund quoted thereon; or
- (2) during the existence of any state of affairs which constitutes an emergency in the opinion of the General Partner as a result of which disposals or valuation of assets owned by the Company attributable to such Sub-Fund would be impracticable; or
- (3) during any breakdown in the means of communication normally employed in determining the price or value of any of the investments of such Sub-Fund or the current price or values

on any stock exchange or other market in respect of the assets attributable to such Sub-Fund;  
or

- (4) when for any other reason the prices of any investments owned by the Company attributable to any Sub-Fund cannot promptly or accurately be ascertained; or
- (5) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of the Ordinary Shares of such Sub-Fund or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Ordinary Shares cannot in the opinion of the General Partner be effected at normal rates of exchange; or
- (6) upon the publication of a notice convening a general meeting of Limited Shareholders for the purpose of resolving the winding-up of the Company.

Any such suspension will be published, if appropriate, by the Company and will be notified to Limited Shareholders having made an application for subscription and redemption of Ordinary Shares for which the calculation of the Net Asset Value has been suspended.

Such suspension as to any Sub-Fund will have no effect on the calculation of the Net Asset Value per Share, the issue and redemption of Ordinary Shares of any other Sub-Fund.

Any request for subscription or redemption will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value, in which case Limited Shareholders may give notice that they wish to withdraw their application. If no such notice is received by the Company, such application will be dealt with on the first Valuation Day, as determined for each relevant Sub-Fund, following the end of the period of suspension.

## **15. DISTRIBUTION POLICY**

The General Partner reserves the right to propose the payment of a dividend at any time. Dividends may take the form of cash distribution and/or distribution in kind.

Dividends not claimed within five years of their due date will lapse and revert to the relevant Class within the relevant Sub-Fund.

No interest will be paid on a distribution declared by the Company and kept by it at the disposal of its beneficiary.

## **16. CHARGES AND EXPENSES**

### **16.1 General**

The Company is entitled to pay out of the assets of the relevant Sub-Fund all expenses payable by the Company which will include but not be limited to formation expenses, fees and expenses payable to its Custodian and its correspondents, paying agents, sub-contractors, the Administrator and its sub-contractors, the listing agent (if any), the Auditor, legal and tax advisers, consultants, any permanent representatives in places of registration, as well as any other agent employed by the Company and by the General Partner in relation to the management and administration of the Company, the remuneration of the General Partner, Investment Managers and Investment Advisers (if any), their directors, managers and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with meetings, any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Grand-Duchy of Luxembourg and in any other

country, reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing of the Issuing Document, explanatory memoranda, periodical reports and any other expenses involved by placing activities or registration statements and the costs of any reports to Limited Shareholders, all taxes, duties, governmental and similar charges, and all other operating expenses, the costs for the publication of the issue and Redemption Prices, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone, telex and other communication means. The Company may accrue administrative and other expenses of a regular or recurring nature based on an estimated amount rateably for yearly or other periods.

## **16.2 Formation and Launching Expenses**

Expenses incurred in connection with the incorporation of the Company and the creation of the initial Sub-Funds, including those incurred in the preparation and publication of the first Issuing Document, as well as the taxes, duties and any other publication expenses, are estimated at EUR 75,000. These expenses will be borne by the initial Sub-Funds and will be amortised over a period of five years. Expenses incurred in connection with the creation of any additional Sub-Fund will be borne by the relevant Sub-Fund and will be written off over a period of five years. Hence, the additional Sub-Funds will bear a pro rata of the costs and expenses incurred in connection with the creation of the Company and the initial issue of Ordinary Shares, which have not already been written off at the time of the creation of the new Sub-Funds.

## **16.3 Fees of the General Partner**

The Company pays to the General Partner an Management Fee which is described for each Sub-Fund in Part B of the Issuing Document.

The Management Fee will be payable quarterly on the last Business Day of the previous quarter.

The Management Fee shall cover, different expenses including, but not limited to, all expenses (other than third-party expenses) incurred by the General Partner and associated with the performance of its duties such as the selection and the supervision of the service providers, the coordination among the different service providers and the Company, the investigating of investment opportunities, the evaluating of potential investments and the monitoring of investments, and all office and administrative expenses of the General Partner, including the salaries of and expenses of key personnel and support staff and the travel costs incurred by the General Partner in carrying out its duties to the Company.

The General Partner organises and supervises the placement of Ordinary Shares. Subscription fees are collected by the General Partner. The appointment of placing agents and the remuneration of placing agents are paid out of the subscription fees or any other fees collected by the General Partner.

The General Partner may be entitled to receive a Performance Fee subject to Part B of the Issuing Document.

## **17. TAXATION**

The following is based on the Company's understanding of, and advice received on, certain aspects of the law and practice currently in force in Luxembourg. There can be no guarantee that the tax position at the date of this Issuing Document or at the time of an investment will endure indefinitely.

**Investors should consult their professional advisers on the possible tax and other consequences of their subscribing for, purchasing, holding, selling or redeeming Ordinary Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

## **17.1 Taxation of the Company in Luxembourg**

The Company is currently not liable to any Luxembourg tax on profits or income, nor are distributions paid by the Company liable to any Luxembourg withholding tax. The Company is, however, liable in Luxembourg to a tax (*taxe d'abonnement*) of 0.01% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter. In case some Sub-Funds are invested in other Luxembourg investment funds, which in turn are subject to the subscription tax provided for by the 2002 Act or the 2007 Act, no subscription tax is due from the Company on the portion of assets invested therein. No stamp duty or other tax is payable in Luxembourg on the issue of Ordinary Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

The Company is liable to an initial capital tax of EUR 1,250 which was paid upon incorporation.

Dividends and interest received by the Company on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

## **17.2 Luxembourg taxation of Limited Shareholders**

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

It is expected that Limited Shareholders in the Company will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Issuing Document to summarise the taxation consequences for each investor of subscribing, converting (if any), holding, redeeming or otherwise acquiring or disposing of Ordinary Shares in the Company. These consequences will vary in accordance with the law and practice currently in force in a Limited Shareholder's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

## **18. DOCUMENTS AVAILABLE**

Copies of the following documents may be obtained for inspection during usual business hours on any Business Day in Luxembourg at the registered office of the Company:

- (1) the Articles;
- (2) the custodian and central administration agreements and
- (3) the investment management agreement and/or the investment advisory agreement for a relevant Sub-Fund.

Furthermore, the Issuing Document and the latest reports and accounts referred to under header 3.3 of Part A may be obtained free of charge for Shareholders at the registered office of the Company.

**PART B: SPECIFIC INFORMATION**

## **ELITE'S EXCLUSIVE COLLECTION – NOBLES CRUS**

### **I. INVESTMENT POLICY**

#### **a. Investment Objectives**

The investment objective of Elite's Exclusive Collection – Nobles Crus (the **Sub-Fund**) is to achieve long-term and optimal capital growth through the buying, holding and selling of any type of wine assets mainly *en primeur* and investment grade wines (the **Wine Assets** or individually a **Wine Asset**). Wine Assets under the form of *en primeur* are held in bricks. Wine Assets under the form of investment grade wines are held in bottles.

Investment in Wine Assets may be considered as an alternative investment class as returns are uncorrelated to the performance of the financial markets. The purpose of the Sub-Fund is to look for absolute returns while reducing risks by diversifying among *primeur* and investment grade wines as well as to diversify among regions, producers and vintages. The portfolio of the Sub-Fund will be actively managed.

The acquisition of wines *en primeur* consists in the early stage acquisition of wines. The average duration of the acquisition *en primeur* is between 2 to 5 years. The advantages of acquiring wine *en primeur* may be multiple: elimination of poor storage risks, possibility to specify the size of bottling, and to secure allocation to wines which may be hard to find in the secondary market. The difficulty of acquiring *en primeur* mainly consists in the selection of wines which may become out-performers of the vintage. This selection process depends to a great extent on the tasting knowledge. The purpose is the acquisition and the holding of wines with a medium and long term investment term.

Mainly wines from Bordeaux will be acquired *en primeur*. Accessorily wines from Burgundy and Italy may be acquired *en primeur*.

The acquisition of investment grade wines consists in the buying within auctions and/or from merchants of mature wines. The advantage of acquiring investment grade wines consists in the higher liquidity of the investment grade wine market. The approximately 300 important auctions annually organised worldwide and the presence of numerous merchants provide a liquid secondary market. The disadvantage of the acquisition of investment grade wines mainly consists in the exposure to storage, logistic and bottling risks. The main target consists in the acquisition of investment grade wines which are undervalued and to sell them at auction and/or in privately negotiated sales at higher prices (after commissions and taxes if any).

On an ancillary basis, the Sub-Fund is entitled to hold cash and cash equivalent. The General Manager and the Investment Manager intend to keep on a permanent basis approximately 10% of the Net Asset Value of the Sub-Fund in cash and cash equivalent.

The Sub-Fund may invest no more than 10% of its Net Asset Value in assets other than those referred above.

#### **b. Investment Restrictions**

Subject to the investment restrictions in Part A of this Issuing Document and to the restrictions described hereafter, the wine allocation among *en primeur*, investment grade wines as well as among regions, producers and vintages will be determined by the Investment Manager subject to the

investment management agreement dated 21 November 2007 and as described under header "II. The General Partner and the Investment Manager" hereafter.

It is intended that wines from the same region, the same producer and the same vintage should in principle not exceed 20% of the Sub-Fund's Net Asset Value. Wines from the same region, the same producer but from different vintages should in principle not exceed 50% of the Sub-Fund's Net Asset Value. Wines from the same region, the same vintage but from different producers should in principle not exceed 50% of the Sub-Fund's Net Asset Value. Wines from the same region should in principle not exceed 70% of the Sub-Fund's Net Asset Value.

At least 50% of the Net Asset Value of the Sub-Fund should be constituted by investment grade wines. *En primeur* wines may in principle not exceed 20% of the Sub-Fund's Net Asset Value.

For at least 80% of the Sub-Fund's Net Asset Value, the portfolio will comprise wines produced in France, Italy, Spain and other European countries. On an ancillary basis and to a maximum of 20% of the Sub-Fund's Net Asset Value, the Sub-Fund may invest in wines produced in California, Australia and other non European countries.

The Sub-Fund may invest up to 10% of its Net Asset Value in other assets as described in the Investment Policy.

The Sub-Fund has to comply with the above mentioned investment limits at the latest 12 months after the end of the initial subscription period and (ii) when the Sub-Fund has reached total net assets in excess of EUR 5 million.

### c. Borrowings

The Sub-Fund is not permitted to borrow money permanently and for investment purposes. The Sub-Fund is allowed to borrow money on a short term basis to cover temporary shortage of cash and cash equivalent in order to meet current and non-current expenses.

## II. THE GENERAL PARTNER AND THE INVESTMENT MANAGER AND ADVISER

The General Partner has appointed, under its responsibility and supervision, Vino e Finanza S.a.s. with registered office at 13, Via Morigi, I – 20123 Milan as investment manager and adviser (the **Investment Manager**) of the Sub-Fund.

The Investment Manager is specialised in all types of investment and advisory services in relation to research, analysis, trading and managing of wines both *en primeur* and investment grade wines. Vino e Finanza has been established in March 1998 under the form of a limited partnership subject to Italian law (*società accomandita semplice*).

**Christian Roger** is the founder and managing director of Vino e Finanza. Until 1989 Christian Roger was a banker and worked among others for Banque Herve, Société Internationale de Banque, Banque Privée Groupe Pargesa Bruxelles Lambert and Crédit Agricole. In 1998 he decided to work exclusively for the wine sector. Beside being the founder and managing director of Vino e Finanza, Christian Roger is chairman of Wine & Trade, a company active in trading French wines on the Italian market and co-owner of *L'Atelier del Vino* in Milan as well as the *Domaine Morgassi Superiore* in Piedmont. He is a member of AIS (*Associazione Italiana Sommelier*) since 1993, a member of the committee of ONAV (*Organizzazione Nazionale Assaggiatori di Vino*) since 2000, a permanent member of the Grand European Jury since 2006 and a professional member of the *Vin du Chaîne des Rotisseurs* since 2007. Christian Roger has published numerous articles on wines and has made several presentations and speeches on wines. Christian Roger holds BAs in Economics from

the *Ecole Supérieure de Commerce de Paris* and the *Université de Sciences Economiques de Paris X*.

**Averardo Borghini Baldovinetti**, manager of *Vino e Finanza* belongs to a French/ Italian family who produces wine in the Toscana since the XV century. After working for Siemens Financial Services until 2003, Averardo B. Baldovinetti joined as a consultant WineTip, a well-known Milan based distributor of investment grade wine and wine *en primeur* before becoming a director of Wine & Trade, a company active in trading French wines on the Italian market. Averardo B. Baldovinetti is also a member of the board of the *Domaine Fattoria di San Fabiano* as well as the managing director of the castle *Poggio Uliveto*. He is a member of AIS (*Associazione Italiana Sommelier*) since 2001, a member of the board of *La Strada del Vino* in Toscana, an advisor for *Arezzo Wine Route*, a member of the association of *Vino Nobile di Montepulciano* as well as a member of the *Chianti* Commission. Averardo B. Baldovinetti holds a BAs in management from the International Business Administration School in London.

**Marco Clerici**, manager of *Vino e Finanza* has a BAs in political sciences and received a Ph.D. on the subject "Wine and Finance" from the University of Pavia. After studying biodynamic viticulture and the theories of Rudolf Steiner, the Austrian philosopher who was the founder of biodynamic agriculture, Marco Clerici worked for various wine producers before joining in 2003 *Vino e Finanza*. His main area is the analysis of the evolution of merchant and auction prices for wines. He is a member of AIS (*Associazione Italiana Sommelier*) since 2004 and a member of ONAV (*Organizzazione Nazionale Assaggiatori di Vino*) since 2006. Marco Clerici is an associate with in the Italian magazine *Spirito di Vino* where he regularly published articles on wine. He is also an associate of the Wine Tasting Center of Milan.

The relationship between the Company and the Investment Manager is subject to the terms of the investment management agreement dated 21 November 2007. The Company and the Investment Manager may terminate this agreement upon 3 months prior written notice.

Subject to the prior approval of the General Partner and under the laws and regulations in force in Luxembourg, the Investment Manager may engage under its responsibility and its costs one or more advisers to provide advice on the management of the Sub-Fund's assets.

The General Partner will receive a Management Fee of 2% p.a. of the Net Asset Value of the Sub-Fund. The Management Fee will be calculated at each Valuation Day and will be paid quarterly. Furthermore the General Partner is entitled to receive a Performance Fee of 20% on the increase above 10% (hurdle rate) of the Net Asset Value subject to the application of a high water mark.

The Investment Manager will be remunerated by the General Partner out of the Management Fee and the Performance Fee.

No Investment Advisory Committee has been established by the General Partner for this Sub-Fund pursuant to header "3.4 The Investment Advisory Committees", section "3. The Structure of the Company" of Part A of the Issuing Document.

### III. CUSTODY OF INVESTMENT GRADE WINES

Subject to the obligations described in Part A of the Issuing Document, the Custodian is in charge of the safe-keeping of the Wine Assets pursuant to appendix I of the custodian and paying agent agreement dated 21 November 2007.

The Custodian has to know where and how the Wine Assets of the Sub-Fund are invested. The assets of the Sub-Fund may be held in the name of the Company with third parties.

The Custodian is entitled to delegate part or all of its tasks to third parties including but not limited to first class rated professional warehouses (the **Warehouse** or the **Warehouses**). Warehouses are generally not subject to the prudential control of a recognised supervisory body such as financial institutions with the purpose of investor protection.

The Custodian has delegated under its responsibility the selection and the supervision of the Warehouses to the Investment Manager. In particular, the Investment Manager under the overall supervision of the Custodian should comply in the selection process with the following criteria:

- the Warehouse is of good reputation, has extensive experience in storage of Wine Assets and is financially sufficiently solid to be able at any time to respond to its obligations;
- the Warehouse has the required secured premises offering constant temperature and hygrometry levels;
- the Warehouse has recognised ability in the reception, the inspection and the handling of the Wine Assets;
- the Warehouse has recognised ability in stock management and is covered by appropriate storage insurances and
- the Warehouse is managed and controlled by experienced, reliable and financially solid parties of good reputation.

The Investment Manager will at least once per year review that the above mentioned criteria are fulfilled with the selected Warehouse(s). The Investment Manager will deliver to the Custodian on a monthly basis a report detailing the Wine Assets held by the Sub-Fund and the transactions which have been undertaken on the portfolio of the Sub-Fund.

As of the date of this Issuing Document, the following Warehouses have been selected by the Custodian based on the advice of the Investment Manager:

- Geneva Free Ports & Warehouses Limited, Grand-Lancy 6, Geneva, Switzerland;
- London City Bond Limited, Schooner House Tilbury Freeport, Tilbury, Essex RM18 7NN, United Kingdom and/or
- Octavian, Eastlays, Gastard, Corsham; Wiltshire SN13 9PP, United Kingdom.

In relation with the Warehouses, it will be ensured that the Custodian, the General Partner and any other party duly appointed by the Custodian or the General Partner thereof will have an access during business hours to the Wine Assets in order to be able to identify the Wine Assets held by the Sub-Fund and in order to be able to check the ownership by the Sub-Fund of a relevant Wine Asset.

In relation with the Warehouses, the Custodian, the General Partner and any other party duly appointed by the Custodian or the General Partner thereof will take reasonable care that the Wine Assets deposit with a relevant Warehouse are covered by insurances considered by the current market practice as necessary and appropriate. Insurances covering damages incurred by theft, violence, fire or flood may be considered as necessary and appropriate. If the relevant Warehouse has not contracted the necessary and appropriate insurances, the Custodian, the General Partner and any other party duly appointed by the Custodian or the General Partner thereof will take the necessary steps that the Wine Assets will be covered by such insurances.

In addition, the Custodian has to approve the logistic provider chosen by the General Partner and/or the Investment Manager based on the quality and the experience in transportation of Wine Assets as well as on the reputation, the financial situation, the contracted insurances and the used material of the relevant provider.

Attention should be kept on the fact that the Warehouses and/or the logistic providers may be in the position to exercise a retention right on Wine Assets if the relevant Warehouse and/or logistic provider has not been remunerated and/or that the Company, the General Partner and/or any duly appointed party by the Company or the General Partner such as the Custodian or the Investment Manager have not fulfilled their obligations as defined in the relevant contractual relationships between the Warehouse and/or the logistic provider and the Company, the General Partner, the Custodian or any other party duly appointed by the Company, the General Partner or the Custodian and acting on behalf of the latter.

The General Partner and the Investment Manager have to forward to the Custodian all information and documents required in order to enable the Custodian to properly fulfil its legal and contractual obligations.

Neither the General Partner nor the Investment Manager are authorised to open any accounts or to enter into any contractual relationship in their name or in the Company's name with any Warehouse or any other provider in relation with the management and the administration of this Sub-Fund without the prior review and the prior written approval of the Custodian.

The Custodian has an obligation to use all means to achieve that the assets of the Sub-Fund are properly safe-kept. The Custodian should act with the diligence of an employed agent in the sole interests of the Shareholders of the Sub-Fund.

The Custodian is entitled to receive a custodian fee of up to 0.10 % of the total Net Asset Value of the Sub-Fund. The custodian fee will be calculated monthly and payable in EUR quarterly.

#### **IV. CLASSES OF ORDINARY SHARES**

The General Partner has currently not decided to issue Ordinary Shares of different Classes.

#### **V. SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS**

Prohibited Persons as defined under article 9 of the Articles and in Part A of the Issuing Document are not allowed to invest in the Sub-Fund. For this Sub-Fund, any person who provides an independent valuation of a relevant Wine Asset held or to be held by the Sub-Fund such as but not limited to wine appraisers and wine experts employed or appointed by a producer, a merchant, an auction house, the General Partner, the Investment Manager or any other duly appointed party thereof in order to provide such an independent valuation are Prohibited Investors.

During the initial subscription period starting on 21 November 2007 and ending on 31 December 2007, Ordinary Shares will be issued at a Subscription Price of EUR 100 per share. The General Partner has the right to extend the Initial Subscription Period up to one (1) month. Subject to Part A of the Issuing Document, the General Partner has the right to refuse or to delay a subscription.

The Net Asset Value will be calculated at the last Business Day of each month (the **Valuation Day**). Ordinary Shares will be issued on each Valuation Day. The modalities to evaluate the assets and to calculate the Net Asset Value are described under header "VIII. Calculation of the Net Asset Value and Valuation of the Assets " hereafter.

Subscriptions for Ordinary Shares must be received by the Administrator at the latest five (5) Business Days preceding the Valuation Day. The Subscription Price will be set at the Net Asset Value per Share of the Valuation Day plus a subscription fee of up to 4% of the subscribed amount to the benefit of the General Partner. The General Partner can at its sole discretion waive the subscription fee. Payment of the Subscription Price must be made in EUR and no later than three (3) Business Days following the Valuation Day.

The Sub-Fund only issues registered Ordinary Shares.

The General Partner may accept at its sole discretion contribution in kind under the conditions described under section "10. Issue and Sale of Ordinary Shares" in Part A of the Issuing Document.

Redemption requests for Ordinary Shares must be received by the Administrator at latest five (5) Business Days preceding the Valuation Day. If this day is not a Business Day then it will be the next preceding day which is a Business Day. The Redemption Price will be set at the Net Asset Value per Share of the Valuation Day minus a redemption fee. Payment of the Redemption Price must be made in EUR and no later than three (3) Business Days following the relevant Valuation Day.

A redemption fee of up to 4 % of the redeemed amount will be deducted from the Redemption Price to the benefit of the Sub-Fund. The General Partner is authorised to waive the redemption fee.

The General Partner may authorise a redemption in kind after a period of 12 months starting with the issuing of the Ordinary Shares of a relevant shareholder. The General Partner must consult the Investment Manager prior to authorising a redemption in kind. The selection of investment grade wines to be delivered in the context of the redemption of Ordinary Shares is undertaken by the General Partner on the advice and recommendations of the Investment Manager. The General Partner will require a valuation report on the relevant redemption in kind from the Auditor of the Company (*réviseur d'entreprises agréé*). Any costs incurred in connection with a redemption in kind will be borne by the relevant Limited Shareholder.

If redemption requests relate to more than 10% of the Ordinary Shares in issue of the Sub-Fund, the General Partner may decide that part or all of such requests for redemption will be deferred proportionally for such period as the General Partner considers to be in the best interests of the Sub-Fund, but normally not exceeding two (2) consecutive Valuation Days.

Ordinary Shares of the Sub-Fund cannot be converted into shares of another Sub-Fund. Ordinary Shares of the one Class of this Sub-Fund cannot be converted into Ordinary Shares of another Class of this Sub-Fund.

## **VI. DISTRIBUTION POLICY**

The Sub-Fund only issues capitalised Ordinary Shares which do not pay any dividends. Revenues and income collected by the Sub-Fund are reinvested by the Sub-Fund.

## **VII. CURRENCY**

The currency of the Sub-Fund is the Reference Currency (EUR).

## VIII. CALCULATION OF THE NET ASSET VALUE AND VALUATION OF THE ASSETS

### a. Calculation of the Net Asset Value

The Net Asset Value per Ordinary Share of the Sub-Fund is calculated by the Administrator, under the overall responsibility of the General Partner, on the last Business Day of each month (**Valuation Day**) and for the first time on 31 December 2007.

The Net Asset Value per Share of the Sub-Fund will be available at the registered office of the Company and at the registered office of the Administrator.

### b. Valuation of the Wine Assets

The valuation of the Wine Assets of the Sub-Fund is done by the General Partner based on the advice received from the Investment Manager on a best efforts basis.

*En primeur* wines are valued on a monthly basis by reference to the net prices (without commissions and VAT if any) published by first class merchants (the **Merchant Price**).

Investment Grade Wines are evaluated on a monthly basis by a combination of the Merchant Price and the prices (including commissions and VAT if any) reached during internationally recognised public auctions (the **Auction Price**).

The Merchant Price is determined as followed:

Based on the recommendation of the Investment Manager, the General Partner will select at the beginning of each year and for the first time on 21 November 2007 various first class merchants. The list of the selected first class merchants is available at the registered office of the General Partner.

The list of the first class merchants will be reviewed by the General Partner on an annual basis.

As prices published by first class merchants do not cover all types and vintages of Wine Assets and as it cannot be ensured that each published price is close to the market price at the Valuation Day, the General Partner upon the recommendation of the Investment Manager selects at the Valuation Day two different Merchant Prices considered in good faith and with the diligence of an employed agent to be the most reliable ones.

The valuation of the stock of *en primeur* wine will be based on the average between these two Merchant Prices.

The Auction Price is determined as followed:

Based on the recommendation of the Investment Manager, the General Partner has selected as of the date of the Issuing Document the following internationally recognised auction houses for the valuation of the investment grade wines only:

- Acker Merrall & Condit, 160 West 72<sup>nd</sup> Street, New-York 10023 United States of America;
- Christie's, 8 King Street, St. James's, London SW1Y 6QT;
- Sotheby's, New Bond Street 34-35, London W1A 2AA, United Kingdom;
- Steinfels, Limmatstrasse 264, Im Lowenbrauareal, CH-8005 Zurich and
- Zachy's, 16 East Parkway, Scarsdale, New-York 10583, United States of America.

The list of the internationally recognised auction houses will be reviewed by the General Partner on an annual basis.

As prices published by internationally recognised auction houses do not cover all types and vintages of Wine Assets and as it cannot be ensured that each published price is close to the market price at the Valuation Day, the General Partner upon the recommendation of the Investment Manager selects at each Valuation day the different Auction Prices considered in good faith and with the diligence of an employed agent to be the most reliable ones.

If possible, the valuation of the stock of investment grade wines will be done as followed: 0.50 (average net Merchant Price) + 0.50 (average net Auction Price).

## IX. SPECIFIC RISK WARNINGS

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the Section "2. General Risk Considerations" in Part A of this Issuing Document.

Additionally the investors are advised to carefully consider the following specific risks of investing in this Sub-Fund:

- **Exposure to a single asset class:** The Sub-Fund is almost exclusively exposed to the evolution of the wine sector. Despite risk diversification within different types and vintages of Wine Assets, the performance of the Sub-Fund will suffer if the wine consumption for whatever reasons will decrease, if the public opinion regarding wine consumption in relevant consumer markets will deteriorate, if governmental measures such as but not limited to restriction of consumption, higher taxes or reduced importation quotes are taken and if currency exchanges between producing countries and consumption countries will deteriorate to the disadvantage of the consumption countries.
- **Liquidity and marketability risks:** Some wine markets may be exposed to unexpected shortage of buyers and/or sellers involving increased spreads between sell and buy prices, increased illiquidity and lack of marketability.
- **Risks linked to the volatility of wine prices:** Wine prices may be exposed to high volatility caused by unexpected changes in buy and sell prices. Those changes may be based on unexpected variations in production and trading of Wine Assets as well as due fiscal or governmental measures. Furthermore wine prices may behave irrational by due to the changes in public opinions, fashions and taste preferences of the consumers.
- **Storage and logistic risks:** The storage and transportation conditions are crucial for the preservation of the quality of Wine Assets and consequently of the current and future value of Wine Assets. Although the General Partner and the Investment Manager carefully selects the Warehouses and the logistic providers and takes care about insurance coverage, it may happen that storage and transportation conditions cause partial or complete damages to Wine Assets. Damages can be caused by insufficient precautions in the storage, transportation and bottling, by bad temperature and weather conditions, by accident, by stealing, by robbery, by outbreak of fire, inundation or any other disaster caused by humans or by nature.
- **Corked bottles:** Statistics shows that some bottles might develop an element of cork taste over time. The producers and the merchants from which the Sub-Fund will buy the Wine Asset use the best corks available in the market but no guarantees can be given that there might be some bottles classified as "corked" and therefore will be less valuable.

- **Insufficient insurance:** Although the Wine Assets will be insured, there can be no guarantee that the Wine Assets will be insured against all type of damages or destruction.

The forgoing risk factors do not purport to be a complete explanation of the risks involved by investing in the Sub-Fund. Potential investors must read the entire Issuing Document and should consult their own professional advisers before investing in this Sub-Fund.

## **ELITE'S EXCLUSIVE COLLECTION – ALPHA SELECT**

### **I. INVESTMENT POLICY**

#### **a. Investment Objectives**

The investment objective of Elite's Exclusive Collection – Alpha Select (the **Sub-Fund**) is to achieve long-term and optimal capital growth through investing in shares and units of all type of investment funds and entities (the **Underlying Fund**).

The Sub-Fund mainly invests in regulated Underlying Funds which take exposure to equity and bond markets.

The portfolio of the Sub-Fund will be diversified by investing in various Underlying Funds which take different exposures to markets, sectors, regions, countries and type of securities such as but not limited to equity, fixed income security or structured financial instruments. Furthermore the portfolio of the Sub-Fund will be composed by Underlying Funds which are managed by various investment managers and which follow different investment styles (for example growth, value, large-cap, mid-cap, small-cap). This exposure enables a favourable trade-off between investment return and risk as measured by the volatility of the investment return such as the standard deviation around the mean.

Investments by the Sub-Fund may be made in non-regulated Underlying Funds which are generally set up in the form of a limited partnership, investment corporation or unit trust. The Sub-Fund will only invest in such Underlying Funds where the Sub-Fund will be free to realise its investment and which do not comprise the ability of the Sub-Fund to handle applications for subscription, redemption and conversion.

Accessorially the Sub-Fund is entitled to hold cash and cash equivalent.

The Sub-Fund may invest no more than 10% of its Net Asset Value in assets other than those referred above.

#### **b. Investment Restrictions**

The Sub-Fund is subject to the investment restrictions described under point (b) of header "1.2. Investment Restrictions", section "1. Investment Objectives and Investment Restrictions" of Part A of the Issuing Document.

The Sub-Fund has to comply with the above mentioned investment restrictions at latest 6 months after the end of the Initial Subscription period.

#### **c. Borrowings**

The Sub-Fund is not permitted to borrow money permanently and for investment purposes. The Sub-Fund is allowed to borrow money on a short term basis to cover temporary shortage of cash and cash equivalent in order to meet current and non-current expenses.

### **II. THE GENERAL PARTNER AND THE INVESTMENT ADVISORY COMMITTEE**

The General Partner has established under its responsibility and costs an Investment Advisory Committee for the Sub-Fund which will be composed by the following persons:

- **Frans De Vos**, Bruges (Belgium): Frans De Vos is an independent financial adviser and managing partner of Descheemaeker M & Co. Prior to this, Frans De Vos had several key positions with Banque Nagelmackers 1747 (Delta Lloyd Bank) and Generali Belgium and he was also a member of the management committee of Capital Strategy, an Antwerp based investment insurance broker. Frans De Vos is graduated in diplomacy sciences from the University of Ghent.
- **Kevin Prinsen**, Vosselaar (Belgium): Kevin Prinsen is an independent financial adviser and managing partner of Xperia Financial Planning. He is also a member of the management committee of Capital Strategy, an Antwerp based investment insurance broker. Prior to this, he worked for Delta Lloyd Bank and HMI, a life insurance distributor. Kevin Prinsen is graduated in economics from the Lessius Institute in Antwerp.

As more fully described under header "3.4 The Investment Advisory Committees", section "3. The Structure of the Company" of Part A of the Issuing Document, the Investment Advisory Committee provides investment advices to the General Partner. In particular, the Investment Advisory Committee provides support in the analysis and the selection of Underlying Funds including but not limited to the analysis of the performance, the distribution and the cost features of Underlying Funds.

The General Partner will receive a Management Fee of 1.7 % of the Net Asset Value of the Sub-Fund. The Management Fee will be calculated at each Valuation Day and will be paid monthly. Furthermore the General Partner is entitled to receive a Performance Fee of 15 % on the increase of the Net Asset Value above Libor 3 months (hurdle rate) subject to the application of a high water mark.

### III. CLASSES OF ORDINARY SHARES

The General Partner has decided to issue Ordinary Shares from the two following Classes:

- Shares issued within the capitalisation Class which capitalise part or all of their revenues and which do not entitle the holder to receive the payment of a dividend and
- Shares issued within the distribution Class which distribute to the holder part or all of their revenues under the form of dividends.

### IV. SUBSCRIPTIONS, REDEMPTIONS AND CONVERSIONS

Prohibited Persons as defined under article 9 of the Articles and in Part A of the Issuing Document are not allowed to invest in the Sub-Fund.

During the Initial Subscription Period starting on 2 January 2008 and ending on 14 January 2008, Ordinary Shares will be issued at a Subscription Price of EUR 100 per share. Subject to Part A of the Issuing Document, the General Partner has the right to refuse or to delay a subscription.

The Net Asset Value will be calculated for the first time on 15 January 2008. Ordinary Shares will be issued on each Valuation Day. The modalities to evaluate the assets and to calculate the Net Asset Valuation are described under header "VII. Calculation of the Net Asset Value and Evaluation of the Assets " hereafter.

Subscriptions for Ordinary Shares must be received by the Administrator at the latest five (5) Business Days preceding the Valuation Day. The Subscription Price will be set at the Net Asset Value per Share of the Valuation Day plus the subscription fee of 4% of the subscribed amount to the benefit of the General Partner. The General Partner can at its sole discretion waive the

subscription fee. Payment of the Subscription Price must be made in EUR and no later than three (3) Business Days following the Valuation Day

The Sub-Fund only issues registered Ordinary Shares.

The General Partner may accept at its sole discretion contribution in kind under the conditions described under section "10. Issue and Sale of Ordinary Shares" in Part A of the Issuing Document.

Redemption requests for Ordinary Shares must be received by the Administrator at latest five (5) Business Days preceding the Valuation Day. If this day is not a Business Day then it will be the next preceding day which is a Business Day. The Redemption Price will be set at the Net Asset Value of the Valuation Day per Share minus a redemption fee of 4% of the redeemed amount to the benefit of the Sub-Fund. The General Partner can at its sole discretion reduce the redemption fee up to 0.25% of the redeemed amount. Payment of the Redemption Price must be made in EUR and no later than three (3) Business Days following the relevant Valuation Day.

If redemption requests relate to more than 10% of the Ordinary Shares in issue of the Sub-Fund, the General Partner may decide that part or all of such requests for redemption will be deferred proportionally for such period as the General Partner considers to be in the best interests of the Sub-Fund, but normally not exceeding two (2) consecutive Valuation Days.

Ordinary Shares of the Sub-Fund cannot be converted into shares of another Sub-Fund.

## **V. DISTRIBUTION POLICY**

The Sub-Fund only issues capitalised Ordinary Shares which do not pay any dividends. Revenues and income collected by the Sub-Fund are reinvested with the Sub-Fund.

## **VI. CURRENCY**

The currency of the Sub-Fund is the Reference Currency (EUR).

## **VII. CALCULATION OF THE NET ASSET VALUE AND VALUATION OF THE ASSETS**

The Net Asset Value per Ordinary Share of the Sub-Fund is calculated by the Administrator, under the overall responsibility of the General Partner, on each 15<sup>th</sup> of the month (**Valuation Day**) and for the first time on 15 January 2008. If such a day is not a Business Day in Luxembourg, the Valuation Day will be the following Business Day.

The Net Asset Value per Share of the Sub-Fund will be available at the registered office of the Company and at the registered office of the Administrator.

The Net Asset Value per Share of the Sub-Fund is based on the net asset value of the Underlying Fund which may be provided by the administrator or the manager of the Underlying Fund. When reliable value is available, the General Partner may authorise the Administrator to use an estimate of the value of the relevant Underlying Fund.

## **VIII. SPECIFIC RISK WARNINGS**

Investors are advised to carefully consider the risks of investing in the Sub-Fund and should refer in relation thereto to the section "2. General Risk Considerations" and in particular to the header "2.1 Risks linked to Investment Objectives and the Investment Policies" in Part A of this Issuing Document.

Additionally the investors are advised to carefully consider the following specific risks of investing in this Sub-Fund:

Underlying Funds may be leveraged and sometimes take large positions with high volatility. Underlying Funds may concentrate in only one geographic area or asset investment category, thereby taking on the risk of the market and of rapid changes to the relevant geographic area or investment category. These investments may be speculative.

Furthermore the method by which the Net Asset Value per Share of the Sub-Funds will be calculated presumes the Sub-Fund's ability to value its holdings in Underlying Funds. In valuing those holdings, the Sub-Fund will need to rely on financial information provided by the Underlying Funds themselves. Independent valuation sources such as exchange listing may not be available for Underlying Funds.

In particular, investors are warned that:

- some Underlying Funds have a frequency of the Net Asset Value calculation which is below the frequency of the Net Asset Value calculation of the relevant Sub-Fund in order that the Net Asset Value calculation of a relevant Sub-Fund will be based on estimates provided by the administrator and/or the manager of the Underlying Fund; some Underlying Funds may only have one or two Net Asset Value calculation per year;
- the Net Asset Value per Share of the Sub-Funds may be determined only after the value of their investments itself is determined, which may take a certain time after the relevant Valuation Day although such valuation will have to be effected before the next Valuation Day;
- that the number of Shares subscribed by an investor may therefore not be determined until the Net Asset Value per Share is determined.

Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which some Underlying Funds are established or serviced or invested may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

The mentioned risk factors do not purport to be a complete explanation of the risks involved by investing in the Sub-Fund. Potential investors must read the entire Issuing Document and should consult their own professional advisers before investing in this Sub-Fund.