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PROSPECTUS

SILVERCROSS GLOBAL SMALL-CAP FUND

As of July 9, 2019



Dear Reader,

Thank you for taking the time today to read this Prospectus.

We have prepared this document that gives you insight into all characteristics of SilverCross Global Small-Cap Fund, such as its investment philosophy, risks and costs.

On this page we aim to provide you, in plain English, a summary of characteristics that make the Fund distinctive.

IBS Fund Management B.V., a subsidiary of IBS Capital Management BV, is the manager of the Fund. The Fund's investment process is designed to generate alpha, and thus add value compared to an investment in a relevant index. The Fund is primarily aimed at sophisticated investors.

The target of the Fund is to achieve a long-term total return in excess of the MSCI World Small-Cap Total Return Net Index in Euro, even though the focus is on absolute return and asymmetric risk/reward potential when investing in individual companies.

The investment team seeks to invest in a concentrated portfolio of 25-35 smaller companies that it believes are fundamentally undervalued. Undervaluation can occur as a result of temporary factors causing a company to fall out of favour, or due to a general misunderstanding of a company's value drivers. In its pursuit to identify these companies, it is geographically unrestricted. Currency exposure will remain unhedged. Portfolio turnover is expected to be low, helping to reduce switching costs. This directly enhances investment returns. Another key benefit is that it allows the investment team enough time to stay close to the companies in portfolio, and have an active, constructive dialogue with management teams where it sees strategic opportunities to increase value.

An important belief of the investment team is that avoiding permanent capital loss is key to achieving strong returns. That's why it aims to invest in high-quality companies with unique characteristics such as intellectual property, brands or recurring revenues. Management teams must be aligned with shareholders and show a proven track record. Further reducing risk, the team refrains from investing in unproven businesses, single-product companies, and companies in need of reinventing themselves every 5 years. And last but not least, the team believes that it only makes sense to buy shares when they trade at a significant discount to the calculated intrinsic value.

The lead portfolio managers of the Fund are David Simons and Chris Andrews. They have worked together successfully on small-cap equity portfolios in a previous role and are dedicated exclusively to managing the global small-cap strategy.

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IMPORTANT NOTICE

Capitalised terms and expressions have the meaning ascribed to them in Section 2 of this Prospectus.

Potential Investors should review this Prospectus and its ancillary documents carefully and consult their legal and financial advisers to ascertain possible legal, financial, tax or other issues related to the acquisition, holding or redemption of Participations. The contents of this Prospectus are not to be construed as an invitation to invest or as investment, legal or tax advice. The Participations are an appropriate investment only for professional and other investors that are capable themselves of evaluating the merits and risks of an investment in the Fund.

Potential Investors should review in particular the risk factors set out in Section 11 of this Prospectus. The Fund carries a high degree of risk and is suitable only for persons who can assume the risk of losing a significant part of their investment. There is no guarantee that the Fund will achieve its Fund Objectives. The value of the Investments in the Fund will fluctuate. Returns on past investments are no guarantee as to the returns on future investments.

This Prospectus is published on the Website. This Prospectus may not be reproduced, in whole or in part, and may not be delivered to any person, without the prior written consent of the Manager.

The Manager accepts responsibility for the information contained in this Prospectus. To the best knowledge and belief of the Manager (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The information herein is subject to change at any time. Neither the delivery of this Prospectus nor the offer, issue or sale of Participations will, under any circumstances, constitute a representation that the information contained in this Prospectus and its ancillary documents is correct at any time subsequent to the date of this Prospectus as printed on the cover of this Prospectus.

No person has been authorised to provide any information or make any representation in connection with the Fund, other than the information and representations contained in this Prospectus and its ancillary documents. Any such other information or representations, if given or made, should not be relied upon as having been authorised by the Manager.

The Participations shall and may not be offered or acquired, directly or indirectly, in the Netherlands, and this Prospectus shall not be circulated in the Netherlands as part of initial distribution or at any time thereafter, except to persons or entities who acquire the Participations for a consideration of at least 100,000 Euro (or the equivalent thereof in another currency).

The Manager holds a license as manager of investment institutions (*beheerder van een beleggingsinstelling*) within the meaning of Article 2:65(a) FMSA, issued by the AFM. As such, the Manager is subject to conduct of business and prudential supervision by the AFM and DNB, respectively.



The distribution of this Prospectus and the offer, sale and delivery of the Participations in certain jurisdictions (other than the Netherlands) may be restricted by law. No action has been or will be taken to permit the distribution of this Prospectus in any jurisdiction where any action would be required for such purpose or where distribution of this Prospectus would be unlawful.

This Prospectus does not constitute an offer for, or an invitation to subscribe to or purchase, any Participations in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. Reference is furthermore made to the – non-exhaustive – list of selling restrictions set forth in Section 12 of this Prospectus.

The Participations have not been (and will not be) registered under the United States of America Securities Act of 1933, as amended (the “Securities Act”) or any other securities law of the United States (as defined below) and may not directly or indirectly be offered or sold in or delivered to the United States of America or any state of the United States of America, its territories or possessions or the District of Columbia (the “United States”) except in accordance with Regulation S of the Securities Act or on the basis of another exception to or exemption from the registration requirements under the Securities Act and other United States securities laws.

The Fund intends to offer and sell Participations only to persons that are not “U.S. persons” (as such term is defined for purposes of Rule 902 of Regulation S of the Securities Act) and that are not in the United States. The Fund has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended. The Management is currently not registered as an investment adviser under the United States Investment Advisers Act of 1940, as amended. Purchasers of Participations therefore should not expect to benefit from the investor protections under those laws or the Securities Act.

In accordance with U.S. FATCA regulations and the Dutch regulations that have been implemented as a result of these U.S. FATCA regulations, the Management and/or the Fund may request (additional) information from the Potential Investors to ensure their compliance with relevant FATCA requirements. The Fund policy entails that no Participations will be offered to any person that is, or would act for the account and benefit of any person that would be, considered resident of the U.S. for FATCA purposes.

This includes any person that qualifies as “U.S. person” under FATCA regulations, or an equivalent qualification under relevant Dutch regulations (implementing such FATCA regulations) – as applicable or as may become applicable in the future –, and non-FATCA compliant financial institutions. In the interest of the Fund and its Potential Investors, the Management and/or the Fund may at its full discretion deny the offering of Participations to any person, or redeem Participations held by a relevant Potential Investor, or take any other appropriate measures to ensure compliance with relevant FATCA or equivalent requirements, including the withholding or suspending of payments to a non-FATCA compliant financial institution.

This Prospectus will be governed by and construed in accordance with the laws of the Netherlands. This Prospectus will be published in the English language only. Translations of



Dutch legal terms used in this Prospectus are for convenience only and shall not influence the interpretation thereof.

1. EXECUTIVE SUMMARY

1.1 Introduction

This summary should be read as an introduction to the Prospectus. Information in this executive summary is not intended to be exhaustive and should always be read in conjunction with the full text of this Prospectus. The information provided in this summary has been updated until and reflects the situation as per the date mentioned on the cover page of this Prospectus.

1.2 The Fund and Manager

The Fund has been established with the aim to offer investors access to a diversified, yet concentrated portfolio of smaller companies listed globally. The Fund's primary investment objective is to seek long-term capital growth by investing in high-quality companies that the Manager believes are fundamentally undervalued.

The Fund is managed by IBS Fund Management B.V., hereinafter: the Manager. The Board of the Manager consists of Harold Knebel, Gijs Verschuuren, Ferry van der Wurf and Jacco Rijnbeek. The Board is responsible for the management of the Fund. The key members of the portfolio management team are David Simons and Chris Andrews. The portfolio management team is responsible for the day-to-day management of the Fund. The Manager has installed a Supervisory Board, that supervises the correct and effective fund management by the Manager.

1.3 Investment case and strategy

The Manager employs a fundamental bottom-up investment process to construct a concentrated portfolio of 25-35 stocks of undervalued companies with a market capitalisation under EUR 5 billion at the time of initial investment. The Fund's investment process focuses on identifying what the Manager considers to be high quality, undervalued companies that offer the potential for asymmetric risk/reward outcomes.

The Fund's objective is to seek long-term capital growth. Over a full market cycle, defined as stock market peak-to-peak over a 5-7 year time period, the Fund aims to exceed the total return of its chosen benchmark.

There can be no assurance that the Fund's investment policy will be successful or that the Fund Objectives will be achieved. Potential Investors should consider, among other things, the risks mentioned in Section 11 and review this Prospectus and its ancillary documents carefully and in their entirety and consult with their professional advisors.

This Prospectus does not purport to identify, and does not necessarily identify, all of the risk factors associated with investing in the Fund and certain risks not identified herein may be substantially greater than those that are. Accordingly, each potential Investor, prior to making any investment decision, must conduct and subsequently rely upon its own investigation of risk factors associated with the proposed investment.

Legal, tax and regulatory aspects of the Fund

1.3.1 Legal structure

The Fund is a fund for joint account (*fonds voor gemene rekening*) established under the laws of the Netherlands. The Fund has been established for an indefinite period of time. The key documents governing the Fund are the Fund's Terms and Conditions, each Subscription Form and this Prospectus.

The Fund is managed by the Manager. The assets, rights and obligations of the Fund will be held by the Title Holder. The Investors will invest in the Fund as Investors and will as such acquire Participations in the Fund.

The Fund may issue Participations in different Classes. Each Class may differentiate as to the currency of denomination and/or fee structure. Currently, the Fund will issue only Class A Participations, though the Manager may at any time decide to create and issue a new Class of Participations.

1.3.2 Tax aspects

The Fund is transparent for Dutch corporate income tax purposes. As a consequence, the Fund is not subject to Dutch corporate income tax. Distributions by the Fund (if any) are not subject to Dutch dividend withholding tax.

Please refer to Section 10 of this Prospectus for a more detailed description of taxation aspects with respect to Dutch resident Investors and non-Dutch resident Investors.

1.3.3 Regulatory position

The Manager holds a license as manager of investment institutions (*beheerder van een beleggingsinstelling*) within the meaning of Article 2:65(a) FMSA, issued by the AFM. As such, the Manager is subject to conduct of business and prudential supervision by the AFM and DNB, respectively.

1.4 Costs and expenses

Section 6 of this Prospectus, with reference to the Class Details, mentions all costs and expenses related to the organisation, management and transactions of the Fund which will be paid by or charged to the Fund and accordingly result in a reduction of the Fund's Net Asset Value. These costs are divided in several cost categories, including Management Fee, Performance Fee (if and when relevant for a Class), Operational Service Fee and transaction costs.

1.5 Distribution policy

As the investment objective of the Fund is to achieve capital growth, frequent and regular distributions of Net Proceeds by the Fund are therefore not anticipated. Such Net Proceeds will in principle be re-invested. Notwithstanding, the Manager may at its sole discretion distribute Net Proceeds at any time provided that all Investors are treated fairly and equally given their specific circumstances.

1.6 Transfer and redemption of Participations

Participations may be issued and redeemed on Transaction Dates and cannot be transferred other than (by way of redemption) to the Fund itself or to relatives by blood or by marriage in the direct line.

Applications for the issue or redemption of Participations should be made by submitting a Subscription Form or Redemption Form, as applicable, to the Administrator at least 2 Business Days prior to the next Transaction Date. Completed Subscription Forms and Redemption Forms are irrevocable once received by the Administrator.

In order to facilitate the orderly sale or liquidation of the Fund Assets and protect the interests of the Investors, the Manager may limit the aggregate amount of redemptions on any one Transaction Date to a maximum of 10% of the Net Asset Value as per such Transaction Date. The Manager may in the limited and extraordinary circumstances set out in Section 5, suspend the redemption of or mandatorily redeem Participations.

1.7 Investors' eligibility. Minimum investment

The Fund is targeted at institutional investors, like pension funds and investment funds, as well as high net-worth individuals. The minimum initial investment in the Fund by an Investor is an amount equivalent to 100,000 Euro.

An entity or person cannot be an Investor if the Manager has reasonably determined that participation in the Fund by such entity or person would either negatively affect or jeopardise the tax status of the Fund, would lead to non-compliance with applicable anti-money laundering requirements or other applicable regulations or could jeopardise the reputation of the Fund and/or the Manager.

2. DEFINITIONS

Unless the context otherwise requires, the following capitalised terms used in this Prospectus have the following meanings:

"Administrator"	KAS BANK N.V., or such other administrator of the Fund as may be appointed from time to time;
"Affiliate"	a person directly or indirectly controlling or controlled by or under common control with the party at issue; " control " and any derivative thereof being, for the purpose of the definition of Affiliate – in respect of an entity, the right: (i) to exercise the majority of the voting rights in the meeting of shareholders (or similar meeting of investors, partners or other owners) of such entity; (ii) to appoint the majority of the members of the body in charge of the day-to-day business of such entity; or (iii) to determine the policy and strategy of such entity;
"AFM"	the Dutch Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>);
"AIFM Directive"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as amended from time to time;
"AIFM Regulation"	Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as amended from time to time;
"Auditor"	Mazars Paardekooper Hoffman N.V., or such other registered accountant or other expert as referred to in section 2:393 subsection 1 of the Dutch Civil Code charged with the audit of the Fund's financial reports as appointed from time to time by the Manager;
"Board"	statutory management board (<i>statutair bestuur</i>) of the Manager
"Business Day"	any day on which banks are generally open for business in the Netherlands;

"Class"	a class of Participations in the Fund, each class representing a proportionate right to the Fund Assets and Fund Obligations (pro rata to the relevant Net Asset Value per Class) and having a different fee structure and/or currency . The specifics of each Class are set forth in the relevant Class Details;
"Class Currency"	the currency of a Class as specified in the Class Details;
"Class Details"	the document containing the specifics of a Class, for each Class included in a separate annex to the Terms and Conditions;
"Depository"	KAS Trust & Depository Services B.V., or such other entity as may be appointed from time to time by the Manager to act as Depository of the Fund;
"DNB"	De Nederlandsche Bank N.V.;
"Dutch GAAP"	the Generally Accepted Accounting Principles in the Netherlands as included in Title 9 Book 2 Dutch Civil Code;
"ESG"	environmental, social and governance, as ordinarily used for socially responsible investment;
"EUR" or "Euro"	the euro, the single currency of the participating member states of the European Union;
"FMSA"	the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>) and any other governmental rules and regulations based thereon;
"Fund"	the aggregate of the Fund Assets and the Fund Obligations, in which monies or other assets are called or received for the purpose of collective investment by the Investors, as governed by the Terms and Conditions;
"Fund Assets"	all types of listed securities and cash, that are held by the Title Holder in its own name for the account and risk of the Investors in connection with the Fund;
"Fund Objectives"	the objectives the Fund as set forth in Section 3.3;
"Fund Obligations"	the obligations which the Title Holder (or the Manager in the name of and on behalf of the Title Holder) assumes and/or incurs in its own name for the account and risk of the Investors in connection with the Fund and any obligation assumed and/or incurred in accordance with the Terms and Conditions;

"Investment"	any investment made by the Fund;
"Investor"	a person who participates in the Fund in accordance with its Subscription Form and the Terms and Conditions;
"Management Fee"	the fee due by the Fund to the Manager as remuneration for its management of the Fund as described in Section 6.2.1 and specified in the Class Details;
"Manager"	IBS Fund Management B.V., or such other manager of investment institutions (<i>beheerder van een beleggingsinstelling</i>) as may be appointed from time to time in accordance with the Terms and Conditions;
"Meeting"	a meeting of Investors;
"Net Asset Value"	the total aggregate value of the Fund Assets less the value of the Fund Obligations, measured as described in Section 7;
"Net Asset Value per Class"	the Net Asset Value attributable to a Class;
"Net Asset Value per Participation"	the relevant Net Asset Value per Class divided by the number of Participations in issue within such Class;
"Net Proceeds"	all dividend and interest income, all divestment and redemption proceeds and all other income and proceeds of the Fund, net of taxes, fees, costs and other charges to be borne by the Fund, and after payment of or making reasonable reservation for any obligations and expenses of the Fund;
"Operational Service Fee"	the fee the Manager charges in accordance with Section 6.2.3 in order to cover the Fund's ordinary operational costs, including costs relating to legal, tax, administrative, auditing, reporting and similar services;
"Ordinary Consent":	the written consent of Investors together representing more than 50% of the issued and outstanding Participations expressed, at the discretion of the Manager, either: (i) in one or more documents, each signed by one or more Investors; or (ii) in a meeting convened and held in accordance with the relevant provisions of the Terms and Conditions;
"Participation"	a unit in which the rights of the Investors to the Net Asset Value have been divided, each Participation of a Class representing an equal interest in the Net Asset Value of such Class without priority or preference of one over the other, on the

	understanding that the Fund may also issue fractions of Participations, expressed up to 4 decimals;
"Performance Fee"	the performance fee that may be charged, as described in Section 6.2.2 and specified in the Class Details;
"Prospectus"	this prospectus relating to the Fund, as amended from time to time;
"Redemption Form"	the standard form through which a request for redemption of Participations is made;
"Section"	a section of this Prospectus;
"STAK"	Stichting Administratiekantoor IBS Fund Management
"Subscription Form"	the standard form through which a (potential) Investor subscribes for Participations and submits itself to the Terms and Conditions;
"Supervisory Board"	the Supervisory Board of the Manager;
"Terms and Conditions"	the terms and conditions of management and custody of the Fund, including the Annexes, as amended from time to time;
"Title Holder"	Stichting Bewaarder SilverCross, being the entity that holds legal title to the Fund Assets and Fund Obligations, or such other entity as may be appointed from time to time in accordance with the Terms and Conditions;
"Total Transaction Amount"	has the meaning ascribed to such term in Section 5.3.2;
"Total Transaction Price"	has the meaning ascribed to such term in Section 5.3.2;
"Transaction Date"	each Wednesday (or the first Business Day thereafter if stock markets are closed on such Wednesday);
"Transaction Price"	has the meaning ascribed to such term in Section 5.3.2; and
"Website"	www.silvercross-im.com .

3. THE INVESTMENT OPPORTUNITY

3.1 Introduction

The Fund offers prospective investors access to a diversified, yet concentrated portfolio of smaller companies (“small-caps”) listed globally. As an asset class, small-caps offer opportunities with significant return potential. Crucially, given the diversity and complexity of this asset class, the Manager believes specialist knowledge is essential in order to identify, analyse and value the most attractive investment opportunities.

The Fund seeks to invest in companies with sustainable competitive advantages operating in defensible and growing niche markets, allowing them to generate high returns on capital. The Fund intends to invest only when these businesses are available at a significant discount to their estimated intrinsic value. Key selection criteria include cash flows, a strong balance sheet and aligned management teams who are building their business for the long term.

The Manager employs executives with significant research and investment experience in the selection of small-cap stocks.

3.2 The case for global small-caps

History shows ample evidence that investing in small-caps has offered better returns compared to large cap returns. Small-caps have outperformed large caps by more than 2% on average per annum since 1926.¹ This outperformance has been achieved despite so-called “reverse survivorship bias”, which is the dual drag coming from weak large companies turning into small companies on top of bad companies going bust, leading to their elimination from small-cap benchmarks. The Manager believes the reasons for this outperformance can be considered structural:

- *Niche.* Smaller companies have frequently carved out a market niche for themselves, in which they have an excellent reputation, leading to pricing power and a sustainable high return on invested capital.
- *Growth.* It is generally easier for companies to grow from a small base and the likelihood of identifying companies whose value can increase substantially is therefore much greater for small companies versus large.
- *Under the radar.* Small companies are more often mispriced as a result of information scarcity. As a result, small companies are covered by fewer brokers, creating situations where the price of a small company’s stock can diverge materially from what an informed investor would be willing to pay for a business.
- *Management.* Smaller companies are more often owner-operated. They are managed by founders or other individuals with significant equity ownership,

¹ Source: Ibbotson SBBI

ensuring close alignment with smaller shareholders. One of the key benefits is a focus on the long term, and an increased willingness to sacrifice short-term profits for sustainable growth.

Historically, smaller companies operated locally or regionally, whilst today most equivalent-sized companies are producing and distributing their products and services on a global scale. In its pursuit of the most attractive companies that are active in specific niches, the Manager believes that searching globally, without regional constraints, offers the highest chance to achieve the Fund's targeted return.

3.3 Fund Objectives

3.3.1 Targeted return

The Fund's objective is to seek long-term capital growth. Over a full market cycle, defined as stock market peak-to-peak over a 5-7 year time period, the Fund aims to exceed the total return of its chosen benchmark. The Manager believes that a full market cycle is the preferred period over which to judge the Fund's performance, as it reduces shorter-term biases inherent in bull or bear markets or calendar year time periods.

3.3.2 Benchmark

MSCI Daily Total Return Net Small-Cap World Index (Ticker: NCUDWI) in EUR. This benchmark is a broad representation of small companies listed on stock markets in global developed economies and contains over 4000 constituents. The Fund focuses on companies listed in countries with a well-established regulatory framework and management teams adhering to professional standards.

3.4 Investment strategy

3.4.1 Investment strategy

The Fund will invest in the equity of globally listed smaller companies ("small-caps"). The Manager employs a fundamental bottom-up investment process to construct a concentrated yet diversified portfolio of 25-35 stocks of undervalued companies with a market capitalisation of below EUR 5 billion at the time of investment. The Fund's investment process focuses on identifying what the Manager considers to be high quality, undervalued companies that offer the potential for asymmetric risk/reward outcomes.

Undervaluation can occur for several reasons, including, but not limited to, poor current or prospective business performance, change in management, poor investor sentiment around the sector or the economy, reorganisations, or neglect as a result of information scarcity.

The Manager's in-depth investment approach focuses on seven key investment characteristics:

- (1) *Business quality.* The Fund seeks to invest in companies that have achieved above average returns on invested capital and strong competitive positions in their industries, resulting in strong free cash flows. Characteristics such as scalability of the business, recurring revenue, high barriers to entry and long product life cycles are found frequently among companies with superior business models.
- (2) *Undervaluation.* The Manager believes that buying stocks trading at an attractive valuation offers a margin of safety in case the business' fundamentals unexpectedly deteriorate. Determining the intrinsic value of a business is an essential part of the Manager's investment approach. The Manager estimates intrinsic value by using a variety of valuation tools which are derived from a company's return on invested capital, the cash flows the business is expected to generate and balance sheet optimisation. A key factor in determining a company's intrinsic value is its long-term growth potential, which is driven by its sustainable competitive advantage.
- (3) *Financial strength.* Investing in companies with strong balance sheets reduces the risk of permanent capital loss and allows companies financial flexibility to pursue strategic opportunities whenever they present themselves.
- (4) *Understandable.* The Manager only invests in companies that it believes have business models that are simple and straightforward. The Fund will not invest in companies with unproven business models or short product life cycles.
- (5) *Aligned.* Management team interests should be in line with those of ordinary shareholders and they should be rewarded based on their success in building their company for the long term.
- (6) *Proactive.* The Manager may from time to time actively engage in constructive discussions with management teams to execute strategic decisions that increase return on invested capital, resulting in a higher intrinsic value.
- (7) *ESG.* As part of the selection process, environmental, social and governance issues are analysed. Strong awareness of ESG factors by the management of a company demonstrates a desire to mitigate company risks, related to ESG. The Manager believes that ESG factors may influence a company's intrinsic value.

Companies that meet the Manager's selection criteria are added to the portfolio, with weight determined by the upside potential versus downside risk. Weightings of each holding are monitored and adjusted based on a variety of considerations including but not limited to the continued validity of the investment case, their current valuation against estimated intrinsic value, country and sector diversification, liquidity and risk management.

The investment process is driven by the selection of individual companies, not by sectors, countries or regions.

The Fund will ordinarily remain fully invested although the Manager is permitted to increase the percentage of the portfolio held in cash for ancillary purposes where this

is required for the efficient operation of the Fund or is considered to be in the best interests of the Fund; situations may occur where a scarcity of attractive investment opportunities arises, while at other times market uncertainty may be such that elevated levels of cash are deemed appropriate.

3.4.2 *Sell discipline*

The investment strategy is designed to hold its investments over a long-term time horizon. Subject to exceptional circumstances, the portfolio turnover is expected to range between 20-33%, implying an average holding period of 3-5 years. An investment will be sold either when it becomes fully valued or otherwise warrants an exit. The actual holding period may differ materially from the period stated here.

3.5 **Investment restrictions**

The Manager has the broadest discretion to make investments in order to achieve the Fund Objectives through the investment strategy, subject to the guidelines and limitations set out in this section.

3.5.1 *Diversifications*

The Fund will:

- a) target a portfolio size of between 25 and 35 stocks;
- b) invest in smaller companies. A smaller company is considered to have a market capitalisation of between EUR 250 million and EUR 5 billion at the time of initial purchase, although the Fund may add to an existing investment with a lower or higher market capitalisation if it already holds a position in that company;
- c) invest no more than 7.5% of Net Asset Value, as determined at the time of investment, in any one stock and in any event hold an aggregate of no more than 10% of Net Asset Value in shares of any single issuer;
- d) hold no more than 10% of the equity capital in any single company;
- e) hold no more than 25% of Net Asset Value in cash of any currency other than Euro;
- f) hold no more than 25% of Net Asset Value in Investments in any single country, with the exception of the United States, for which the maximum is 75%; and
- g) hold no more than 20% of Net Asset Value at the time of purchase in shares listed in emerging or less developed markets as defined by MSCI.

3.5.2 *Leverage*

The Fund does not hold short positions and does not use leverage.

3.5.3 *Investments in other funds and investment entities*

The Fund may not directly or indirectly invest in other open-ended investment funds. The Fund may invest in listed holding companies whose main activity is investing in other companies.

3.6 **Voting Policy**

The Manager will, on a case-by-case basis, decide whether to attend and vote at shareholders' meetings. The Manager will vote in line with its voting policy and within the interests of the Investors.

3.7 **Amendments to the Fund Objectives, investment strategy or investment restrictions**

Market conditions (short term) and market developments (medium to long term) may require adjustments to the Fund Objectives (Section 3.3), investment strategy (Section 3.4) or investment restrictions (Section 3.5). The Board of the Manager must approve any adjustments to the Fund Objectives, investment strategy or investment restrictions. Any amendments as adopted by the Board, will subsequently be notified forthwith to the Investors as described in Section 9.3

4. FUND MANAGEMENT AND GOVERNANCE

4.1 Manager

4.1.1 *Legal structure of the Manager*

The Fund will be managed by IBS Fund Management B.V. The Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund's organisational documents and applicable laws. The Manager holds a license as manager of investment institutions (*beheerder van een beleggingsinstelling*) within the meaning of Article 2:65(a) FMSA, issued by the AFM.

IBS Fund Management B.V. is a private limited liability company under Dutch law having its official seat in Amsterdam and its principal offices at De Cuserstraat 87, 1081 CN Amsterdam, the Netherlands. The Manager is registered in the Trade Register of the Dutch Chamber of Commerce under number 57806497.

The Manager is directly, fully owned by IBS Capital Management B.V. In addition to a shareholder, the Manager has issued special shares holding profit sharing rights to a Stichting Administratiekantoor (a "STAK", currently foreseen to be named Stichting Administratiekantoor IBS Fund Management). These special shares have no voting rights, but hold a profit claim of a certain percentage of the profits generated by the Fund. These profits are determined on the basis of the profit and loss account of the Fund, not on the basis of the performance in the Fund. The STAK issues certificates to the two lead portfolio managers of the Fund and will pass through the profits received. The Board of the STAK is the same as that of the Manager, thus ensuring the STAK may not influence the (regulatory) obligations and activities of the Manager.

The Articles of Association of the Manager, its license ex Article 2:65(a) FMSA are available at the website of the Manager, www.ibsfm.nl. This Prospectus and the Terms and Conditions of the Fund are available at the website of the Fund, www.silvercross-im.com. Participants may request a hard copy of one or all of these documents free of charge.

4.1.2 *Organisational structure of the Manager*

Board of the Manager

The Manager has a four-member Board that enables the Board to properly carry out its tasks and duties in accordance with the regulatory requirements. The Board is responsible for the day-to-day management of the Manager's operations.

The Board consists of Harold Knebel, Gijs Verschuuren, Ferry van der Wurf and Jacco Rijnbeek. Each member of the Board is considered to be a daily policymaker in the context of the FMSA and as such subject to the AFM's reliability and suitability checks.

The individual members of the Board are charged with specific parts of the managerial tasks, without prejudice to the collective responsibility of the Board as a whole. The

roles and responsibilities of the Board are divided among the Chief Executive Officer, the Chief Financial Officer, the Chief Investment Officer and the Chief Risk Officer.

The Board has not delegated any of its tasks to a Board committee. This implies that e.g. risk matters, compliance matters as well as product approval and product review matters are performed by the Board itself.

Supervisory Board of the Manager

The Manager has a three-member Supervisory Board. The Supervisory Board supervises the conduct and policies of the Board and the general course of affairs of the Manager and its operations. The supervision by the Supervisory Board shall include:

- achievement of the Manager's objectives;
- the strategy and risks inherent to the Manager's operations (including on integrity);
- the structure and operation of the risk management and control systems;
- the financial reporting process;
- compliance with the legislation and regulations; and
- the relation with the stakeholders of the Manager.

The Supervisory Board also provides advice to the Board. In performing its duties, the Supervisory Board members are required to be guided by the interests of the Manager and its operations, taking into consideration the interests of the Manager's stakeholders.

Each member of the Supervisory Board is considered to be a person charged with supervision of the policy and general affairs of the Manager in the context of the FMSA and as such subject to AFM's reliability and suitability checks.

The Chief Risk Officer, the Risk & Compliance Manager and the Internal Auditor have a direct escalation line to the Supervisory Board.

Portfolio Management

Portfolio Management is responsible for the day-to-day portfolio management of the Fund. Key members of the Portfolio Management team are David Simons and Chris Andrews.

Portfolio Management carries out the following activities regarding portfolio management for the Fund:

- initiating changes in the Fund Objectives, investment strategy / restrictions and/or Prospectus;

- performing operational due diligence and investment due diligence regarding new investments;
- executing (dis)investments in line with the Prospectus;
- monitoring the portfolio composition of the Fund;
- performing first line risk and liquidity management;
- performing (financial) performance measurement and analyses; and
- preparing client reports.

Mid Office

The Mid Office is responsible for the investor intake (subscription), customer due diligence, investor exit (redemption) and the resulting internal investor administration.

Risk & Compliance

Risk & Compliance is responsible for the second line risk and liquidity management, compliance and some legal activities such as maintaining legal fund documentation (e.g. prospectus) and providing information to the Depositary.

4.1.3 *Delegation of duties*

The Manager may delegate activities to a third party. The Manager shall ensure that any services provided by related parties are based on at arm's length terms and conditions. All outsourcing and outsourcing agreements shall be made in compliance with applicable laws and regulations and in line with the Manager's outsourcing policy.

The Manager actively pursues a policy and has implemented measures to avoid undue additional operational risk or mitigate any potential conflict of interest which may arise in relation to the outsourced services. All delegation of activities is done in accordance with the Manager's outsourcing and conflicts of interest policy, which ensure that delegated activities are performed in the best interest of the Fund and its Investors.

The table below contains an overview of service providers of the Fund and the Manager.

Service provider	
KAS BANK N.V (Administrator)	
IBS Capital Management B.V.	<ul style="list-style-type: none"> ▪ Internal Audit ▪ Finance & Control

	<ul style="list-style-type: none"> ▪ Operations ▪ Risk Management ▪ Marketing & Communication ▪ HR
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KAS BANK N.V. (Administrator)

The Manager has engaged KAS BANK N.V. (the Administrator) to provide, subject to the overall direction of the Manager, certain services to the Fund.

Pursuant to an agreement between the Fund and the Administrator, the Administrator is responsible, *inter alia*, for the following matters under the general supervision of the Manager:

- a) the general administration of the Fund Assets and Fund Obligations;
- b) the general administration of the Investors of the Fund;
- c) the periodic calculation of the Net Asset Value of the Fund, the Net Asset Value per Class and the Net Asset Value per Participation; and,
- d) the provision of information to the Manager to enable the Manager to comply with financial and regulatory reporting obligations.

The Administrator will not provide any investment advisory or management services and therefore will not be in any way responsible for the Fund's performance.

The Manager reserves the right to, at its own discretion, change or terminate the administration agreement referred to above and/or to appoint a substituting Administrator.

IBS Capital Management B.V. – Internal Audit

IBS Capital Management B.V. – Internal Audit fulfils the internal audit function for the Manager. Internal Audit helps in achieving the objectives through a systematic approach to evaluate the effectiveness of the Manager's risk management, control and governance processes.

In general, Internal Audit has the following roles:

- establishing, implementing and maintaining an audit plan. Part of this audit plan is an examination and evaluation of the adequacy and effectiveness of the Manager's systems, internal control mechanisms and arrangements;

- issuing recommendations based on the result of work carried out and verifying compliance with those recommendations; and
- reporting in relation to internal audit matters to the Board, or the Supervisory Board in case of escalation.

IBS Capital Management B.V. – Finance & Control

The Manager has outsourced its finance and control activities regarding itself and the Fund. Regarding the activities relating to the funds (including the Fund), IBS Capital Management B.V.– Finance & Control is responsible for:

- ensuring timely and accurate financial and tax regulatory reporting;
- providing supervisory reports;
- coordinating external audit(s); and
- maintaining authorisation / access rights for the Manager’s IT systems.

IBS Capital Management B.V. – Operations

IBS Capital Management B.V. – Operations is responsible for the investment administration of the Fund. In this context, Operations carries out the following activities:

- managing the internal administration;
- monitoring the daily reconciliation of the internal administration and the administration of the Administrator; and
- providing information for checking the Net Asset Value.

Finally, Operations is operational responsible for the IT procedures and infrastructure for the Manager and the Fund.

IBS Capital Management B.V. – Risk Management

IBS Capital Management B.V. – Risk Management ensures that the Manager complies with data privacy and data protection requirements.

IBS Capital Management B.V. – Marketing & Communication

IBS Capital Management B.V. – Marketing & Communication is responsible for the Manager’s external marketing communications, in any kind of information which promote or market the Fund, including its Website.

IBS Capital Management B.V. – HR

IBS Capital Management B.V. – HR is responsible for the coordination and support in respect of HR-related activities.

4.1.4 *Four lines of defence model*

The risk management of the Manager is based on the four lines of defence model. Each line of defence has different responsibilities with respect to risk management.

The first line of defence consists of operational functions that own and manage risks. As such they have the responsibility to follow robust processes and subsequently to assess their own activities and subsequent controls to improve operational performance, in accordance with agreed (risk) policies and appetites.

The second line of defence includes the oversight and monitoring functions of risk and liquidity management, compliance and legal. They are pivotal to the effective functioning of the framework, in their role of defining the risks/frameworks within which the first line of defence must operate, e.g. by setting the policies and limits, but also in being responsible for monitoring and challenging on an ongoing basis whether the first line of defence has been adhering to the policies and procedures as set.

The third line of defence comprises of the internal audit function that regularly reviews both the first line of defence functions and the second line of defence oversight functions from an independent and objective point of view to ensure that they are carrying out their tasks to the required level of competency.

The fourth line of defence comprises of the external auditor. The external auditor might provide an autonomous assessment of the first three lines where this is relevant to the audit of IBS financial reporting and to compliance with regulatory requirements.

4.1.5 *Resignation and removal of the Manager*

The Manager shall resign as manager of the Fund on certain grounds set forth in the Terms and Conditions. In case of resignation of the Manager, the Title Holder shall appoint a substitute manager.

4.1.6 *Liability of the Manager*

The Manager shall only be liable towards the Investors for a loss suffered by them in connection with the performance of its duties and responsibilities if and to the extent that such loss is directly caused by its (i) gross negligence, (ii) wilful default, (iii) culpable material breach of Fund-related agreements or (iv) fraud.

Subject to certain restrictions set forth in the Terms and Conditions, the Manager will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and services to the Fund.

The Manager holds adequate additional own funds within the meaning of Article 14 AIFM Regulation required to cover potential professional liability risks resulting from carrying out management activities referred to in Article 9(7) AIFM Directive.

4.2 Title Holder

4.2.1 *Introduction and key duties*

Stichting Bewaarder SilverCross holds legal title to the Fund Assets and the Fund Obligations. The key responsibility of the Title Holder is (i) to hold, for the account and risk of the Fund and the Investors in the Fund, legal title to all assets and rights of the Fund, (ii) to, as debtor, assume obligations and liabilities of the Fund, and (iii) to be the contracting entity in respect of all agreements entered into on behalf of the Fund. The Title Holder will do so at the instruction of the Manager, but will not engage itself actively in the management of the Fund.

In acting as a Title Holder of the Fund, the Title Holder shall act solely in the interests of the Investors. The Title Holder will be fully dedicated to the Fund and will not perform any other activities than those referred to above.

Stichting Bewaarder SilverCross is a foundation under the laws of the Netherlands having its principal offices at De Cuserstraat 87, 1081 CN Amsterdam, the Netherlands. The Title Holder is registered at the Trade Register of the Chamber of Commerce in Amsterdam under file number 60904399.

4.2.2 *Board and management of the Title Holder*

The members of the board of the Title Holder are, on the date hereof, Tim Timmermans and Hans Betlem.

4.2.3 *Resignation and removal of the Title Holder*

The Title Holder shall resign on certain grounds set forth in the Terms and Conditions. In case of resignation of the Title Holder, the Manager shall appoint a substitute Title Holder.

4.2.4 *Liability of the Title Holder*

The Title Holder shall only be liable towards the Investors for a loss suffered by them in relation to the performance of its duties and responsibilities, if and to the extent that such loss is directly caused by its (i) gross negligence, (ii) wilful default, (iii) culpable material breach of Fund-related agreements or (iv) fraud.

Subject to certain restrictions set forth in the Terms and Conditions, the Title Holder will be indemnified out of the assets of the Fund against liabilities and charges incurred in connection with the performance of its duties and services to the Fund.

4.3 Depositary

4.3.1 Introduction

The Depositary of the Fund is KAS Trust & Depositary Services B.V. The Depositary does not perform any activities for the Manager or the Fund other than acting as Depositary for the Fund.

The Depositary was incorporated on the 9th of June 1966. The Depositary has its registered office in Amsterdam and is registered at the Trade Register of the Chamber of Commerce in Amsterdam under file number 33117326.

KAS Trust & Depositary Services B.V is a fully owned subsidiary of KAS BANK N.V.

4.3.2 Board of the Depositary

The members of the board of directors of KAS Trust & Depositary Services B.V. are on the date hereof:

1. S.F. Plesman
2. R.F. Kok
3. J.N.P. Laan

4.3.3 Key duties

The Depositary shall be responsible for

- i. the safekeeping of the Fund's assets; and
- ii. the oversight and supervision of the Fund and the management of the Fund by the Manager.

The Depositary has outsourced the day-to-day execution of its custody tasks to KAS BANK N.V. at arm's length.

4.3.4 Liability of the Depositary

The Depositary is liable towards the Fund and the Investors for loss suffered by them in connection with:

- the loss of financial instruments that can be held in custody, unless the Depositary can prove that the loss results from an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary;
- the Depositary's negligent or intentional failure to properly fulfil its obligations.

The Depositary shall be liable to the Fund for the loss by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Fund without undue delay. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall also be liable to the Fund for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations.

In case the Depositary is liable the Manager will undertake the required action against the Depositary and, if required, use its best efforts to bring a claim against the Depositary, at the risk and account of the Fund, whereby it is understood that such costs will be claimed from the Depositary. Should the Manager come to the conclusion that the Depositary is not liable for the loss suffered, it will notify the Investors in writing. Those Investors that do not share the conclusion of the Manager, are entitled to bring a claim against the Depositary at their own risk and account. In case the Manager, for whatever reason, does not undertake or does not adequately or effectively undertake the required action against the Depositary, the Investors are entitled to undertake the required action themselves.

The Depositary may, if certain requirements are met, transfer its liability for loss suffered in connection with the loss of financial instruments to a delegate, provided that:

- i. the liability in that specific case is transferred pursuant to a written contract; and
- ii. that specific delegate accepts liability towards Investors for loss suffered in connection with the loss of financial instruments.

As of the publication of this Prospectus no such delegation is in place.

The Fund, the Manager and the Investors can only claim against the capital of the Depositary itself and not against the assets under custody.

4.4 Auditor

Mazars Paardekooper Hoffman N.V., or such other registered accountant or other expert as referred to in section 2:393 subsection 1 of the Dutch Civil Code charged with the audit of the Fund's financial reports as appointed from time to time by the Manage.

4.5 Meetings of Investors

4.5.1 Introduction

(Prospective) Investors should realise that they are not permitted to engage in the investment operations of the Fund and that they do not have any (voting) rights to interfere in the related decision taking of the Manager.

The Manager can make decisions which Investors do not agree to. In such a situation, an Investor can decide to dispose of its interest in the Fund, subject to and in accordance with the applicable terms as set forth in this Prospectus and the Terms and Conditions.

Investors do have certain information rights vis-à-vis the Manager and the Title Holder and can participate in the decision taking on certain key aspects of the organisation of the Fund set forth in this Prospectus and the Terms and Conditions.

4.5.2 Meetings of Investors

Meetings of Investors will be held when called by the Manager. The Manager must call a Meeting (i) as often as the Manager deems the holding of a Meeting necessary in the interest of the Investors, and (ii) in case one or more Investors holding, in total, at least 25% of the outstanding Participations request the Manager in writing to call and hold such Meeting, stating the matters to be placed on the agenda for such Meeting.

The agenda for a Meeting shall be determined at the sole discretion of the Manager, where a Meeting is called in accordance with the aforementioned paragraph, or the relevant Investor(s) who requested the Manager to hold the Meeting, where a Meeting is called in accordance with the aforementioned paragraph.

Notice for a Meeting will be given at least 14 days prior to the date of the Meeting. Such notice will state the date, time, place and location and the agenda for the Meeting and enclose any documents relevant for the Meeting.

Every Investor has the right to attend the Meeting and to speak at the Meeting. An Investor may attend the Meeting by proxy, provided that the power of attorney is set forth in writing and prior to the Meeting submitted for verification to the chairman of the Meeting.

4.5.3 Voting by Investors

Each Investor may cast one vote per Participation. Blank votes will be deemed not to have been cast. Resolutions require a simple majority of the votes that can be cast on all votes cast during a Meeting being exercised in favour of the proposal.

The Investors may also adopt resolutions outside a Meeting, or in a Meeting for which notice was given less than 7 Business Days prior to the Meeting date, in which case resolutions shall be adopted in writing, provided that the proposed resolutions are

submitted to all Investors and no Investor objects to the proposed manner of adopting resolutions.

4.6 Complaints procedure

An Investor can make complaints on the Fund, the Manager or any service provider to the Fund in writing (including email) with the Board of the Manager. The Manager will confirm receipt of a complaint within 3 Business Days. At the same time, the Manager will indicate in which manner the complaint will be dealt with.

4.7 Equal treatment of Investors

The terms of this Prospectus and of the Terms and Conditions and any other documentation pertaining to the Fund shall apply equally to all Investors, it being understood that the rights and obligations of all Investors are proportional to the number of their Participations. All Investors who are in comparable circumstances shall be treated equally.

Among the specific rights that should be guaranteed equally to all Investors are (if applicable): the right to receive dividends; the right to obtain adequate information with respect to the Fund; the right to participate in the general participants meeting, including adequate disclosure in advance of all materials necessary to make informed decisions; equal treatment in relation to issuance and redemption in comparable circumstances.

5. TRANSFER, ISSUE AND REDEMPTION OF PARTICIPATIONS

5.1 Investor suitability

The Fund is targeted at institutional investors, like pension funds and investment funds as well as high net-worth individuals.

An Investment in the Fund by an Investor must amount to at least 100,000 Euro (or the equivalent value in another currency) which amount must be paid in full upon subscription by the Investor.

An entity or person cannot be an Investor if the Manager has reasonably determined that participation in the Fund by such entity or person would either negatively affect or jeopardise the tax status of the Fund or would lead to non-compliance with applicable anti-money laundering requirements or other applicable regulations or could potentially jeopardise the reputation of the Fund and/or the Manager.

5.2 Transfers and encumbrances

An Investor may only transfer Participations to the Fund (by way of redemption) or to persons who are relatives by blood or by marriage in the direct line of such Investor (*bloed- of aanverwanten in de rechte lijn*).

Participations cannot be made subject to any pledge, mortgage, usufruct, charge, lien, retention or other encumbrance of any nature whatsoever.

5.3 Issues and redemptions

5.3.1 Conditions

Participations may only be issued or redeemed on Transaction Dates.

5.3.2 Transaction price and anti-dilution levy

The transaction price of a Participation (the "Transaction Price") is equal to the Net Asset Value per Participation as at the relevant Transaction Date. The total transaction price is the applicable Transaction Price multiplied by the number of Participations issued or redeemed, as applicable ("Total Transaction Price").

In order to determine the net amount due in consideration for the issue or redemption of Participations (the "Total Transaction Amount"), the Total Transaction Price will be increased (in case of an issue of Participations) or reduced (in case of a redemption of Participations) by the applicable anti-dilution levy.

Anti-dilution levy

The Fund may suffer a reduction of its Net Asset Value as a result of costs incurred in dealing in shares and of any spread between the buying and selling prices of these shares. This reduction is known as "dilution". In order to mitigate the potential effects

of dilution the Manager may adjust the Transaction Price at which Participations are issued or redeemed. This practice is known as charging an “anti-dilution levy”.

An anti-dilution levy may only be applied for the purpose of reducing dilution in the Fund. The anti-dilution levy is calculated using the estimated dealing costs incurred by the Fund and taking into consideration any dealing spreads and transfer taxes. The Manager’s current policy is that it will normally charge an anti-dilution levy whenever there are subscriptions or redemptions of Participations. In the event that an anti-dilution levy is charged, it will be applied to all subscriptions and redemptions of Participations in the Fund that take place on that Transaction Date. The anti-dilution levy is maximum 0.5%. Notwithstanding aforementioned maximum, the actual level of anti-dilution levy is set by the Manager on each Transaction Date. The Manager shall apply the same level of anti-dilution levy to all Investors on the same Transaction Date. The Manager's decision regarding the level of anti-dilution levy shall not prevent it from making a different decision regarding the level on similar transactions on future Transaction Dates.

In case an Investor requests to redeem Participations on a Transaction Date which falls less than 90 days after a Transaction Date on which such Investor has been issued Participations, the levy will be increased to 3% of the Net Asset Value of all Participations so redeemed.

No anti-dilution levy is charged in the event of a transfer through means of redemption and issuance from an Investor to his / her private holding company (the company of which the Investor is the ultimate beneficial owner) or vice versa.

5.3.3 Procedure

Applications for the issue or redemption of Participations should be made by submitting a signed and completed Subscription Form or Redemption Form, as applicable, to the Manager at least 2 Business Days prior to a Transaction Date. Completed Subscription Forms and Redemption Forms are irrevocable once received by the Manager.

Where either (i) the signed and completed Subscription Form or Redemption Form (as applicable) or (ii) the Total Transaction Amount for the subscribed Participations has not been received on time, the issue or redemption of Participations (as applicable) shall be delayed until the following Transaction Date. In such circumstances, the Net Asset Value per Participation on the following Transaction Date shall be the basis for the calculation of the Transaction Price for any Participations issued or redeemed as per that Transaction Date.

Notwithstanding the preceding paragraph, the Manager accepts Subscription Forms in case of overdue payment, provided that the Total Transaction Amount has been received by 5:00 p.m. (CET) on the Business Day prior to the Transaction Date in respect of which the Participations are proposed to be issued.

Subscriptions

Payment of the Total Transaction Amount must be received in the Class Currency in the bank account of the Title Holder as specified on the Subscription Form at least 2 Business Days prior to the relevant Transaction Date (please refer to the Subscription Form for further payment details and instructions).

The Manager reserves the right to accept or reject an application for the issue of Participations in whole or in part at its absolute discretion. When an application is rejected, the amount paid on application or the balance thereof will be returned (without interest) as soon as practicable.

Redemptions

The Total Transaction Amount will be paid to the redeeming Investor within 3 Business Days after the applicable Transaction Date subject to exceptional circumstances, in which case the consideration will be paid at the earliest possible Business Day thereafter.

A request for a partial redemption of Participations may be rejected, or the holding of Participations of the requesting Investor may, at the discretion of the Manager, be redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Participations retained by the Investor would be less than 100,000 Euro (or the equivalent value in another currency).

5.3.4 Limitation of redemptions

In order to facilitate the orderly liquidation of the Fund Assets and protect the interests of the Investors, the Manager reserves the right to limit the aggregate amount of redemptions on any one Transaction Date to a maximum of 10% of the Net Asset Value as per such Transaction Date. In this case, the number of Participations to be redeemed per Investor will be pro rata the total number of Participations offered for redemption on the relevant Transaction Date. Any Participations that have not been redeemed as a result of such scale down, shall be offered for redemption on the following Transaction Date on a pro rata basis alongside subsequent redemption requests and shall be subject to the same limitations.

Notwithstanding the above, the Manager shall safeguard that the Fund will have sufficient liquid assets to ensure that the Fund is able to redeem Participations as requested by its Investors.

5.3.5 Suspension of redemptions

The Manager may suspend the redemption of Participations if:

- (a) the calculation of the Net Asset Value has been suspended (see Section 7 below);

- (b) the transfer of funds realised from the sale of Fund Assets cannot, in the sole opinion of the Manager, be effected at normal rates of exchange;
- (c) relevant exchanges are not open for business or the sale of Fund Assets is otherwise restricted or suspended;
- (d) a state of affairs exists which constitutes a state of emergency as a result of which the sale of Fund Assets would, in the sole opinion of the Manager, not be practical or would negatively affect the interests of other Investors;
- (e) the Investor did not act in compliance with applicable legislation or the Terms and Conditions;
- (f) the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained; or
- (g) any other extraordinary circumstances occur that require the protection of interests of the Investors.

Any decision to suspend redemptions will be published immediately on the Website. As soon as the suspension is lifted by the Manager, any redemption requests made during such suspension shall be promptly dealt with in accordance with this Section, notwithstanding the right of the Manager to limit the aggregate maximum redemption amount as set forth in Section 5.3.4 above.

5.4 Mandatory redemption of Participations

The Manager and the Title Holder shall under certain extraordinary circumstances as set forth in the Terms and Conditions and with due regard to the general provisions and conditions relating to redemption of Participations be entitled to redeem all Participations of any Investor.

All Participations owned by an Investor will be redeemed automatically as per the Business Day preceding the date that the Investor's participation in the Fund would have a negative effect on the tax status of the Fund.

5.5 Investor representations and warranties and prevention of money laundering

5.5.1 Representations and warranties

The Subscription Form requires each applicant for Participations to make certain representations and warranties to the Title Holder and the Manager.

Persons subscribing on behalf of others, such as nominees, securities giros and feeder and custody entities, will need to make to the Manager and the Title Holder in an addendum to the Subscription Form certain additional representations, including but not limited to compliance with Customer Due Diligence (CDD) and anti-money laundering (AML) rules.

5.5.2 Prevention of money laundering and financing of terrorism

Legal and regulatory measures aimed at the prevention of money laundering and financing of terrorism require that each applicant for Participations provides evidence of its identity. The procedure used for identifying prospective Investors is as set out in the Subscription Form and is in compliance with the Money Laundering and Terrorist Financing (Prevention) Act (Wwft).

Subscriptions made in violation with the applicable client identification and anti-money laundering requirements may result in the rejection of the subscription. Investors should be aware that any amount paid to the Title Holder will be at risk once it has been invested in the Fund and that in case of a rejection of the subscription the amount paid may not be fully recoverable from the Fund.

6. COSTS AND EXPENSES

6.1 Introduction

This Section discusses all costs and expenses which will be paid by, or charged to, the Fund.

This Section does not refer to costs and fees charged to the Investors by the Fund upon a subscription or redemption of Participations (for these costs and fees see Section 5.3.2 above) or by their own service providers in connection with an investment in or divestment from the Fund (like fees and costs charged to an Investor by its advisers, banks or brokers).

All amounts and percentages mentioned in this Section are exclusive of Dutch or foreign value added tax ("VAT"), if due. The Fund cannot deduct VAT, if any, charged to the Fund.

In case the Net Asset Value calculation is suspended, the last known Net Asset Value will be used to calculate the fees described below.

6.2 Cost categories

6.2.1 Management Fee

The Manager charges each Class a Management Fee equal to the percentage of the Net Asset Value per Class as set out in the relevant Class Details, excluding (i.e. before deduction of) any accrued Management Fee.

The Management Fee will accrue based on the Net Asset Value per Business Day and will be payable by the Fund monthly, in arrears.

A Management Fee of 1.15% will be charged on the Class A Participations.

For the avoidance of doubt, the Fund shall not bear the cost of remunerating any employee of the Manager or any of its Affiliates, marketing, office rental, utilities, ICT, data or office equipment or other overhead or travel costs of any of their respective personnel, it being acknowledged that the Management Fee is intended to compensate the Manager for such costs. Return commission and distribution fees to third parties, if any, will be borne by the Manager and will not be charged to the Fund.

Under present Dutch tax legislation, the Management Fee due to the Manager is exempt from Dutch VAT as it is a reimbursement for the management of assets pooled for the purpose of collective investment. Applicable legislation or case law may change after the date of this Prospectus and such changes may have retroactive effect.

6.2.2 Performance Fee

If so provided for in the Class Details, the Manager will be entitled to receive a Performance Fee. No Performance Fee will be charged on the Class A Participations.

6.2.3 *Operational Service Fee*

The Manager charges an Operational Service Fee to the Fund covering the Fund's ordinary operational costs and the Fund's expenses, including, without limitation, all costs relating to (i) legal, tax, administrative, auditing, reporting and similar services and advice received by the Fund, (ii) the supervision of the Fund, (iii) Meetings and (iv) the establishment of the Fund (the latter to be capitalised and depreciated in accordance with Dutch GAAP in the first 5 years). This Operational Service Fee is in addition to the Management Fee and any performance-related fees of the Manager and does not include extraordinary operational expenses of the Fund in exceptional or unforeseen circumstances.

The Operational Service Fee will accrue based on the Net Asset Value per Business Day and will be payable by the Fund monthly, in arrears. The annual Operational Service Fee shall be equal to the sum of (i) 0.25% of the portion of the Fund's Net Asset Value up to 250 million Euro and (ii) 0.20% of the portion of the Fund's Net Asset Value which exceeds 250 million Euro.

6.2.4 *Transaction costs*

The Manager will select brokers on the basis of various considerations such as quality, promptness of performance of services and fee rates. The Fund shall not engage brokers whose fee rates exceed market standard rates. All transaction costs shall be borne by the Fund.

6.2.5 *Total expense ratio*

The total expense ratio (TER), also known as the ongoing charges ratio, is the total amount of the costs of the Fund incurred in a year – except for transaction costs, interest costs and costs related to the issue and redemption of Participations that are chargeable to the net assets of the Fund – expressed as a percentage of the Fund's average Net Asset Value for the year concerned. The TER in respect of each Class shall not exceed the relevant percentage set forth in the Class Details. The TER with respect to the Class A Participations shall not exceed 1.40% provided no purchase or redemption has been made in which case an anti-dilution levy applies with a maximum of 0.5% of the Net Asset Value. The TER will be published annually in the Fund's annual accounts.

6.2.6 *Other costs*

The Fund may invest in listed holding companies whose main activity is investing in other companies. Any costs or Management fee incurred as a result of such investment is not included in the Operational Service Fee. It is included in the stock market value of the holding company.

7. VALUATION, REPORTING AND INFORMATION DISCLOSURE

7.1 Valuation principles

The Manager or, if appointed, the valuator, shall value the Fund Assets and Fund Obligations in accordance with Dutch GAAP and, where more specific, certain valuation methods set forth in the Terms and Conditions. Securities listed on a stock exchange shall be valued at the most recent price delivered by reputable data vendors, including Bloomberg and Reuters.

At its sole discretion, the Manager may use different valuation methods under exceptional market circumstances, such as highly volatile markets where a lack of liquidity causes extreme distortions. Any adjustment must be in the best interests of the Investors.

The Net Asset Value per Class shall be calculated by attributing the Net Asset Value of the Fund to the Classes and applying the specifics per Class. The value of a single Participation of a certain Class shall at any time be equal to the relevant Net Asset Value per Class, divided by the number of Participations of the Class outstanding at such time. The Net Asset Value per Participation per Class is calculated before 10:00 a.m. (CET) on every Business Day and shall be published on the Website.

Investors who suffer a loss caused by the acquisition or disposition of Participations at an incorrect Net Asset Value per Participation, caused by a calculation error, have the right to claim compensation from the Manager. For an Investor to be entitled to claim compensation, the error relative to the actual Net Asset Value per Participation should exceed 1%.

7.2 Reporting and information disclosure to Investors

7.2.1 Financial year

The financial year of the Fund shall begin on the first day of January and end on the thirty-first day of December of the same calendar year.

7.2.2 Reporting on Net Asset Value

On each Business Day the Manager, or, if appointed, a valuator, shall determine the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Participation. The Net Asset Value shall be expressed in the Class Currency and be determined in accordance with the Fund's valuation principles referred to above.

The Manager may suspend the calculation of the Net Asset Value if:

- a) one or more stock exchanges on which Fund Assets are listed are closed on days other than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;

- b) the communication systems normally used to determine the Net Asset Value no longer function or if, for any other reason, the value of a Fund Asset or Fund Obligation, cannot be determined;
- c) there are factors relating to the political, economic, military or monetary situation that make it impossible for the Manager to determine the Net Asset Value;
- d) restrictions on the free flow of capital or currency restrictions prevent (an orderly) execution of transactions on behalf of the Fund; or
- e) a resolution to liquidate the Fund is passed.

When the Manager is unable to determine the Net Asset Value, this will be published on the Website.

7.2.3 Reporting

On each Business Day the Manager shall determine and publish on the Website, the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Participation. The Net Asset Value shall be expressed in the Class Currency.

Within 10 Business Days following the last day in each calendar month the Manager shall make a fact sheet available to each Investor.

Within 15 Business Days following the end of each calendar quarter the Manager shall make a quarterly report available to each Investor.

The financial year of the Fund shall begin on the first day of January and end on the thirty-first day of December of the same calendar year. Within 5 months after the end of each financial year of the Fund, the Manager shall, in accordance with the applicable legal requirements, publish the Fund's annual accounts (consisting of at least a balance sheet, profit and loss account and explanatory notes) and an annual report. The annual accounts shall be drawn up in accordance with Dutch GAAP and shall be audited by the Auditor. The Auditor shall provide the Manager with a copy of its annual auditor's report, which shall include, *inter alia*, details of other work that it has performed for the Fund. The auditor's report shall be added to the annual accounts.

The annual report shall include at least:

- a) the financial accounts; and
- b) a report of the Manager on the Fund's activities during the expired financial year.

The Manager will make available copies of the financial statements, Manager's report and auditor's report free of charge to each Investor, notwithstanding its compliance with other publication requirements under applicable laws.

7.2.4 Information disclosure

In addition, the Manager will as soon as reasonably practicable after a relevant change has occurred disclose to the Investors:

- any new arrangements for managing the liquidity of the Fund; and
- the current risk profile for the Fund and the risk management systems employed by the Manager to manage those risks.

7.2.5 Other information

The Manager's Terms and Conditions shall be made available to the Investors at the Manager's office and shall be published on the Website. A copy of the Terms and Conditions may be requested free of charge from the Manager.

Information on the Manager, the Title Holder, the Depositary and the Fund as required by law being available from the Trade Register (*Handelsregister*) may be requested from the Manager against cost price.



8. PROFIT DISTRIBUTION POLICY

Frequent and regular distributions of Net Proceeds by the Fund are not intended. Such Net Proceeds will in principle be re-invested. The Manager may at its sole discretion, notwithstanding the Manager's obligation to treat Investors equally and fairly who are in comparable circumstances, distribute Net Proceeds at any time. The Manager may be in a position to distribute Net Proceeds when it is of the opinion that there are insufficient suitable investment opportunities available for the Fund Objectives to be achieved.

Details of any distribution made to the Investors, including the composition of such distribution and manner of payment thereof, shall be published on the Website.

9. LEGAL AND REGULATORY STRUCTURE

9.1 Legal structure of the Fund

9.1.1 *Legal form*

The Fund is a fund for joint account (*fonds voor gemene rekening*) organised and established under Dutch law.

Under Dutch law the Fund is not a legal entity nor a partnership, commercial partnership or limited partnership, but a contractual arrangement *sui generis* between the Manager, the Title Holder and each of the Investors separately, governing the assets and liabilities acquired or assumed by the Title Holder for the account and risk of the Investors.

The Fund has its principal offices at the offices of the Manager at De Cuserstraat 87, 1081 CN Amsterdam, the Netherlands. In view of its legal form of a fund for joint account the Fund is not eligible for registration in the Trade Register.

The Fund has been established by the adoption of its Terms and Conditions by agreement between the Manager and the Title Holder and the subsequent admission of the first Investor on 4 July 2014.

The Fund will be managed by the Manager. The assets, rights and obligations of the Fund will be held by the Title Holder and/or, subject to the decision of the Manager and the Title Holder, by one or more sub-Title Holders. The Investors will invest in the Fund as Investors and will as such acquire Participations in the Fund.

9.1.2 *Classes of Participations*

The Manager may at its sole discretion decide to create different Classes of Participations in the Fund. Each Class may differentiate as to the currency of denomination and/or fee structure. The specifics of each Class shall be set forth in a separate annex to the Terms and Conditions.

Currently, the Fund will issue only Class A Participations, though the Manager may at any time decide to create and issue a new Class of Participations.

9.1.3 *Term and termination of the Fund*

The Fund has been established for an indefinite period of time. The Fund shall terminate early on certain grounds specified in the Terms and Conditions.

9.1.4 *Liquidation*

Upon termination of the Fund, no further business shall be conducted except for such action necessary for the winding up of the affairs of the Fund. The balance left after the liquidation shall be paid, in cash or in kind, to the Investors (pro rata to the numbers of Participations held by them, against cancellation of these Participations).

9.2 Key Fund documents. Governing law and jurisdiction

The key documents governing the Fund will be:

- a) the Terms and Conditions.

The Terms and Conditions represent the key organisational document of the Fund and *inter alia* set forth the agreement between the Manager and the Title Holder concerning the management and custody on behalf of the Fund.

- b) this Prospectus;
- c) the Subscription Form between the Manager, the Title Holder and each Investor in the Fund; and
- d) the Redemption Form.

The key documents will be governed by Dutch law. The competent Dutch courts will have exclusive jurisdiction to settle any claims, actions or disputes arising out or in connection with the key documents. Upon request the Manager will make copies of the Terms and Conditions available to each Investor free of charge.

9.3 Amendment of the Terms and Conditions and this Prospectus

The Terms and Conditions and this Prospectus may be amended pursuant to a joint resolution of the Title Holder and the Manager. The Manager shall notify the Investors of an envisaged amendment by publishing the envisaged amendment, together with an explanatory note, on the Website.

An amendment of the Terms and Conditions and/or this Prospectus does not become effective for the Investors until 1 month after the date of the notice given. During this period of 1 month the Investors have the right to redeem their Participations under the ordinary conditions set forth in the Terms and Conditions and this Prospectus.

9.4 Regulatory position of the Fund

9.4.1 Existing position

The Manager holds a license as manager of investment institutions (*beheerder van een beleggingsinstelling*) within the meaning of Article 2:65(a) FMSA, issued by the AFM.

9.4.2 Envisaged changes

A worldwide investment management regulatory climate exists in which, during the existence of the Fund, additional and/or amended legislation and regulations relating to the supervision on investment funds such as the Fund and managers such as the Manager may come into force.



The Manager may amend the Fund documents, if the Manager reasonably determines that such regulatory change has a material adverse effect on the Fund and/or the Manager, such that (i) the material adverse effect of the applicable change is removed or mitigated, and (ii) the Fund shall bear its reasonable allocable portion of the costs in relation to the implementation of and compliance with the change (it being understood such allocation is in principle determined on the basis of the percentage of assets managed through the Fund in proportion to the total assets under management of all funds managed by the Manager).

9.5 Latest Net Asset Value and performance

The Net Asset Value and the historical performance of the Fund may be found at <https://silvercross-im.com/performance/>.

10. CERTAIN TAXATION ASPECTS

10.1 Dutch taxation aspects

10.1.1 Introduction

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to an Investor, and does not purport to deal with the tax consequences applicable to all categories of Investors. Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Participations.

10.1.2 Taxation of the Fund

The Fund is transparent for Dutch corporate income tax purposes. As a consequence, the Fund is not subject to Dutch corporate income tax. Distributions by the Fund (if any) are not subject to Dutch dividend withholding tax.

10.2 Taxation of Investors

10.2.1 Dutch resident Investors

Investors who are individuals and are resident or deemed to be resident in the Netherlands, or who have elected to be treated as a Dutch resident Investor for Dutch tax purposes will generally be taxed annually on their net investment assets including the value of their Participation(s), on the basis of a fictitious return in three return classes, at a rate of 30%, regardless of whether any distributions are received or any capital gains are realised with respect to the Participation(s), provided the Participation(s) are held as a portfolio investment and not, for instance in the context of any business.

Corporate and institutional Investors that are resident or deemed to be resident in the Netherlands, without being exempt from Dutch corporate income tax, will be subject to Dutch corporate income tax on all income and gains realised in connection with the Participations. As the Fund is transparent for Dutch corporate income tax purposes, such income and gains will consist of any income derived and any gain realised in respect of the Investments in proportion to the Investor's participation in the Fund.

Due to the transparency of the Fund for Dutch corporate income tax purposes, changes of the proportional interest of an Investor e.g. as a result of a new Investor investing in the Fund may lead to a realisation of capital gains for Dutch corporate income tax purposes.

Dutch tax resident Investors, whether private individual, corporate or institutional, may, depending on the source country of the relevant Investment and the interpretation of any applicable tax treaty between such country and the Netherlands, benefit from

certain exemptions and/or reductions from withholding and capital gains tax relating to the Investments. Any remaining withholding tax at the level of the Investments is generally creditable to Dutch resident private individual Investors and corporate and institutional Investors that are subject to Dutch corporate income tax.

10.2.2 Non-Dutch resident Investors

Non-Dutch resident Investors normally will not be subject to Dutch income or corporate taxation with respect to income or capital gains realised in connection with a Participation, unless there is a specific connection with the Netherlands, such as an enterprise or part thereof which is carried on through a permanent establishment in the Netherlands. For an Investor holding the Participations in the context of an enterprise it cannot be ruled out that a permanent establishment is deemed to exist.

An Investor will not become resident or deemed to be resident in the Netherlands by reason only of the holding of a Participation.

11. RISK FACTORS

11.1 Introduction

Like all investment funds that invest in listed stocks, the Fund shall take investment risks. It is possible to lose money by investing in the Fund. There can be no assurance that the Manager will be successful in finding suitable investments, which may subsequently have a significant detrimental effect on its ability to achieve its Fund Objectives. Prospective Investors should carefully, among other things, consider the non-exhaustive list of risks mentioned in this section, consult with their professional advisers and rely upon their own investigation of risk factors associated with an Investment in the Fund.

11.2 Principal risks relating to the Fund

11.2.1 Market risk

Stock markets will rise and fall as a result of many factors, including but not limited to changing expectations of or news relating to companies or economies, political and monetary developments or other events. The stocks in which the Fund invests are exposed to these factors and their value is expected to fluctuate over time.

11.2.2 Concentration risk

Consistent with its investment policies, the Fund may limit the number of Investments it makes, leading to a relatively concentrated portfolio. As a result, any positive or adverse development in an individual Investment may have a significant influence on the value of the Fund.

11.2.3 Lack of liquidity

The Fund invests in assets with a liquid nature, but cannot guarantee that liquidity will at all times be available and sufficient. This may cause inability to sell Investments, or at a substantial lower price. In order to ensure a reasonable liquidity of the assets, the investment restrictions of the Fund include the restriction that a company is considered to have a market capitalisation of between EUR 250 million and EUR 5 billion at the time of initial purchase.

The Manager furthermore closely monitors liquidity of the Fund. Under certain market conditions, all or some of the Fund's Investments may become partially or completely illiquid. If the Manager observes or expects a liquidity shortage based upon the monitoring, the Manager applies the following mitigating measures and actions to prevent liquidity shortage and to protect the interests of Investors:

- the Manager shall apply a limitation on the amount of redemptions. Details of the relevant limitations on redemption are mentioned in Section 5.3.4. The Manager can (also) apply this measure in the circumstances as described in Section 5.3.5;

- the Manager shall suspend any redemptions, if the limitation on redemptions is breached, or in case of severe or exceptional circumstances in which a large group of Investors might redeem their investments; or
- the Manager can reconstruct the portfolio to alter the liquidity profile, as long as this is achieved within the boundaries of the investment strategy. This can be done by interchanging less-liquid assets for liquid assets or vice versa.

11.2.4 International investing

Investment results may be adversely affected by developments in countries in which the Fund's Investments or counterparties are located. This may have a significant detrimental effect on valuations of securities held by the Fund. Such developments include, without limitation: currency exchange rate fluctuations; high inflation rates; less liquidity in traded securities; limited available public information about the issuers of securities; less developed regulatory standards; less developed accounting, auditing and financial reporting standards; war; civil unrest; political instability; acts of terrorism; expropriation and nationalisation; and inability to transfer moneys cross-border or convert money to hard currency.

11.2.5 Emerging markets

The Fund may from time to time invest in emerging market securities, which may lead to additional risks being encountered when compared with investments in developed markets.

Investment in emerging market securities involves a greater degree of risk than an investment in securities of issuers based in developed countries. Among other things, developing market securities investments may, in addition to the risks described in Section 11.2.4 above carry the risks of more volatile markets and less favourable tax provisions. In addition, the investment opportunities of the relevant portfolio in certain emerging markets may be restricted by legal limits on foreign investment in local securities.

Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale. In addition, settlement of trades in some emerging markets may be slower and subject to a greater risk of failure than for markets in developed countries.

11.2.6 Currency risk

International securities are frequently denominated and traded in foreign currencies, while the Fund Assets and Fund Obligations are valued in the relevant Class Currency. Exchange rates between currencies fluctuate continuously. As a result, the value of the Fund's non-base currency Investments will be impacted positively or negatively. The Fund may have a significant portion of its assets invested in securities

denominated in foreign currencies, and consequently the Fund may be subject to the risk of currency fluctuations.

11.2.7 Counterparty risk

The Fund will be subject to the risk of the inability or refusal of dealers, brokers, Depositaries, payment, principals or other service providers or other counterparties to its transactions, to perform or to perform in time under such services or transactions. Any such failure, refusal or delay, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. The Fund will seek to mitigate these risks by careful selection of its service providers and counterparties and only entering into transactions with those parties that the Fund believes to be creditworthy and reliable.

11.2.8 Redemption risk

The Fund, like all open-ended funds, pools the Investments of many Investors. Actions by one or more Investors may have an impact on the Fund's Net Asset Value. For example, redemptions may cause the Fund to dispose of assets earlier than anticipated or under less favourable market conditions than the Fund would otherwise have disposed of such assets, which in turn could be detrimental to the achievement of its investment objectives. On the other hand, significant levels of new subscriptions to the Fund's Participations may cause the Fund to have more cash than would otherwise be the case, leading to a positive or negative impact on the Net Asset Value. Redemption risk may correlate with liquidity risk, as an increase in redemptions may lead to an increase in illiquidity. The Manager may suspend redemptions in certain circumstances.

11.3 Risks relating to the Manager and key personnel

The success of the Fund is dependent on the expertise of the key investment managers and other key personnel of the Manager. The success of the Fund will depend largely on its continued access to the expertise of key personnel. The loss of one or more such individuals may have a material adverse effect on the performance of the Fund. Moreover, no assurance can be given that the Manager will be able to hire suitable replacement personnel.

11.4 Risks relating to the Title Holder

Due to the insolvency, negligence or fraudulent actions of the Title Holder, its officers or employees or third parties used for the custody of assets of the Fund, the value of Participations may decline.

11.5 Risks relating to the Fund

11.5.1 Changing legislation

The regulatory and tax environment for investment funds is evolving and changes therein may adversely affect both the Fund's ability to pursue its investment strategy

and the value of its Investments. The effect of any future regulatory or tax change on the Fund is impossible to predict.

Unclear rules and regulations may result in a breach of rules and regulations applicable to the Fund. Resulting fines and other sanctions and possible damage to the reputation of the Fund, the Manager and other connected persons may result in a negative impact on the Net Asset Value of the Fund and the Participations.

11.5.2 *Operational risk*

The risk of loss resulting from inadequate or failed internal processes, people and systems or external events. This may include business continuity issues.

11.5.3 *Compliance risk*

The risk of impairment of the Manager's and Fund's integrity. This involves a failure to comply with the Manager's and Fund's internal standards and rules of conduct, applicable laws, regulations, related self-regulatory codes, or external codes of conduct applicable to their activities, which could damage their reputation and may lead to legal or regulatory sanctions and/or financial loss.

11.5.4 *Partnership risk*

The Fund is structured as a fund for joint account (*fonds voor gemene rekening*). The Terms and Conditions provide that the parties to the Terms and Conditions do not intend to establish a partnership (*maatschap or vennootschap onder firma*) or limited partnership (*commanditaire vennootschap*), that the Investors do not intend to cooperate with each other and that an Investor's obligation to pay a consideration for Participations to be issued is a commitment to the Title Holder and not a contribution or commitment to make a contribution within the meaning of title 7A.9 of the Dutch Civil Code.

Currently, uncertainty exists if funds for joint account in general can be qualified as a partnership or limited partnership. Though the Manager believes that the Fund, in view of its above-mentioned characteristics, cannot be qualified as a partnership, it cannot be fully excluded that a court would under circumstances qualify the Fund as a partnership.

If the Fund would be qualified as a partnership it is unlikely that the provision in the Terms and Conditions that the Investors are not liable for the Fund Obligations can be invoked against third parties. For this reason, the Manager will in principle insert in all material agreements entered into by or on behalf of the Fund provisions limiting the recourse rights of the counterparties under these agreements to the assets held by the Title Holder on behalf of the Fund.

11.5.5 *Restrictions on transfers and potential illiquidity of Participations*

Participations may not be registered under any securities laws and, therefore, cannot be resold unless they are subsequently registered under such laws or regulations

thereunder. Participations are also subject to restrictions on their transferability under the Terms and Conditions. There is no public market for the Participations and none is expected to develop.

11.5.6 Limited rights of Investors

The Manager has exclusive authority for managing all operations of the Fund. Investors cannot exercise any management or control functions with respect to the Fund's operations, although they have limited voting rights in certain organisational respects as set forth in the Terms and Conditions.

11.5.7 Other clients

The Manager and/or Affiliates of the Manager may manage or advise clients or investment funds other than the Fund. Although the Manager intends to manage potential and actual conflicts of interest issues in good faith in compliance with the Manager's conflicts of interest policy, there can be no assurance that such conflicts of interest may be resolved in the best interests of the Fund should they arise.

11.5.8 Diverse Investor base

The Manager will consider the Investment, tax and other interests of the Fund and its Investors as a whole, not the Investment, tax or other interests of any Investor individually.

11.6 Risks relating to conflicts of interest

In the business and operations of the Fund, conflicts of interest may arise in respect of investment and divestment transactions, the hiring of service providers as well as other transactions. The Manager's organisational documents will provide for provisions safeguarding the appropriate equitable solution of such conflict of interest situation. The Manager's policy is to avoid any conflicts of interest as much as possible. Where a conflict is inevitable which may have a negative impact on the Fund or the Investors, the Manager's will use its best efforts to mitigate and manage the conflict in the best possible way for whereby the interests of the Fund and the Investors prevail. A conflict which cannot be mitigated fully, will be disclosed to Investors.



12. SELLING RESTRICTIONS

The distribution of this Prospectus and the offer, sale and delivery of the Participations in certain jurisdictions may be restricted by law. No action has been or will be taken to permit the distribution of this Prospectus in any jurisdiction where any action would be required for such purpose or where distribution of this Prospectus would be unlawful.

13. DECLARATION OF THE MANAGER

The Manager is responsible for the accuracy and completeness of the information contained in this Prospectus. The Manager is of the opinion, that this Prospectus contains all information described in Section 4:37I FMSA and Section 115j Decree on Conduct of Business Supervisions of Financial Undertakings (“Besluit Gedragstoezicht financiële ondernemingen”).

This Prospectus is up to date as of July 9, 2019. According to the Manager, the Prospectus contains at least the information necessary in order for a prospective Investor to make a judgement of the Fund and the associated costs and risks.

Amsterdam, July 9, 2019

The Manager

IBS Fund Management B.V.

14. ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

Assurance report of the independent auditor

To: the Board of Directors of IBS Fund Management B.V.

Our opinion

We have examined the prospectus of SilverCross Global Small-Cap Fund at Amsterdam.

In our opinion the prospectus dated 9 July 2019 of SilverCross Global Small-Cap Fund contains, in all material respects, at least the information required by or pursuant to the Wet op het financieel toezicht (Wft, Act on Financial Supervision) for a prospectus of an alternative investment fund offered only to professional investors.

Basis for our opinion

We performed our examination in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). This engagement is aimed to obtain reasonable assurance. Our responsibilities in this regard are further described in the 'Our responsibilities for the examination of the prospectus' section of our report.

We are independent of SilverCross Global Small-Cap Fund in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in The Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Relevant matters relating to the scope of our examination

Our examination consists of verifying that the prospectus contains the required information, which means we did not examine the accuracy of the information included in the prospectus.

Our opinion is not modified in respect of this matter.

Responsibilities of the manager for the prospectus

The manager is responsible for the preparation of the prospectus that contains at least the information required by or pursuant to the Wft for a prospectus of an alternative investment fund.

Furthermore, the manager is responsible for such internal control as it determines is necessary to enable the preparation of the prospectus that is free from material omission, whether due to error or fraud.

Our responsibilities for the examination of the prospectus

Our responsibility is to plan and perform our examination in a manner that allows us to obtain sufficient and appropriate assurance evidence for our opinion.

Our examination has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material omissions in the prospectus due to error and fraud.

We apply the 'Nadere voorschriften kwaliteitssystemen' (NVKS, regulations for quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our examination included amongst others:

- identifying and assessing the risks of material omissions of information required by or pursuant to the Wft in the prospectus, whether due to errors or fraud, designing and performing assurance procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material omission resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the manager of the fund.

Utrecht, 9 July 2019

KPMG Accountants N.V.

G.J. Hoeve RA



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management



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TERMS AND CONDITIONS
SILVERCROSS GLOBAL SMALL-CAP FUND

As of July 9, 2019

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TERMS AND CONDITIONS of the SilverCross Global Small-Cap Fund as initially adopted on 4 July 2014, and most recently amended on July 9, 2019, by IBS Fund Management B.V. (formerly known as: SilverCross Investment Management B.V.) as the Fund's Manager and Stichting Bewaarder Silvercross as the Fund's Title Holder.

Definitions

1.1 In these Terms and Conditions the following capitalised terms shall have the following meanings:

"Administrator"	KAS BANK N.V., or such other administrator of the Fund as may be appointed from time to time in accordance with these Terms and Conditions;
"Affiliate"	a person directly or indirectly controlling or controlled by or under common control with the party at issue; "control" and any derivative thereof, for the purpose of the definition of Affiliate – in respect of an entity the right: (i) to exercise the majority of the voting rights in the meeting of shareholders (or similar meeting of investors, partners or other owners) of such entity; (ii) to appoint the majority of the members of the body in charge of the day-to-day business of such entity; or (iii) to determine the policy and strategy of such entity;
"AFM"	the Dutch Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>);
"AIFM Directive"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, as amended from time to time;
"Annex"	an annex to these Terms and Conditions;
"Anti-Dilution Levy"	the charge by which the Subscription Price or Redemption Price is increased or decreased respectively, which is determined by the Manager in accordance with Article 05 and will be for the benefit of the Fund;
"Article"	an article of these Terms and Conditions;
"Auditor"	Mazars Paardekooper Hoffman N.V. or such other registered accountant or other expert as referred to in section 2:393 subsection 1 of the Dutch Civil Code

"Board"	charged with the audit of the Fund's financial reports as appointed from time to time by the Manager; the statutory management board (<i>statutair bestuur</i>) of the Manager;
"Business Day"	any day on which banks are generally open for business in the Netherlands;
"Class"	a class of Participations in the Fund, each class representing a proportionate right to the Fund Assets and Fund Obligations (pro rata to the relevant Net Asset Value per Class) and having a different fee structure and/or currency of denomination. The specifics of each Class are set forth in the relevant Class Details;
"Class Currency"	the currency of a Class as specified in the Class Details;
"Class Details"	the document containing the specifics of a Class, for each Class included in a separate annex to these Terms and Conditions;
"Culpable Behaviour"	gross negligence, wilful default (<i>opzet</i>), culpable material breach (<i>verwijtbare materiële tekortkoming</i>) of Fund-related agreements or fraud;
"Depositary"	the depositary of the Fund, or such other person or entity permitted to act as depositary in the aforementioned meaning, as appointed from time to time by the Manager;
"Depositary Agreement"	the agreement between the Depositary and the Manager (also acting on behalf of the Fund and the Investors) setting forth the appointment by the Manager of the Depositary as the depositary of the Fund and regulating <i>inter alia</i> the flow of information deemed necessary to allow the Depositary to perform its functions for the Fund;
"DNB"	De Nederlandsche Bank N.V.;
"Dutch GAAP"	the Generally Accepted Accounting Principles in the Netherlands;
"ESG"	environmental, social and governance, as ordinarily used for socially responsible investment;
"EUR" or "Euro"	the Euro, the single currency of the participating member states of the European Union;
"FMSA"	the Dutch Financial Markets Supervision Act (<i>Wet op het financieel toezicht</i>) and any other governmental rules and regulations based thereon;

"Fund"	the aggregate of the Fund Assets and the Fund Obligations, in which monies or other assets are called or received for the purpose of collective investment by the Investors, as governed by these Terms and Conditions;
"Fund Assets"	all types of listed securities and cash, that are held by the Title Holder in its own name for the account and risk of the Investors in connection with the Fund;
"Fund Documents"	these Terms and Conditions and the Prospectus and the Subscription Form between the Manager, the Title Holder and each Investor in the Fund;
"Fund Objectives"	the objectives of the Fund, as set out in Article 4.1 and Annex 1;
"Fund Obligations"	the obligations which the Title Holder (or the Manager in the name of and on behalf of the Title Holder) assumes and/or incurs in its own name for the account and risk of the Investors in connection with the Fund and any obligation assumed and/or incurred in accordance with Article 0;
"Indemnified Person"	any person entitled to be indemnified at the charge of the Fund in accordance with the provisions of Article 0;
"Investment"	any investment made by the Fund;
"Investment Restrictions"	the investment restrictions to be observed by the Fund, as set out in Annex 1;
"Investment Strategy"	the investment strategy to be observed by the Fund, as set out in Annex 1;
"Investor"	a person who participates in the Fund in accordance with its Subscription Form and these Terms and Conditions;
"Management Fee"	the fee due by the Fund to the Manager as remuneration for its management of the Fund as specified in the Class Details;
"Manager"	IBS Fund Management B.V., a private limited liability company under the laws of the Netherlands, having its official seat in Amsterdam and its principal offices in Amsterdam, the Netherlands, being the Manager of the Fund, or such other manager as may be appointed from time to time in accordance with these Terms and Conditions;
"Maximum TER"	the maximum TER in respect of a Class as specified in the Class Details;

"Meeting"	a meeting of Investors;
"Net Asset Value"	the total aggregate value of the Fund Assets less the value of the Fund Obligations, measured in accordance with the provisions of Article 19;
"Net Asset Value per Class"	the Net Asset Value attributable to a Class;
"Net Asset Value per Participation"	the relevant Net Asset Value per Class divided by the number of Participations in issue within such Class;
"Net Proceeds"	all dividend and interest income, all divestment and redemption proceeds and all other income and proceeds of the Fund, net of taxes, fees, costs and other charges to be borne by the Fund, and after payment of or making reasonable reservation for any obligations and expenses of the Fund;
"Participation"	a unit in which the rights of the Investors to the Net Asset Value have been divided, each Participation of a Class representing an equal interest in the Net Asset Value of such Class without priority or preference of one over the other, on the understanding that the Fund may also issue fractions of Participations, expressed up to four (4) decimals;
"Performance Fee"	the performance-related part of the fee which may be due to the Manager as remuneration for its management of the Fund as specified in the Class Details;
"Prospectus"	the prospectus issued in respect of the Fund, as amended from time to time;
"Redemption Form"	the form through which a request for redemption of Participations is made;
"Redemption Price"	the Net Asset Value per Participation as at the relevant Transaction Date on which the relevant Participation is redeemed;
"Register"	the register in which each Investor's personal details are entered, such as name, address and other contact details, the bank or securities account details on which the Investor wishes to receive payments, tax status and the number of Participations held within a certain Class;
"Subscription Form"	the standard form through which a (prospective) Investor subscribes for Participations and submits itself to the Terms and Conditions;

"Subscription Price"	the Net Asset Value per Participation as at the relevant Transaction Date on which the relevant Participation is issued;
"TER"	the total expense ratio of the Fund, being the total amount of costs incurred by the Fund, excluding transaction costs, interest costs and costs related to the issue and redemption of Participations, expressed as a percentage of the Fund's average Net Asset Value per financial year;
"Terms and Conditions"	the terms and conditions of the Fund set forth herein, including the Annexes, as amended from time to time;
"Title Holder"	Stichting Bewaarder Silvercross, a foundation (<i>stichting</i>) under the laws of the Netherlands having its official seat in Amsterdam and its principal offices at Amsterdam, the Netherlands, being the entity that holds legal title to the Fund Assets and Fund Obligations, or such other entity as may be appointed from time to time in accordance with these Terms and Conditions;
"Total Redemption Amount"	the Redemption Price reduced by any Anti-Dilution Levy and multiplied by the number of Participations redeemed;
"Total Subscription Amount"	the Subscription Price increased by any Anti-Dilution Levy and multiplied by the number of Participations issued;
"Transaction Date"	each Wednesday (or the first Business Day thereafter if stock markets are closed on such Wednesday);
"Valuation Event"	an event that has a material impact on the aggregate value of Fund Assets and Fund Obligations, including but not limited to extremely volatile market conditions;
"Valuator"	the person charged with the valuation of the Fund Assets and Fund Obligations or such other person permitted to be charged with valuation duties in the aforementioned meaning as may be determined from time to time by the Manager; and,
"Website"	Fund: www.silvercross-im.com

- 1.2 Reference in these Terms and Conditions to any law, statute or statutory instrument or governmental regulation shall be deemed to include any modification, amendment, extension or re-enactment thereof.

- 1.3 References in these Terms and Conditions to "persons" are references to companies, corporations, unincorporated associations, partnerships, all other (corporate) entities as well as individuals and natural persons.
- 1.4 In these Terms and Conditions the masculine shall include the feminine and the neuter and the singular shall include the plural and vice versa as the context shall admit or require.
- 1.5 In these Terms and Conditions the headings used are for ease of reference only and shall not be deemed to form any part of these Terms and Conditions.

Name. Legal Form. Tax and regulatory status

- 2.1 The name of the Fund is SilverCross Global Small-Cap Fund.
- 2.2 The Fund is a fund for joint account (*fonds voor gemene rekening*) established and existing under the laws of the Netherlands.
- 2.3 Under Dutch law the Fund is not a legal entity nor a partnership, commercial partnership or limited partnership (*maatschap, vennootschap onder firma or commanditaire vennootschap*), but a contractual arrangement *sui generis* between the Manager, the Title Holder and each of the Investors separately, governing the assets and liabilities acquired or assumed by the Manager or the Title Holder for the account and risk of the Investors.
- 2.4 These Terms and Conditions form part of the contractual relationship existing between the Manager, the Title Holder and each Investor (separately) originating from the execution of the Investor's Subscription Form.
- 2.5 These Terms and Conditions do not form an agreement between any or all Investors among themselves and are not (otherwise) aimed at any cooperation among or between any or all Investors and no provision of these Terms and Conditions shall constitute or be interpreted as constituting any right or obligation existing between any or all Investors *vis-à-vis* each other or as a cooperation agreement between the Manager, the Title Holder and any of the Investors.
- 2.6 An Investor's obligation to pay a consideration for Participations is a commitment to the Title Holder (represented by the Manager) only. This commitment is no contribution or commitment to make a contribution within the meaning of title 7A.9 of the Dutch Civil Code.

- 2.7 The Fund is for Dutch tax purposes a "closed fund for joint account" (*besloten fonds voor gemene rekening*) and is not subject to Dutch corporate income tax or Dutch dividend withholding tax nor intended to be considered an entity subject to taxation on profits, income, gains or capital in any other jurisdiction.
- 2.8 The Fund is an investment institution (*beleggingsinstelling*) as referred to in article 1:1 of the FMSA. The Manager holds a license as manager of investment institutions (*beheerder van een beleggingsinstelling*) within the meaning of article 2:65(a) FMSA, issued by the AFM. The Manager is subject to conduct of business and prudential supervision by the AFM and DNB respectively.

Term

The Fund is formed for an indefinite period of time, but shall terminate early upon the occurrence of any of the events set forth in Article 0.

Fund Objectives, Investment Strategy and Restrictions

- 4.1 The Fund Objectives are, *inter alia*, to select, invest in, hold, manage, realise, exchange or distribute Investments and to carry out all functions and acts in connection therewith in accordance with the Investment Strategy and Investment Restrictions for the purpose of achieving maximum long-term capital growth, all as set out in these Terms and Conditions.
- 4.2 The Fund shall try to achieve the Fund Objectives with due observance of the Investment Strategy and the Investment Restrictions set forth in **Error! Reference source not found.**

Management and administration, Liability of the Manager

- 5.1 The Manager is charged with the entire management and administration of the Fund. The Manager is, subject to these Terms and Conditions, entitled and authorised (i) to acquire and to dispose of Fund Assets and to enter into and assume Fund Obligations in the name of the Title Holder for the account and risk of the Investors, and (ii) to perform any and all other acts in its own name or in the name of the Title Holder for the account and risk of the Investors which are reasonably necessary for or conducive to the attainment of the Fund Objectives. For the purpose as referred to in the previous sentence under (i) and (ii), the Title Holder grants to the Manager the authority to act in the name of the Title Holder.
- 5.2 In the performance of its obligations and in the exercise of its rights, powers and authorities hereunder, the Manager shall act honestly and exercise the standard of care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of managing an investment fund of like character, risk profile and Fund Objectives as the Fund, having regard to the provisions hereof.
- 5.3 In managing and administrating the Fund, the Manager shall act in the best interest of the Investors and the integrity of the markets. The management and administration of the Fund shall be performed for the account and risk of the Investors. Benefits and/or losses resulting therefrom shall consequently be for the benefit of or be borne by the Investors, without prejudice to the provisions of Article 10.5.
- 5.4 The Manager shall only be liable towards the Investors for a loss suffered by them in connection with the performance of its duties and responsibilities if and to the extent that such loss is directly caused by its (i) gross negligence, (ii) wilful default, (iii) culpable material breach of Fund-related agreements or (iv) fraud.
- 5.5 The Manager may delegate certain of its management duties under these Terms and Conditions or to the Administrator one or more third parties provided that the Manager shall exercise reasonable prudence in the selection of such third parties.

Authority to invest and to administer

- 6.1 Subject to the Fund Objectives, the Investment Strategy, the Investment Restrictions and this Article 0, the Manager may invest in any eligible assets and assume eligible obligations. The determination of the Manager as to whether or not the assets and obligations are of a type which may be acquired or held by or on behalf of the Fund in view of the Fund Objectives, Investment Strategy and Investment Restrictions shall be conclusive.
- 6.2 It is the intention that subject only to the Investment Strategy and the Investment Restrictions and the specific restrictions mentioned herein, the Manager shall have the broadest power and authority in making investments consistent with the investment powers herein provided. The Manager shall have sole discretionary power to retain for as long a period as it shall think proper and to manage, convert, exchange, transfer and dispose of the Fund Assets and Fund Obligations. The Manager shall have and may exercise every right and privilege pertaining to management provided that the exercise of such right or privilege is consistent with these Terms and Conditions.
- 6.3 Without limiting the generality of the foregoing, the Manager's powers and authority shall include to, on behalf of the Fund and where appropriate as attorney-in-fact of and in the name of the Title Holder, with full powers of substitution, perform all acts necessary for or conducive to the appropriate management of the Fund, including, without limitation to:
- a) enter into, perform and carry out contracts of any kind necessary or incidental to achievement of the Fund Objectives;
 - b) bring, sue, prosecute, defend, settle or comprise actions at law related to the Fund Objectives;
 - c) employ, retain, replace or otherwise secure or enter into agreements or other undertakings with persons or firms in connection with the management and operation of the Fund, all on such terms and for such consideration as the Manager deems advisable;
 - d) secure the payment of any Fund Obligation by mortgage, charge, pledge or assignment of any interest in all, or any part of, the Fund Assets;
 - e) exercise the statutory and contractual rights attached to or concerning the Investments, such as voting rights and distribution rights; and



- f) engage in any kind of lawful activity, and perform and carry out contracts of any kind, necessary or advisable in connection with the accomplishment of the Fund Objectives.

Conflicts of interest

The Fund will not, directly or indirectly:

- a) enter into any investment, divestment or other business transaction (including, but not limited to, the hiring of service providers) with the Manager, the Title Holder, any Investor or any of its or their Affiliates;
- b) enter into any investment, divestment or other business transaction against non-arm's length terms and conditions; or
- c) enter into any investment, divestment or other business transaction with any other funds managed by the Manager or any of its Affiliates.

Fund Assets and Fund Obligations. The Title Holder

- 8.1 All Investments and other Fund Assets shall be legally owned by and will be administered in the name of the Title Holder. All Fund Obligations shall be assumed by the Title Holder as debtor. All agreements of the Fund shall be entered into in the name of the Title Holder based on a power of attorney issued by the Title Holder to the Manager.
- 8.2 The Title Holder shall acquire and hold the Fund Assets for the purpose of management and custody for the account and risk of the Investors and will receive any income and proceeds on or originating from Fund Assets paid to it by a Depositary or the underlying obligor in a capacity of agent, nominee or otherwise on behalf and for the benefit of the Investors.
- 8.3 The Title Holder shall assume the Fund Obligations in its own name for the account and risk of the Investors, as qualified by these Terms and Conditions and without prejudice to the provisions of Article 0.
- 8.4 The Title Holder shall ensure that with respect to the Fund Obligations assumed and contracts entered into in the name of the Title Holder, it shall be explicitly stipulated that:
 - a) the Title Holder is acting in its capacity as Title Holder of the Fund; and

- b) the counter party or counter parties undertake(s) shall never seek recovery in respect of anything other than the Fund Assets, subject to the Title Holder's determination that such undertaking in a specific contract is either unfeasible, immaterial or is not in the interests of the Investors.
- 8.5 The Title Holder's sole corporate objective according to its bylaws shall be to act as Title Holder for the Fund. The Title Holder shall not conduct any other activities.
- 8.6 The Title Holder shall act solely in the interest of the Investors. The Title Holder cannot represent or bind the Investors.
- 8.7 The Title Holder shall only be liable towards the Investors for a loss suffered by them in connection with the performance of its duties and responsibilities under these Terms and Conditions, if and to the extent that such loss is determined by a court order of final adjudication to be directly caused by the Culpable Behaviour of the Title Holder. The Title Holder shall not be liable towards the Investors for any loss suffered by any Investor as a result of any act or omission of a third party or as a result of any act or omission by the Title Holder arising from the Title Holder's reliance upon any representation or warranty by an Investor.

Depositary

- 9.1 The Manager shall appoint a Depositary. Such Depositary shall be appointed by the Manager on behalf of the Fund to perform the depositary duties, essentially consisting of:
- a) monitoring and verifying the Fund's cash flows;
 - b) safekeeping of the Fund Assets;
 - c) ensuring that (i) the issue, redemption, cancellation and valuation of Participations are carried out in accordance with these Terms and Conditions and applicable laws, rules and regulations, (ii) in transactions involving Fund Assets any consideration is remitted to the Fund within the usual time limits; and (iii) the Fund's income is applied in accordance with these Terms and Conditions and applicable laws, rules and regulations; and,
 - d) carrying out the instructions of the Manager, unless they conflict with applicable laws, rules and/or regulations.
- 9.2 The Depositary may be removed by the Manager, and the Depositary can resign as depositary of the Fund, on certain grounds and under certain conditions as set forth

in the Depositary Agreement. Upon an (envisaged) removal or resignation of the Depositary, the Manager shall appoint a successor Depositary.

- 9.3 The Depositary is liable towards the Fund and the Investors for loss suffered by them in connection with:
- a) the loss of financial instruments that can be held in custody, unless the Depositary can prove that the loss results from an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary;
 - b) the Depositary's negligent or intentional failure to properly fulfil its obligations.
- 9.4 The Depositary shall be liable to the Fund for the loss by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of identical type or the corresponding amount to the Fund without undue delay. The Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.
- 9.5 The Depositary shall furthermore be liable to the Fund or, as the case may be, the Investors for all losses suffered by the Fund or the Investors as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations.
- 9.6 In case the Depositary is liable, the Manager will undertake the required action against the Depositary and, if required, use its best efforts to bring a claim against the Depositary, at the risk and account of the Fund, whereby it is understood that such costs will be claimed from the Depositary. Should the Manager come to the conclusion that the Depositary is not liable for the loss suffered, it will notify the Investors in writing. Those Investors that do not share the conclusion of the Manager, are entitled to bring a claim against the Depositary at their own risk and account. In case the Manager, for whatever reason, does not undertake or does not adequately or effectively undertake the required action against the Depositary, the Investors are entitled to undertake the required action themselves.

Investors. Rights and obligations of the Investors

- 10.1 An investment in the Fund by an investor must amount to at least 100,000 Euro (or the equivalent value in another currency) which amount must be paid in full upon subscription by the Investor.
- 10.2 A transparent entity for Dutch tax purposes, as well as any other entity or person, cannot be an Investor if the Manager has reasonably determined that participation in the Fund by such entity or person would either negatively affect or jeopardise the tax status of the Fund or would lead to non-compliance with applicable anti-money laundering requirements or other applicable regulations or could potentially jeopardise the reputation of the Fund and/or the Manager.
- 10.3 Each Investor shall, subject to the qualifications set forth in these Terms and Conditions, be beneficially entitled to the Fund Assets and Fund Obligations attributable to a Class and any income generated thereon pro rata to the number of its Participations held in that Class.
- 10.4 Each Investor shall be bound by and subject to these Terms and Conditions by submitting a signed Subscription Form to the Manager. Each Investor will be provided with a copy of these Terms and Conditions.
- 10.5 The liability of an Investor *vis-à-vis* the Fund will be limited to the amount of the Total Subscription Amount due by the Investor in respect of its Participations to the extent not previously paid to the Title Holder, but notwithstanding its liability by virtue of law and these Terms and Conditions for its default on any of its obligations under these Terms and Conditions and its Subscription Form. For the avoidance of doubt, the Investors shall not be liable for the Manager's obligations, the Title Holder's obligations or the Fund Obligations.

Meetings of Investors. Resolutions of Investors taken outside Meetings

- 11.1 Meetings of Investors will be held when called by the Manager. The Manager shall call a Meeting:
- a) as often as it deems necessary in its absolute discretion in the interest of the Investors; and,
 - b) upon the written request by one (1) or more Investors holding, in total, at least twenty-five per cent (25%) of the outstanding Participations to the Manager to call and hold a Meeting, stating the matters to be placed on the agenda for such Meeting.
- 11.2 The agenda for a Meeting shall be determined at the sole discretion of the Manager, where a Meeting is called in accordance with Article a), or the relevant Investor(s) who requested the Manager to hold the Meeting, where a Meeting is called in accordance with Article 11.1(b).
- 11.3 No valid resolutions may be taken on subjects not stated in the agenda unless such resolution is taken by unanimity of votes of all Investors.
- 11.4 The Manager shall provide Investors at least fourteen (14) Business Days' written notice of a Meeting, such notice to include the date, time, place, location and agenda of the Meeting.
- 11.5 With any request of the Manager for consent or approval by the Investors, the Manager will prepare a memorandum providing background information on the matter. The memorandum will be sent to the Investors not later than simultaneously with the convocation.
- 11.6 Every Investor has the right to attend the Meeting and to speak at the Meeting. An Investor may attend the Meeting by proxy, provided that the power of attorney is set forth in writing and prior to the Meeting submitted for verification to the chairman of the Meeting.
- 11.7 A Meeting may not commence until a chairman has been appointed. The chairman shall be appointed by:
- a) the Manager, where a Meeting is called in accordance with Article a); or,
 - b) the relevant Investor(s) who requested the Manager to hold the Meeting, where a Meeting is called in accordance with Article 11.1(b).

- 11.8 The chairman shall be responsible for determining the procedure to be adopted for the conduct of a Meeting.
- 11.9 Each Investor may cast one (1) vote per Participation. Blank votes will be deemed not to have been cast. Resolutions require a simple majority of the votes that can be cast on all votes cast during a Meeting being exercised in favour of the proposal.
- 11.10 The Manager or such other person designated by the chairman of a Meeting shall record all votes taken at a Meeting and maintain a copy of consents obtained in writing or by email. Detailed voting records should promptly be made available by the Manager to any Investor upon request.
- 11.11 The Manager, or such other person designated by the chairman of a Meeting shall keep minutes of all Meetings. The draft minutes will be distributed to the Investors within thirty (30) days following a Meeting and shall be submitted for approval at the following Meeting.
- 11.12 The Investors may also adopt resolutions outside a Meeting, or in a Meeting for which notice was given less than seven (7) Business Days prior to the Meeting date, in which case resolutions shall be adopted in writing, provided that the proposed resolutions are submitted to all Investors and no Investor objects to the proposed manner of adopting resolutions.

Participations, Classes and Register

- 12.1 Participations are rights registered in the name of the Investors. Participation certificates shall not be issued.
- 12.2 The Manager may create different Classes and differentiate between such Classes at its sole discretion, including without limitation as to currency of denomination and/or fee structure. Upon the creation of a new Class the Manager shall add a new annex to these Terms and Conditions containing the relevant Class Details, provided that adding such annex shall not constitute an amendment of these Terms and Conditions.
- 12.3 The Manager shall keep the Register and shall sign all entries to the Register.
- 12.4 The Manager may rely on the accuracy of the information provided by each Investor for inclusion in the Register and treat such information as conclusive with respect to such Investor and its entitlement to its Participations. The Manager shall not be bound:

- a) by any change in such information which has not been notified to the Manager in accordance with Article 0 hereof; or
 - b) to recognise any interest or claim of any person to a Participation other than those of the Investor duly registered in the Register as holder of these rights.
- 12.5 Each Investor shall notify the Manager promptly by written notice of any change in the information included in the Register in relation to such Investor. The Manager shall upon receipt of such notice cause the Register to be amended accordingly within ten (10) Business Days.
- 12.6 Upon written request to that effect by the Investor to the Manager, the Register shall be available at the Manager's office for the inspection of each Investor on any Business Days but only in so far as it concerns the Investor's own entry. Any costs related hereto shall be charged to, and be payable by, the relevant Investor.
- 12.7 The Manager may provide information included in the Register to tax, regulatory or other authorities if, in the Manager's reasonable opinion, this is required, necessary, conducive to or in the interests of the Title Holder, the Fund or any of the Investors, including but not limited for the application of tax treaties between the jurisdiction of source of any income or gain and either the Netherlands or the jurisdiction of residence of an Investor. Each Investor shall at the written request of the Manager provide the Manager with such information and documentation as the Manager may in all reasonableness require from the Investor in support of the Manager's duty and right referred to in this article 0.

Subscriptions

- 13.1 The Manager may at its sole discretion, notwithstanding the further provisions of these Terms and Conditions, issue new Participations at the request of a new or existing Investor set forth in a Subscription Form or temporarily discontinue or indefinitely stop the issuance of Participations.
- 13.2 Completed Subscription Forms shall, inter alia, set forth the Total Subscription Amount for which the applicant subscriber requests the issuance of Participations. The Manager may at its sole discretion refuse or to partly accept a subscription for Participations.
- 13.3 Participations shall be issued by the Title Holder and acquired by the Investors on Transaction Dates.



- 13.4 Applications for the issue of Participations should be made by submitting a signed and completed Subscription Form, as applicable, to the Manager at least two (2) Business Days prior to a Transaction Date. Completed Subscription Forms are irrevocable once received by the Manager.
- 13.5 Where either (i) the signed and completed Subscription Form or (ii) the Total Transaction Amount for the subscribed Participations has not been received on time, the issue of Participations (as applicable) shall be delayed until the following Transaction Date. In such circumstances, the Net Asset Value per Participation on the following Transaction Date shall be the basis for the calculation of the Transaction Price for any Participations issued or redeemed as per that Transaction Date.
- 13.6 Notwithstanding Article 13.7 and 13.8, the Manager accepts Subscription Forms in case of overdue payment, provided that the Total Subscription Amount has been received by 5:00 p.m. CET on the Business Day prior to the Transaction Date in respect of which the Participations are proposed to be issued.
- 13.7 Payment of the Total Transaction Amount must be received in the Class Currency in the bank account of the Title Holder as specified on the Subscription Form at least two (2) Business Days prior to the relevant Transaction Date.
- 13.8 The Manager reserves the right to accept or reject an application for the issue of Participations in whole or in part at its absolute discretion. When an application is rejected, the amount paid on application or the balance thereof will be returned (without interest) as soon as practicable.
- 13.9 Immediately upon the completion of the issuance of new Participations, the Manager shall procure that the appropriate entries are made in the Register.

Redemption of Participations

- 14.1 The Manager shall, subject to this Article and the further provisions of these Terms and Conditions, redeem Participations at the request of an Investor set forth in a Redemption Form. Any and all Participations that are redeemed shall not be held by the Title Holder or the Manager but shall be automatically cancelled.
- 14.2 Completed Redemption Forms shall include, inter alia, the Total Redemption Amount for which an Investor requests the redemption of Participations.

- 14.3 Participations shall be redeemed by the Fund on Transaction Dates. Redemption of Participations as referred to in Article 16 may be effected at all times.
- 14.4 Applications for the redemption of Participations should be made by submitting a signed and completed Redemption Form, as applicable, to the Manager at least two (2) Business Days prior to a Transaction Date. Completed Redemption Forms are irrevocable once received by the Manager.
- 14.5 Where the signed and completed Redemption Form has not been received on time, the redemption of Participations (as applicable) shall be delayed until the following Transaction Date. In such circumstances, the Net Asset Value per Participation on the following Transaction Date shall be the basis for the calculation of the Transaction Price for any Participations redeemed as per that Transaction Date.
- 14.6 The Total Transaction Amount will be paid to the redeeming Investor within three (3) Business Days after the applicable Transaction Date subject to exceptional circumstances, in which case the consideration will be paid at the earliest possible Business Day thereafter.
- 14.7 Requests for redemption may be rejected where anti-money laundering verification procedures so require.
- 14.8 A request for a partial redemption of Participations may be rejected, or the holding of Participations of the requesting Investor may, at the discretion of the Manager, be redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Participations retained by the Investor would be less than 100,000 Euro (or the equivalent value in another currency).
- 14.9 In order to facilitate the orderly liquidation of the Fund Assets and protect the interests of the Investors, the Manager may at its sole discretion limit the aggregate amount of redemptions on any one Transaction Date to a maximum of ten per cent (10%) of the Net Asset Value as per such Transaction Date. In such event, the number of Participations to be redeemed per Investor will be pro rata the total number of Participations offered for redemption on the relevant Transaction Date. Any Participations included in a redemption request that have not been redeemed as a result of such scale down of a redemption request are deemed to be offered for redemption on the following Transaction Date on a pro rata basis alongside subsequent redemption requests (but not compulsory redemptions) and shall be subject to the same limitations.

Notwithstanding the above, the Manager shall safeguard that the Fund will have sufficient liquid assets to reasonably ensure that the Fund is able to redeem Participations as requested by its Investors.

14.10 The Manager may suspend redemption of Participations if:

- a) the determination of the Net Asset Value has been suspended in accordance with Article 0;
- b) the transfer of funds realised from the sale of Fund Assets cannot, in the sole opinion of the Manager, be effected at normal rates of exchange;
- c) relevant exchanges are not open for business or the sale of Fund Assets is otherwise restricted or suspended;
- d) a state of affairs exists which constitutes a state of emergency as a result of which the sale of Fund Assets would, in the sole opinion of the Manager, not be practical or would negatively affect the interests of other Investors;
- e) the Investor did not act in compliance with applicable legislation or these Terms and Conditions;
- f) the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained; or,
- g) any other extraordinary circumstances occur that require the protection of interests of the Investors.

14.11 As soon as the Manager has lifted a suspension pursuant Article 00, redemption requests made during such suspension shall be promptly dealt with in accordance with this Article 04, notwithstanding the right of the Manager to limit the aggregate maximum redemption amount in accordance with Article 0.

14.12 Immediately upon completion of the redemption of Participations, the Manager shall procure that the necessary amendments are made to the Register.

Transaction price and Anti-Dilution Levy

15.1 The transaction price of a Participation is equal to the Net Asset Value per Participation as at the relevant Transaction Date. The total Redemption Price of the Participations is the applicable transaction price multiplied by the number of Participations issued or redeemed, as applicable.

15.2 In order to determine the net amount due in consideration for the issue or redemption of Participations (the "Total Transaction Amount"), the Total Transaction Price will be

increased (in case of an issue of Participations) or reduced (in case of a redemption of Participations) by the applicable Anti-Dilution Levy.

- 15.3 The Fund may suffer a reduction in the value of its Net Asset Value as a result of costs incurred in dealing in shares and of any spread between the buying and selling prices of these shares. This reduction is known as “dilution”. In order to mitigate the potential effects of dilution, the Manager may adjust the Transaction Price at which Participations dilution levy.
- 15.4 An Anti-Dilution Levy may only be applied for the purpose of reducing dilution in the Fund. The Anti-Dilution Levy is calculated using the estimated dealing costs incurred by the Fund and taking into consideration any dealing spreads and transfer taxes. The Manager’s current policy is that it will normally charge an Anti-Dilution Levy whenever there are subscriptions or redemptions of Participations.
- 15.5 In the event that an Anti-Dilution Levy is charged, it will be applied to all subscriptions and redemptions of Participations in the Fund that take place on the relevant Transaction Date.
- 15.6 The Anti-Dilution Levy is maximum 0.5%.
- 15.7 Notwithstanding aforementioned maximum, the actual level of the Anti-Dilution Levy is set by the Manager on each Transaction Date. The Manager shall apply the same level of the Anti-Dilution Levy to all Investors on the same Transaction Date. The Manager's decision regarding the level of Anti-Dilution Levy shall not prevent it from making a different decision regarding the level on similar transactions on future Transaction Dates.
- 15.8 In case an Investor requests to redeem Participations on a Transaction Date which falls less than ninety (90) days after a Transaction Date on which such Investor has been issued Participations, the Anti-Dilution Levy charged to such Investor may be increased to a maximum of three per cent (3%) of the Net Asset Value of all Participations so redeemed.
- 15.9 No Anti-Dilution Levy is charged in the event of a transfer through means of redemption and issuance from an Investor to his/her private holding company (the company of which the Investor is the ultimate beneficial owner) or vice versa.

Mandatory Redemption of Participations

- 16.1 The Manager and the Title Holder shall be entitled to redeem all (but not part of) the Participations of any Investor if:
- a) the Investor is dissolved, becomes insolvent, is unable to pay its debts, institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy, any other relief under any bankruptcy, insolvency or similar law;
 - b) in the Manager's reasonable opinion the tax position of the Title Holder, the Fund or any of the other Investors is or will become negatively affected due to the tax status or position or any change therein of the relevant Investor or any other circumstance concerning such Investor; or
 - c) for whatever reason, the continuation of the relationship cannot reasonably be expected from the Manager and/or Title Holder.
- 16.2 All Participations owned by an Investor will be redeemed automatically as per the Business Day preceding the date that the Investor causes any of the effects set out in Article 0 hereof.
- 16.3 Each Investor agrees that it shall immediately notify the Manager (i) of any change to its legal or tax status, (ii) if any status, position or change therein as referred to in Article 17.1(a) occurs in its respect, and (iii) if it becomes aware of circumstances in all reasonableness qualifying as circumstances as referred to in Article 16.1(b) and/or 17.1(c) in its respect.
- 16.4 Upon redemption of Participations in accordance with the provisions of Article 0, the Investor will be entitled to receive a Total Redemption Amount determined by the Manager on the basis of the most recently determined Net Asset Value.
- 16.5 Upon redemption on the ground set forth in Article 0, the Investor will be entitled to compensation equal to the lesser of the amount that it would have received if the Participations would have been redeemed on the first Transaction Date following: (i) the date of redemption; and (ii) the date on which it has become apparent that the Investor causes any of the effects set out in Article 0

Transfer and encumbrance of Participations

- 17.1 An Investor may only transfer Participations to the Fund (by way of redemption) or to persons who are relatives by blood or by marriage in the direct line of such Investor (*bloed- of aanverwanten in de rechte lijn*).

17.2 Participations cannot be made subject to any pledge, mortgage, usufruct, charge, lien, retention or other encumbrance of any nature whatsoever.

Fees and expenses

18.1 The following fees, costs and expenses shall be borne by the Fund:

- a) all transaction costs, *i.e.* all costs related to the sourcing, evaluating, making, holding or disposing of Investments, including, brokerage fees, advisors' fees, (other) transaction costs;
- b) an operational service fee charged by the Manager, covering the Fund's ordinary operational costs including, without limitation, all costs relating to (i) legal, tax, administrative, auditing, reporting and similar services and advice received by the Fund, (ii) the supervision of the Fund, (iii) Meetings and (iv) the establishment of the Fund (the latter to be capitalised and depreciated in accordance with Dutch GAAP in the first five (5) years). This operational service fee is in addition to the Management Fee and any performance-related fees of the Manager and does not include extraordinary operational expenses of the Fund in exceptional or unforeseen circumstances;
- c) any extraordinary operational expenses of the Fund in exceptional or unforeseen circumstances;
- d) all taxes and governmental charges levied against the Fund or its income or assets, including but not limited to irrecoverable VAT payable by the Manager in respect of services provided to it and falling within the scope of this Article 0;
- e) the Management Fee, in accordance with Article 0 below; and,
- f) the Performance Fee (if any), in accordance with and as set out in the Class Details.

18.2 The operational service fee referenced in Article b) above shall be equal to the sum of (i) point twenty-five per cent (0.25%) of the portion of the Fund's Net Asset Value up to 250 million Euro and (ii) point two per cent (0.20%) of the portion of the Fund's Net Asset Value which exceeds 250 million Euro. The operational service fee will accrue based on the Net Asset Value per Business Day and will be payable by the Fund to the Manager monthly, in arrears.

18.3 The Manager charges each Class a Management Fee equal to the percentage of the Net Asset Value per Class as set out in the relevant Class Details, excluding (*i.e.* before deduction of) any accrued Management Fee. The Management Fee will accrue based

on the Net Asset Value per Class per Business Day and will be payable by the Fund (at the charge of the relevant Class) monthly, in arrears. The management fee per Class Participations is described in the Class Details.

- 18.4 The Manager shall be entitled to a Performance Fee at the charge of a Class if and to the extent so specified in the Class Details. For Class A no Performance Fee is charged.

Valuation principles

- 19.1 The Manager or, if appointed, the Valuator, shall value the Fund Assets and Fund Obligations in accordance with Dutch GAAP and, where more specific, the following valuation methods:
- a) securities regularly listed on a stock exchange shall be valued at the most recent price delivered by reputable data vendors, including without limitation Bloomberg, Reuters;
 - b) in the absence of a market price, the valuation is based on quotes from brokers;
 - c) in the absence of a market price or quote or where the Manager believes that a quote is not reflective of the fair value, the valuation can be based upon a valuation provided by a third party;
 - d) liabilities (participation rights) will be valued at their cost plus accrued interest; and,
 - e) all Fund Assets and Fund Obligations denominated in another currency shall be converted into the Class Currency in accordance with the currency exchange rate prevailing at the close of business of the relevant Business Day.
- 19.2 Notwithstanding Article 0 above, where:
- a) the value of the Fund Assets and Fund Obligations may be significantly increased or decreased as a result of the occurrence of a Valuation Event; and
 - b) the Auditor determines in its reasonable opinion that using an alternative valuation methodology to value Fund Assets and Fund Obligations is in the interests of the Investors, the Manager or, if appointed, the Valuator, shall value the Fund Assets and Fund Obligations in accordance with such alternative valuation methodology.
- 19.3 Notwithstanding the provisions of Article 0 above, the Manager may at its sole discretion use different valuation methods under exceptional market circumstances, such as highly volatile markets where a lack of liquidity causes extreme distortions,

provided that the application of such different valuation methods is in the best interests of the Investors.

- 19.4 Where the Fund Assets and Fund Obligations are valued in accordance with Article 0 or 0 above, the Manager shall promptly notify the Investors of the use of such valuation methodology.
- 19.5 Investors who suffer a loss caused by the acquisition or disposition of Participations at an incorrect Net Asset Value per Participation, caused by a calculation error, are entitled to claim compensation from the Manager, provided the difference between the incorrectly calculated Net Asset Value per Participation and the actual Net Asset Value per Participation exceeds one per cent (1%) of the actual Net Asset Value per Participation.

Reporting

- 20.1 On each Business Day the Manager shall determine and publish on the Website, the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Participation. The Net Asset Value shall be expressed in the Class Currency.
- 20.2 The Manager may declare a suspension of the determination of the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Participation if:
- a) one or more stock exchanges on which Fund Assets are listed are closed on days other than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;
 - b) the communication systems normally used to determine the Net Asset Value no longer function or if, for any other reason, the value of a Fund Asset or Fund Obligation, cannot be determined;
 - c) there are factors relating to the political, economic, military or monetary situation that make it impossible for the Manager to determine the Net Asset Value;
 - d) restrictions on the free flow of capital or currency restrictions prevent (orderly) execution of transactions on behalf of the Fund; or
 - e) a resolution to liquidate the Fund is passed.
- Such suspension shall be published on the Website.
- 20.3 Within 10 (ten) Business Days following the last day in each calendar month the Manager shall make a fact sheet available to each Investor.

- 20.4 Within 15 (fifteen) Business Days following the end of each calendar quarter, the Manager shall make a quarterly report available to each Investor.
- 20.5 The financial year of the Fund shall begin on the 1st day of January and end on the 31st day of December of the same calendar year. Within five (5) months after the end of the each financial year of the Fund, the Manager shall, in accordance with the applicable legal requirements, publish the Fund's annual accounts (consisting of at least a balance sheet, profit and loss account and explanatory notes), annual report and other information for such financial year. The annual accounts and annual report shall be drawn up in accordance with Dutch GAAP and shall be audited by the Auditor. The Auditor shall provide the Manager with its annual audit report, which shall include, *inter alia*, details of other work that it has performed for the Fund. The auditor's report shall be added to the annual accounts.
- 20.6 The annual report shall include at least:
- a) the annual accounts; and
 - b) a report on the Fund's activities during the expired financial year.
- 20.7 The Manager will make available copies of the annual accounts, annual report and auditor's report free of charge to each Investor, notwithstanding its compliance with other publication requirements under applicable laws.
- 20.8 Each Investor shall at the request of the Manager promptly furnish to the Manager any information that is necessary in order to determine or discharge any obligation to withhold taxation or to file tax returns and reports for taxation or other statutory purposes provided that such Investor is able to obtain such information without unreasonable effort or expense.
- 20.9 The Manager shall use its best efforts, at any Investor's request (but not at the own initiative of the Manager), to take any action necessary to comply with the laws, regulations and rules of any jurisdiction, or to obtain the benefit of any tax credits or to recover any taxes withheld by any jurisdiction, in which the Fund makes investments, in respect of the interest of such Investor.
- 20.10 The Manager shall use its reasonable best efforts to ensure that no Investor will be subject to any tax filing obligations or income or similar tax payment obligations with respect to the income of the Fund in any jurisdiction (other than the jurisdiction in which such Investor is domiciled) solely as a result of the direct or indirect activities of

the Fund. In addition, in making investment decisions, the Manager shall consider the potential impact of withholding taxes on the Fund and its Investors on the returns from such Investment.

Distributions

- 21.1 Subject to Article 0 hereof, the Net Proceeds, as received (or receivable) by the Title Holder on behalf and for the benefit of the Investors concerned, will (when paid, respectively received) be invested in the Fund, whether as premium on existing Participations or in consideration for new Participations to be issued to the relevant Investors as determined by the Manager at its sole discretion.
- 21.2 The Manager may, at its sole discretion and at any time, notwithstanding the obligation of the Manager to equally and fairly treat all Investors who are in comparable circumstances, decide to distribute any Net Proceeds to the Investors. Distributions of Net Proceeds will be made in cash, in the Class Currency.
- 21.3 The Manager shall publish on its Website the details of any distribution made to the Investors, including the composition of such distribution and manner of payment thereof.

Resignation and replacement of the Manager or the Title Holder

- 22.1 The Manager or the Title Holder respectively shall resign:
- a) by voluntary resignation; or
 - b) upon its bankruptcy or dissolution or upon the Manager having been granted suspension of payments.
- 22.2 If the Manager wishes or is obliged to discontinue its activities pursuant to this Article 22, the Title Holder shall appoint a new Manager. All Investors shall be informed of the appointment.
- 22.3 If the Title Holder wishes or is obliged to discontinue its activities pursuant to this Article 22, the Manager shall appoint a new Title Holder. All Investors shall be informed of the appointment.
- 22.4 Upon the effective date of the resignation or removal of the Manager, any rights and obligations of the Manager under these Terms and Conditions shall immediately cease to exist (it being understood that the Manager remains entitled to its Management

Fee and reimbursements referred to in Article 0 (to the extent allocable to an already expired period of time)).

- 22.5 Each of the Manager and the Title Holder commits itself to cooperate fully in the transfer of its contractual position to a successor. In particular, the Title Holder hereby (i) commits in advance to transfer the Fund Assets and the Fund Obligations held by or registered in the name of the Title Holder to a successor Title Holder and to carry out all necessary *in rem* acts and other acts in respect thereof and (ii) grants irrevocable power of attorney to the Manager to in its name perform all acts referred to in or conducive to what is stated in (i) above.
- 22.6 The Manager or the Title Holder respectively shall indemnify its successor and the Investors for all losses resulting from non-performance or defective performance of the obligations contained in Article 0, regardless of whether the loss is the consequence of culpable non-performance or defective performance of its obligations, and for all losses resulting from a breach of these Terms and Conditions, applicable laws and regulations or other unlawful acts during the period the Manager or the Title Holder was in office.
- 22.7 If no successor Manager or Title Holder has been appointed within twelve (12) weeks after it became known that it wishes or is obliged to end its office, the Fund shall be dissolved and liquidated in accordance with the provisions of Article 25, unless the Meeting resolves to extend the aforementioned term.

Amendment to the Terms and Conditions

- 23.1 These Terms and Conditions, including the Fund Objective, Investment Strategy and Investment Restrictions, may be amended pursuant to a joint resolution of the Title Holder and the Manager.
- 23.2 The Manager shall notify the Investors of a proposed amendment of these Terms and Conditions by publishing such amendment together with an explanatory note on the Website.
- 23.3 An amendment of the Terms and Conditions does not become effective for the Investors until one (1) month after the date of the notice given. During this period of one (1) month the Investors have the right to redeem their Participations under the conditions set forth in these Terms and Conditions.

Regulatory changes

- 24.1 A worldwide investment management regulatory climate exists in which, during the existence of the Fund, additional and/or amended legislation and regulations relating to the supervision on investment funds such as the Fund and managers such as the Manager may come into force.
- 24.2 The Manager may amend the Fund Documents, if the Manager reasonably determines that such regulatory change has a material adverse effect on the Fund and/or the Manager, such that (i) the material adverse effect of the applicable change is removed or mitigated, and (ii) the Fund shall bear its reasonable allocable portion of the costs in relation to the implementation of and compliance with the change (it being understood such allocation is in principle determined on the basis of the percentage of assets managed through the Fund in proportion to the total assets under management of all funds managed by the Manager).

Dissolution and liquidation

- 25.1 The Fund shall be dissolved upon the happening of any of the following events:
- a) the resignation of the Manager or the Title Holder, without a successor Manager or Title Holder respectively having been appointed in time in accordance with Article 0; or
 - b) notice served by the Manager on the Investors following any change in the law as a result of which, in the reasonable opinion of the Manager, the continuation of the Fund becomes unlawful.
- 25.2 Any dissolution of the Fund shall be effective on the date the event giving rise to the dissolution occurs, but the existence of the Fund shall not be terminated unless and until all its affairs have been liquidated as provided in the further provisions of this Article 25.
- 25.3 Upon dissolution of the Fund, no further business shall be conducted except for such action necessary for the liquidation of the affairs of the Fund in accordance with the applicable provisions of law and these Terms and Conditions, including the sale or realisation otherwise of any remaining Fund Assets and payment of any remaining Fund Obligations and the distribution of any Fund Assets remaining after payment of the Fund Obligations to the Investors. During the liquidation period these Terms and Conditions shall, to the extent possible, remain in full force and effect.

- 25.4 The liquidation of the Fund shall be effected by the Manager, provided, however, that if the Fund is dissolved following the resignation of the Manager as set forth in Article a), then the Investors shall appoint another party as liquidator which shall have the rights and obligation of a Manager under these Terms and Conditions be it for the sole purpose of and within the restrictions set by Article 0.
- 25.5 The balance left after the liquidation shall be paid, in cash or in kind, to the Investors in accordance with the provisions of Article 0. If any Fund Obligation is contingent or uncertain in amount, a reserve will be established in such amount as the Manager deems reasonably necessary; upon the satisfaction or other discharge of such contingency, the amount of the reserve not required, if any, will be distributed in accordance with the provisions of Article 0.

Indemnification

- 26.1 The Title Holder, the Manager and any of their respective (former) (Supervisory) Board members, employees and advisors (each of them in this Article referred to as an "Indemnified Person"), will be indemnified out of the Fund Assets against any and all liabilities, actions, proceedings, claims, costs, demands or expenses incurred or threatened by any of them arising out of or in connection with the capacity or former capacity of such Indemnified Person in the exercise of powers, provision of services or performance or emittance of any activities on behalf of or in respect of the Fund within the framework of these Terms and Conditions, provided however that no Indemnified Person shall be so indemnified with respect to any matter determined by court order of final adjudication as resulting from its Culpable Behaviour.
- 26.2 If an Indemnified Person becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with the services provided by the Indemnified Person to the Fund, the Indemnified Person shall be reimbursed out of Fund Assets for its reasonable legal and other expenses (including the cost of investigation and preparation) as such legal and other expenses are incurred; provided that the Indemnified Person shall provide the Manager with a written undertaking to promptly repay to the Fund the amount of such reimbursed expenses paid if it shall ultimately be determined by a court of final adjudication that there was no entitlement to indemnification pursuant to Article 0.
- 26.3 The rights of the Indemnified Persons to be indemnified in accordance with this Article 26 shall survive the termination of the Fund.

Confidentiality

The Manager, the Title Holder and each of the Investors shall maintain in strict confidence all confidential information related to the Fund, the Manager, the Title Holder and the Investors which it obtains pursuant to or in connection with the relationship created by the Fund and agrees that (i) if applicable, it shall use such information solely in the performance of its duties as Manager or Title Holder and (ii) it shall not disclose such confidential information (either directly or indirectly) to any other person other than:

- a) any governmental, regulatory, self-regulatory body or taxing authority that has oversight or jurisdiction over the activities of the party concerned, as the case may be, provided that such disclosure shall be made only to the extent lawfully requested or legally required by such governmental, regulatory, self-regulatory body or taxing authority;
- b) its Affiliates, employees, advisors, agents and representatives provided that the recipient of such information is legally or contractually bound to keep such information confidential; and
- c) if the Investor is the trustee of a trust or (the titleholder of) a limited partnership or fund for joint account, to beneficiaries under or partners or Investors in such trust, limited partnership or fund for joint account if (i) required to do so under the terms of such trust deed, limited partnership agreement or fund terms and conditions, and (ii) provided that such beneficiaries, limited partners or Investors, as applicable, are bound by such duties of confidentiality as if they were Investors.

Miscellaneous

- 28.1 The Manager shall and shall cause the Fund to comply and to continue to comply with all applicable regulations (including any applicable anti-terrorism and money laundering regulations). The Manager will promptly inform the Investors of any non-compliance that comes to its attention which could have an impact on the Investors.
- 28.2 If any article or provision of these Terms and Conditions shall be held to be invalid or unlawful in any jurisdiction, such article or provision shall only be ineffective to the extent of such invalidity or unenforceability. The remainder of these Terms and Conditions shall not be affected thereby and shall remain in full force and effect and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

- 28.3 No failure to exercise and no delay in exercising on the part of any of the Investors any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in these Terms and Conditions are cumulative and not exclusive of any rights or remedies otherwise provided by law.
- 28.4 These Terms and Conditions and the Subscription Form constitute the entire agreement between the Manager, the Title Holder and each of the Investors, separately, and replaces, supersedes and invalidates all previous agreements (whether written or orally), documentations and correspondences with respect to the subject matter of these Terms and Conditions and the Subscription Form. There are no representations, agreements, arrangements or understandings between the parties relating only to the subject matter to these Terms and Conditions and the Subscription Form which are not fully expressed in these documents.

Notices

- 29.1 All notices to Investors shall be sent in writing (which includes in the form of email) to the (email) addresses of Investors stated in the Register.
- 29.2 All notices to the Title Holder, the Manager or the Administrator shall be made in the form of email or by post and shall be addressed or directed as to the addresses set out below or such other address as may have been notified to the Investors in accordance with the provisions of Article 0:

To the Title Holder:

Stichting Bewaarder SilverCross
De Cuserstraat 87
1081 CN Amsterdam
The Netherlands
Email address: enquiries@silvercross-im.com

To the Manager:

IBS Fund Management B.V.
De Cuserstraat 87
1081 CN Amsterdam
The Netherlands



Email address: enquiries@silvercross-im.com

Applicable law and competent court

- 30.1 These Terms and Conditions shall be governed by the laws of the Netherlands.
- 30.2 These Terms and Conditions shall remain in full force and effect until amended in accordance with Article 23 thereof.
- 30.3 The competent courts of Amsterdam and its appellate courts shall have exclusive jurisdiction to decide on a dispute between the parties arising from these Terms and Conditions.

Annex A: Investment Strategy and Investment Restrictions

1. Fund Objectives

1.1 Targeted return

The Fund's objective is to seek long-term capital growth. Over a full market cycle, defined as stock market peak-to-peak over a 5-7 year time period, the Fund aims to exceed the total return of its chosen benchmark. The Manager believes that a full market cycle is the preferred period over which to judge the Fund's performance, as it reduces shorter-term biases inherent in bull or bear markets or calendar year time periods.

1.2 Benchmark

MSCI Daily Total Return Net Small-Cap World Index (Ticker: NCUDWI) in Euro. This benchmark is a broad representation of small companies listed on stock markets in global developed economies and contains over 4,000 constituents. The Fund focuses on companies listed in countries with a well-established regulatory framework and management teams adhering to professional standards.

2. Investment Strategy

2.1 Investment Strategy

The Fund will invest in the equity of globally listed smaller companies ("small-caps"). The Manager employs a fundamental bottom-up investment process to construct a concentrated yet diversified portfolio of 25-35 stocks of companies with a market capitalisation below EUR 5 billion at the time of initial investment. The Fund's investment process focuses on identifying what the Manager considers to be high quality, undervalued businesses that offer the potential for asymmetric risk/reward outcomes.

Undervaluation can occur for several reasons, including, but not limited to, poor current or prospective business performance, change in management, poor investor sentiment around the sector or the economy, reorganisations, or neglect as a result of information scarcity.

The Manager's in-depth investment approach focuses on seven key investment characteristics:

- (1) *Business quality*. The Fund seeks to invest in companies that have achieved above average returns on invested capital and strong competitive positions in their industries, resulting in strong free cash flows. Characteristics such as scalability of

the business, recurring revenue, high barriers to entry and long product life cycles are found frequently among companies with superior business models.

- (2) *Undervaluation.* The Manager believes that buying stocks trading at an attractive valuation offers a margin of safety in case the business' fundamentals unexpectedly deteriorate. Determining the intrinsic value of a business is an essential part of the Manager's investment approach. The Manager estimates intrinsic value by using a variety of valuation tools which are derived from a company's return on invested capital, the cash flows the business is expected to generate and balance sheet optimisation. A key factor in determining a company's intrinsic value is its long-term growth potential, which is driven by its sustainable competitive advantage.
- (3) *Financial strength.* Investing in companies with strong balance sheets reduces the risk of permanent capital loss and allows companies financial flexibility to pursue strategic opportunities whenever they present themselves.
- (4) *Understandable.* The Manager only invests in companies that it believes have business models that are simple and straightforward. The Fund will not invest in companies with unproven business models or short product life cycles.
- (5) *Aligned.* Management team interests should be in line with those of ordinary shareholders and they should be rewarded based on their success in building their company for the long term.
- (6) *Pro-active.* The Manager may from time to time actively engage in constructive discussions with management teams to execute strategic decisions that increase return on invested capital, resulting in a higher intrinsic value.
- (7) *ESG.* As part of the selection process, environmental, social and governance issues are analysed. Strong awareness of ESG factors by the management of a company demonstrates a desire to mitigate company risks, related to ESG. The Manager believes that ESG factors may influence a company's intrinsic value.

Companies that meet the Manager's selection criteria are added to the portfolio, with weight determined by the upside potential versus downside risk. Weightings of each holding are monitored and adjusted based on a variety of considerations including but not limited to the continued validity of the investment case, their current valuation against estimated intrinsic value, country and sector diversification, liquidity and risk management.

The investment process is driven by the selection of individual companies, not by sectors, countries or regions.

The Fund will ordinarily remain fully invested although the Manager is permitted to increase the percentage of the portfolio held in cash for ancillary purposes where this is required for the efficient operation of the Fund or is considered to be in the best interests of the Fund; situations may occur where a scarcity of attractive investment

opportunities arises, while at other times market uncertainty may be such that elevated levels of cash are deemed appropriate.

2.2 *Sell discipline*

The Investment Strategy is designed to hold its Investments over a long-term time horizon. Subject to exceptional circumstances, the portfolio turnover is expected to range between 20-33%, implying an average holding period of 3-5 years. An investment will be sold either when it becomes fully valued or otherwise warrants an exit. The actual holding period may differ materially from the period stated here.

3. **Investment Restrictions**

The Manager has the broadest discretion to make Investments in order to achieve the Fund Objectives through the Investment Strategy set out in Section 2 above, subject to the Investment Restrictions set out in this Section 3.

3.1 *Diversification*

The Fund will:

- a) target a portfolio size of between 25 and 35 stocks;
- b) invest in smaller companies. A smaller company is considered to have a market capitalisation of between EUR 250 million and EUR 5 billion at the time of initial purchase, although the Fund may add to an existing investment with a lower or higher market capitalisation if it already holds a position in that company;
- c) invest no more than 7.5% of Net Asset Value, as determined at the time of investment, in any one stock and in any event hold an aggregate of no more than 10% of Net Asset Value in shares of any single issuer;
- d) hold no more than 10% of the equity capital in any single company;
- e) hold no more than 25% of Net Asset Value in cash of any currency other than Euro;
- f) hold no more than 25% of Net Asset Value in Investments in any single country, with the exception of the United States, for which the maximum is 75%; and
- g) hold no more than 20% of Net Asset Value at the time of purchase in shares listed in emerging or less developed markets as defined by MSCI.

3.2 *Leverage*

The Fund does not hold short positions and does not make use of leverage.

3.3 *Investments in other funds and investment entities*

The Fund may not directly or indirectly invest in other open-ended investment funds. The Fund may invest in listed holding companies whose main activity is investing in other companies.

Annex B: Class Details of Class A Participations

These Class Details form an integral part of the Terms and Conditions of Management and Custody and the Prospectus of the SilverCross Global Small-Cap Fund and should be read in combination with these documents.

Class	Class A
Currency	Euro
Management Fee	1.15%
Performance Fee	n/a
Maximum TER	1.40%
ISIN-code	NL0010832242