



PANDION FUND

ISIN CODE BBDGF SUB-FUND NL00150001B1

ISIN CODE PWF SUB-FUND: NL00150001A3

ISIN CODE DBFF SUB-FUND: NL00150023R1

PROSPECTUS

5 December 2024

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DIRECTORY PANDION FUND

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| Fund Manager: | <p>Alpha Based Capital Fund Management B.V. Nevelgaarde 8 3436 ZZ Nieuwegein The Netherlands</p> <p>Attn: Joost Bouman Tel: +31 (0)85 064 5729 E-mail: info@alphabasedcapital.com</p> |
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| Administrator II | <p>AssetCare Fund Services B.V. Barbara Strozilaan 310 1083 HN Amsterdam The Netherlands</p> <p>Tel: +31 (0) 20 244 00 92 E-Mail: info@assetcare.nl</p> |
| Legal Owner I | <p>Stichting Juridisch Eigenaar Pandion Nevelgaarde 8 3436 ZZ Nieuwegein The Netherlands</p> <p>Tel: +31 (0)85 064 5729 E-Mail: info@alphabasedcapital.com</p> |

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| Legal Owner II | Stichting Juridisch Eigenaar Duurzaam Beleggen Fondsen Nevelgaarde 8 3436 ZZ Nieuwegein The Netherlands Tel: +31 (0)85 064 5729 E-Mail: info@alphabasedcapital.com |
| Depository: | Apex Depository Services B.V. Van Heuven Goedhartlaan 935 A 1181 LD Amstelveen The Netherlands Tel: +31 (0)20 5646160 |
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| Bank: | The Northern Trust International Banking Corp. Harborside Financial Center Plaza 10, Suite 1401 3 Second Street Jersey City, New Jersey 07311-3988 United States of America |
| Legal and Tax Counsel: | Van Campen Liem J.J. Viottastraat 52 1071 JT Amsterdam The Netherlands |
| Brokers: | Saxo Bank A/S Barbara Strozziilaan 310 1083 HN Amsterdam The Netherlands Interactive Brokers LLC 209 South LaSalle Street, 10th Floor Chicago, IL 60604 United States of America |

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| External Compliance Officer: | Projective Group NL B.V. (Amsterdam branch) Krijn Taconiskade 422 1087 HW Amsterdam The Netherlands |
| Custodian: | Saxo Bank A/S Barbara Strozilaan 310 1083 HN Amsterdam |

IMPORTANT NOTICE

Capitalized terms and expressions in this Prospectus have the meaning ascribed to them in Section 2 (Definitions) of this Prospectus.

Potential participants 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, transfer 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 who are capable themselves of evaluating the merits and risks of an investment in the Fund.

Potential participants should review in particular the risk factors set out in Section 4 (*Risk factors*) of this Prospectus. The Fund carries a high degree of risk and is suitable only for persons who can assume the risk of losing their entire investment. There is no guarantee that the Fund will achieve its Fund Objective. The value of your investments may fluctuate up- and downwards greatly as a result of the investment policy. Returns on past investments are no guarantee as to the returns on future investments. Participants may not receive their full investments back.

The Fund Manager accepts responsibility for the information contained in this Prospectus. To the best knowledge and belief of the Fund 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 Fund Manager.

The Fund Manager is in possession of an AFM license as referred to in article 2:65(a) FSA, and as a consequence may offer the Participations to professional and non-professional investors within the Netherlands. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.

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.

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.

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

The following is a brief summary only and is qualified in its entirety by the more detailed information appearing in the body of this 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.

All defined terms laid down in Chapter 2 “Definitions” are applicable to this Executive Summary.

1.2 The Fund, Fund Manager and Legal Owners

The Fund (founding date: 27th of July 2020) is a Dutch fund for joint account (*fonds voor gemene rekening*). The Fund has an umbrella structure meaning that the Fund consists of Sub-funds and issues separate series of Participations for each Sub-fund and of which Sub-funds the assets are separately administered and each Sub-fund having its own Investment Objective and respective Strategy and cost structure as set out in this Prospectus. The Sub-funds are part of the Fund.

Alpha Based Capital Management B.V. will act as the AIFM of the Fund. In managing the assets and liabilities of the Fund, the Fund Manager will act solely in the best interests of the Participants.

The Legal Owner I will be the legal owner of all assets of Sub-fund BBDGF and Sub-fund PWF and liabilities of Sub-fund BBDGF and Sub-fund PWF. The Legal Owner I will acquire and hold the assets of Sub-fund BBDGF and Sub-fund PWF and assume the obligations for the account and risk of the Participants in Sub-fund BBDGF and Sub-fund PWF.

The Legal Owner II will be the legal owner of all assets of Sub-fund DBFF and liabilities of Sub-fund DBFF. The Legal Owner II will acquire and hold the assets of Sub-fund DBFF and assume the obligations for the account and risk of the Participants in Sub-fund DBFF. The Legal Owner I will act solely in the best interests of the Participants in Sub-fund BBDGF and Sub-fund PWF. The Legal Owner II will act solely in the best interests of the Participants in Sub-fund DBFF.

1.3 Investment Objective and Strategy

Please be referred to Section 3 of the Prospectus.

1.4 Legal, Tax and Regulatory Aspects

1.4.1 Legal Structure

The Fund is not a legal entity (*rechtspersoon*) but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owners and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Legal Owners for the account and risk of the Participants. The Fund has an open-ended structure. The Fund is

governed by the Terms and Conditions. By executing the Subscription Form, a Participant represents and warrants to have reviewed the Terms and Conditions and agrees to be bound thereby. A Participant is admitted to the Fund by the issuance of Participations to the Participant.

The Fund shall have three Sub-funds, each represented by a separate series of Participations as follows. BBDGF (series A Participations), PWF (series B Participations) and DBFF (series C Participations), which Participations shall be issued based on the Total Subscription Price subscribed for by the Participant and/or the date of subscription as described in Section 7.1.3 of this Prospectus. The Sub-funds will have a different Investment Objective and Investment Strategy as described in Section 3. In addition, the fee structure per Sub-fund is different: the Management Fee is 0.80% of the Net Asset Value of BBDGF, the Management Fee is 1.5% of the Net Asset Value of PWF and the Management Fee is between 0.60% and 1.00% of the Net Asset Value of DBFF.

Conversion of Participations in one Sub-fund into Participations in another Sub-fund or vice versa is not possible.

1.4.2 Tax Aspects

The Fund qualifies as a transparent or “closed” fund for joint account Dutch tax purposes, since Participations cannot be transferred (whether through a sale, donation, exchange, assignment or otherwise) by a Participant other than by way of redemption by the Fund pursuant to article 15 (*Redemption of Participations*) of the Terms and Conditions (reference is made to article 17 (*No Transfer of Participations, No Encumbrance of Participations*) of the Terms and Conditions). Consequently, the Fund does not qualify as a taxable entity. Tax is therefore levied on the results and revenue of the investment at the level of the Participants and not at the level of the Fund itself. This implies that for Dutch tax purposes the Fund’s results are directly allocated to the individual Participants in accordance with the size (and, if applicable, the duration) of their pro rata investment.

1.4.3 Regulatory Position

The Fund Manager is in possession of an AFM license as referred to in article 2:65(a) FSA, and as a consequence may offer the Participations to professional and non-professional investors within the Netherlands in compliance with the FSA. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.

The AFM license of the Fund Manager has been issued prior to the implementation of the AIFMD in the Netherlands, and was automatically converted into an AIFMD license by the AFM on 22 July 2014, in accordance with the Netherlands AIFMD implementation schedule. This Prospectus is prepared in conformity with the FSA as in force on the date of this Prospectus.

Further information with respect to the regulatory position of the Fund is set forth in Section 5.2 of this Prospectus.

1.5 Fund Governance

The Participants will hold meetings when called by the Fund Manager. The Fund Manager shall call a meeting of Participants (i) as often as the Fund Manager deems necessary in the interest of Participants and (ii) in case of one (1) or more Participants holding, in aggregate, at least 25% of the outstanding Participations request the Fund Manager to call such meeting. The Fund Manager may also call a meeting of each Sub-fund in which case the same provisions apply.

1.6 Distribution Policy

Any distribution to Participants shall be published on the Fund Manager's website. Distributions of Net Proceeds will be made in cash, in EUR.

1.7 Minimum Investment, Subscriptions and Redemptions

The minimum subscription amount for each of Sub-fund BBDGF and Sub-fund PWF is EUR 5,000.- per Participant and the minimum subscription amount for Sub-fund DBFF is EUR 1,000.- per Participant. This minimum subscription amount may be waived by the Fund Manager in its sole discretion. See Section 7.1.2 of this Prospectus for further information on minimum subscriptions per Sub-fund.

Section 7.1.3 of this Prospectus contains the subscription procedures. The Fund Manager reserves the right to reject an application in whole or in part.

Participations cannot be transferred (whether through a sale, donation, exchange, assignment or otherwise) by a Participant other than by way of redemption by the Fund pursuant to Article 15 (*Redemption of Participations*) of the Terms and Conditions (reference is made to article 17 (*No Transfer of Participations, No Encumbrance of Participations*) of the Terms and Conditions). The Fund Manager may suspend a redemption under certain conditions. Section 8 of this Prospectus contains the redemption procedures.

1.8 Website

The Fund Manager's website address is <http://www.alphabasedcapital.com/#/>. All references to the Fund Manager's website in this Prospectus are references to the above website.

2 DEFINITIONS

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

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| "Administrator" | means either Administrator I or Administrator II and "Administrators" means both Administrator I and Administrator II. |
| "Administrator I" | means the Administrator for Sub-fund BBDGF and Sub-fund PWF: Bolder Fund Services (Netherlands) B.V., a limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated and existing under the laws of the Netherlands, or such other administrator as may be appointed from time to time for Sub-fund BBDGF and/or Sub-fund PWF. |
| "Administrator II" | means the Administrator for Sub-fund DBFF: AssetCare Fund Services B.V., a limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated and existing under the laws of the Netherlands, or such other administrator as may be appointed from time to time for Sub-fund DBFF. |
| "Administration Agreement" | means either Administration Agreement I or Administration Agreement II and "Administration Agreements" means both Administration Agreement I and Administration Agreement II. |
| "Administration Agreement I" | means the agreement entered into among the Fund Manager, the Legal Owner I and the Administrator I. |
| "Administration Agreement II" | means the agreement entered into among the Fund Manager, the Legal Owner II and the Administrator II. |
| "Affiliate(s)" | means a person directly or indirectly controlling or controlled by or under common control with the party at issue; the term "control" (and any derivative thereof) means - 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, or (ii) to appoint the majority of the members of the body in charge of the day-to- |

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| | day business of such entity, or (iii) to determine the policy and strategy of such entity. |
| “AFM” | means the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>). |
| “AIFM” | means alternative investment fund manager (<i>beheerder van een beleggingsinstelling</i>). |
| “AIFMD” | means Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and amending directives 2003/41/EC and 2009/65/EC. |
| “AIFMR” | means EU Commission Delegated Regulation (EU) No 231/2013 supplementing the AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision. |
| "Alternative Investment Fund" | means an investment fund as defined in the AIFMD. |
| “Auditor” | means Moos Accountants B.V., a private company with limited liability incorporated and existing under the laws of the Netherlands, or such other auditor of the Fund as may be appointed from time to time in accordance with the Terms and Conditions. |
| “BBDGF” | means the Sub-fund Beleggers Belangen Dividend Groei Fonds. |
| "Blue Chips Shares" | means shares of a very reputable large company. |
| “Broker” | means each of the Custodian and Interactive Brokers, and any additional or alternative broker to the Fund appointed by the Fund Manager on the basis of this Prospectus, and “Brokers” shall be construed accordingly. |
| “Business Day” | means any day on which banks are generally open for business in the Netherlands. |
| “CITA” | means the Dutch 1969 Corporate Income Tax Act (<i>Wet op de vennootschapsbelasting 1969</i>). |
| “Closing Date” | means a date to be determined by the Fund Manager after the AFM has registered the Fund (including the Sub-funds) in the AFM register, being the date on which the Fund Manager accepts the first subscriptions. |

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| "CRS" | means the Common Reporting Standard for the automatic exchange of financial account information on the basis of the standard published by the Organisation for Economic Co-operation and Development; Financial institutions resident in jurisdictions which have agreed to the CRS, should report certain account holder information to their local tax authorities who will then exchange such information with countries where account holders are tax residents. It can provide timely information on non-compliance where tax has been evaded, particularly where tax administrations have had no previous indications of non-compliance. |
| "CTA" | means Commodity Trading Advisor. |
| "Custodian" | means Saxo Bank A/S, joint-stock company (<i>Aktieselskab</i>) incorporated and existing under the laws of the Denmark, or such other custodian of the Fund as may be appointed from time to time in accordance with the Terms and Conditions. |
| "Custody and Brokerage Agreement" | means the client agreement entered into by the Fund Manager, the Legal Owners and the Custodian on 1 June 2021, as amended by the amendment to the client agreement adding the Depositary as a party on 30 June 2021. |
| "DBFF" | means the Sub-fund DB Flagship Fund. |
| "Depositary" | means Apex Depositary Services B.V., a limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated and existing under the laws of the Netherlands, or such other depositary of the Fund as may be appointed from time to time in accordance with the Terms and Conditions. |
| "Depositary Agreement" | means the agreement between the Fund Manager and the Depositary. |
| "DNB" | means De Nederlandsche Bank N.V., the central bank of the Netherlands. |
| "DTA" | means the Dutch 1965 Dividend Tax Act (<i>Wet op de dividendbelasting 1965</i>). |
| "Dutch GAAP" | means generally accepted accounting principles in the Netherlands. |
| "ESG" | means environmental, social and corporate governance |

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| "ETF" | means an Exchange Traded Fund. |
| "EUR" or "Euro" | means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time. |
| "FATCA" | means the US Foreign Account Tax Compliance. Means the law by which the United States will impose a withholding tax of 30% on certain U.S. sourced gross amounts not effectively connected with a U.S. trade or business paid to certain FFIs, including the Fund, unless some information reporting requirements are complied with. |
| "FFI" | means a Foreign Financial Institution in the context of FATCA. |
| "Foreign Tax Authorities" | means any other tax authority outside the Netherlands. |
| "FSA" | means the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>). |
| "Fund" | means the means the contractual arrangement between the Fund Manager, the Legal Owners and each of the Participants constituting a fund for joint account (<i>fonds voor gemene rekening</i>) under the laws of the Netherlands in relation to the participation, management, custody and administration of the Fund Assets as described in this Prospectus and the Terms and Conditions, also referred to in this Prospectus as the Pandion Fund. The Fund qualifies as an Alternative Investment Fund. |
| "Fund Assets" | means: (i) both (any of) the Fund Assets I and the Fund Assets II; or (ii) either (any of) the Fund Assets I or (any of) Fund Assets II, as the context may require. |
| "Fund Assets I" | means Investee Funds, other securities and all other assets, including cash, that are held by the Legal Owner I in accordance with the Fund Objective and Investment Restrictions in respect of the Sub-fund BBDGF and the Sub-fund PWF in its own name for the account and risk of the Participants in the Sub-fund BBDGF and the Sub-fund PWF. |
| "Fund Assets II" | means Investee Funds, other securities and all other assets, including cash, that are held by the Legal Owner II in accordance with the Fund Objective and Investment Restrictions in respect of the Sub-fund DBFF in its own name |

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| | for the account and risk of the Participants in the Sub-fund DBFF. |
| "Fund Documents" | means the relevant documentation concerning the Fund. |
| "Fund Manager" | means Alpha Based Capital Fund Management B.V., a limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated and existing under the laws of the Netherlands holding an AFM license ex article 2:65 FSA with license number 15000804. |
| "Fund Objective" | means the objectives of the Fund as set forth in Section 3 of this Prospectus. |
| "Fund Obligations" | means both (any of) the Fund Obligations I and the Fund Obligations II or either (any of) the Fund Obligations I or (any of) the Fund Obligations II, as the context may require. |
| "Fund Obligations I" | means the obligations which the Legal Owner I assumes and/or incurs in its own name for the account and risk of the Participants in connection with the Sub-fund BBDGF and the Sub-fund PWF. |
| "Fund Obligations II" | means the obligations which the Legal Owner II assumes and/or incurs in its own name for the account and risk of the Participants in connection with the Sub-fund DBFF. |
| "Interactive Brokers" | means Interactive Brokers LLC, a limited liability company established in Connecticut, United States of America. |
| "Investee Funds" | means Investment Funds invested in by the Fund and managed by other investment managers. |
| "Investee Funds Interests" | means interests in Investee Funds held by the Fund. |
| "Investment Funds" | means investment funds within the meaning of article 1:1 FSA (for the avoidance of doubt, including undertakings for collective investment in transferable securities). |
| "Investment Restrictions" | means the investment restrictions to be observed by the Fund Manager as set forth in Section 3 of this Prospectus. |
| "Investment Strategy" | means the investment strategy to be observed by the Fund Manager as set forth in Section 3 of this Prospectus. |
| "IRS" | means the U.S. Internal Revenue Service. |

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| "KYC Requirements" | means the information needed as part of the procedure aimed at the prevention of money laundering and financing of terrorism by which each applicant for Participations will be investigated based on required Know Your Customer information. |
| "Large Cap Developed Market Indices" | means Indices which represent a selection of the largest companies, based on Market Capitalisation, of a country or economic region in the Developed Markets. In investing, a developed market is a country that is most developed in terms of its economy and capital markets. |
| "Legal Owner" | means either Legal Owner I or Legal Owner II and "Legal Owners" means both Legal Owner I and Legal Owner II. |
| "Legal Owner I" | means Stichting Juridisch Eigenaar Pandion, a foundation (<i>stichting</i>) incorporated and existing under the laws of the Netherlands, or such other legal owner of the Fund Assets I as may be appointed from time to time in accordance with the Terms and Conditions. |
| "Legal Owner II" | means Stichting Juridisch Eigenaar Duurzaam Beleggen Fondsen, a foundation (<i>stichting</i>) incorporated and existing under the laws of the Netherlands, or such other legal owner of the Fund Assets II as may be appointed from time to time in accordance with the Terms and Conditions. |
| "Management Fee" | means the fee due by the Fund and each Sub-fund to the Fund Manager as remuneration for its management of the Fund as set forth in Section 9.2.3 of this Prospectus. |
| "Net Asset Value" | means the balance, expressed in EUR, of the fair value of the Fund Assets minus the value of the relevant Fund Obligations, as determined based on the accounting and valuation principles of the Fund as set forth in Section 10.1 of this Prospectus. |
| "Net Proceeds" | means all dividends and interest and all divestment, redemption and 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. |
| "OCF" | means the Ongoing Charges Figure; 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 |

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| | 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. |
| “Ordinary Consent” | means the written consent of Participants together representing more than 50% of the issued and outstanding Participations. |
| “Organisational Expenses” | means all costs incurred in connection with the formation of the Fund as further set forth in Section 10 of this Prospectus. |
| “Pandion Fund” | means the Fund. |
| “Participant” | means a natural or legal person, which participates in the Fund in accordance with the Subscription Form and the Terms and Conditions. |
| “Participation” | means a unit representing the rights of a Participant to a certain percentage of the Net Asset Value within its Sub-fund; each Participation represents an equal interest in the Net Asset Value within such Sub-fund. |
| “Prospectus” | means this prospectus including its schedules describing the (terms and conditions) of the Fund (including the Sub-funds) within the meaning of 4:37I FSA, as amended from time to time. |
| "PWF" | means the Sub-fund Protective World Fund. |
| “Quality Shares” | means shares of companies with a strong competitive position, a solid balance sheet reflecting a healthy debt-to-equity balance, showcasing years of rising profits without major fluctuations and good management. |
| “Redemption Date” | means the first Business Day of any calendar month and/or, under certain circumstances set out in the Terms and Conditions, such other day or days as the Fund Manager may from time to time determine at its sole discretion. |
| “Redemption Notice” | means the standard notice through which a request for redemption of Participations is made. |

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| “Redemption Price” | means the Net Asset Value per Participation as at the Valuation Date immediately preceding the Redemption Date on which the relevant Participation is redeemed. |
| “Register” | means the register in which in respect of each Participant are entered its name, address and other contact details, the bank or securities account details on which the Participant wishes to receive payments, its tax status and the number of its Participations. |
| “Roularta” | means Roularta Media Nederland B.V., a limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated and existing under the laws of the Netherlands. |
| “SFDR” | means Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector. |
| “Special Consent” | means the written consent of Participants together representing more than 75% of the issued and outstanding Participations. |
| “Sub-fund” | means each sub-fund of the Fund that is separately administered and having its own investment policy and costs structure as set out in this Prospectus and constituting a separate Alternative Investment Fund, currently BBDGF (represented by series A Participations), PWF (represented by series B Participations) and DBFF (represented by series C Participations). |
| “Subscription Date” | means the Closing Date and the first Business Day of any calendar month and/or such other day or days as the Fund Manager may from time to time determine at its sole discretion. |
| “Subscription Form” | means the subscription form, by means of which the Participants accept the Prospectus and the Terms and Conditions, a template of which is attached hereto as <u>Schedule 2</u> . |
| “Subscription Price” | means the Net Asset Value per Participation as at the Valuation Date immediately preceding the Subscription Date on which the relevant Participation is issued. |

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| “Sustainability Risk” | means an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact of the value of an investment“ as defined in the SFDR. |
| “Terms and Conditions” | means the terms and conditions of management and custody (<i>voorwaarden van beheer en bewaring</i>) of the Fund as attached hereto as <u>Schedule 1</u> . |
| “Total Redemption Amount” | means the Total Redemption Price reduced by a discount described in Section 8.3 of this Prospectus, as applicable. |
| “Total Redemption Price” | means the Redemption Price multiplied by the relevant number of redeemed Participations. |
| “Total Subscription Amount” | means the Total Subscription Price increased by a surcharge described in Section 7.1.2 of this Prospectus, as applicable. |
| “Total Subscription Price” | means the Subscription Price multiplied by the relevant number of issued Participations. |
| “Valuation Date” | means the last Business Day of each calendar month and/or such other day or days as the Fund Manager may from time to time determine at its sole discretion. |

3 THE INVESTMENT OPPORTUNITY

3.1 Fund Objective, Strategy, Performance Objectives

3.1.1 Fund Objective

BBDGF OBJECTIVE

BBDGF's objective is to create a concentrated equity portfolio of quality companies with a sustainable or growing dividend distribution with the aim of increasing the value of the capital invested over time. BBDGF is aimed at investors with a long-term investment horizon (minimum five years). The expected return is in line with the MSCI World Index Net Return (in EUR, Bloomberg ticker MBWO Index).

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

PWF OBJECTIVE

PWF's objective is to achieve long term capital growth. To achieve this, the strategy of PWF is to invest predominantly in a basket of individual shares, looking at the extent to which attention is paid to the ESG policy of the relevant share.

The PWF portfolio promotes ecological and social characteristics, as defined in article 8 SFDR.

The Fund does not have a sustainable investment objective or takes into account the EU criteria for environmentally sustainable economic activities.

Ecological characteristics

By not investing in companies involved in fossil energy extraction and aviation and by investing in companies with lower pollution values than similar companies (best in class), the Fund promotes climate change mitigation, protection of water resources and pollution control as ecological characteristics.

Social characteristics

By not investing in companies involved in weapons, pornography, fur and special leathers and screening companies for acting in accordance with international treaties, the Fund promotes respecting human rights and animal welfare as social characteristics.

For further information on the environmental and social characteristics it promotes, please refer to Annex II and paragraph 3.3.

DBFF OBJECTIVE

DBFF's objective is to achieve long term capital growth. To achieve this, the strategy of DBFF is to invest (directly or indirectly) predominantly in a basket of individual Quality Shares, looking at the extent to which attention is paid to the ESG policy of the relevant share.

The DBFF portfolio promotes environmental and social characteristics, as defined in Article 8 SFDR.

The Fund does not have a sustainable investment objective or take into account EU criteria for environmentally friendly economic activities.

Ecological characteristics

By not investing in companies involved in fossil energy extraction and aviation and by investing in companies with lower pollution values than similar companies (best in class), DBFF promotes climate change mitigation, protection of water resources and pollution control as ecological characteristics.

Social characteristics

By not investing in companies involved in weapons, pornography, fur and special leathers, and by screening companies for compliance with international treaties, DBFF promotes respect for human rights and animal welfare as social characteristics.

For more information on the environmental and social features it promotes, see Annex II and paragraph 3.4.

3.1.2 **Fund Strategy**

BBDGF STRATEGY

To achieve the BBDGF objective, BBDGF will invest in listed equities and create a long only portfolio. The BBDGF portfolio will consist of 25-75 equity securities.

BBDGF's investment philosophy and strategy is based on research provided by analysts of *Beleggers Belangen*, a weekly Dutch magazine and website with up-to-date information for non-professional investors. The equity selection is based on the ability of the companies to create sustainable and/or growing dividend distributions to its shareholders. Any dividends received on the equity will be reinvested.

BBDGF will only invest in equity instruments issued by companies from developed countries and will invest in at least 3 different economic sectors.

The portfolio will be managed subject to the Investment Restrictions set out below. The Fund Manager may only deviate from these provisions and change the Investment Strategy by amending this Prospectus and the Terms and Conditions in the way set forth in Schedule 1 regarding the Terms & Conditions of this Prospectus.

If BBDGF holds investments denominated in currencies other than the Euro, this entails a foreign exchange risk. The Fund Manager therefore may, but is not under an obligation to, hedge foreign exchange risks if it considers this to be in the interest of BBDGF.

BBDGF may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or with related party funds, on the terms and

conditions as applicable under the relevant funds' documentation with the prior approval of the Participants by Ordinary Consent. Valuations in relation to any such transaction may be performed by one or more parties (i.e. administrator) involved in such transaction as defined in 10.1.

The financial instruments in which BBDGF invests are predominantly traded on the regulated markets of the European Union, Switzerland, the United Kingdom, Norway, the United States of America and Canada.

PWF STRATEGY

To achieve the PWF objective, PWF will primarily invest in a diversified portfolio of individual stocks in which the ESG policy plays an important role and mainly consists of Blue Chips Shares. To mitigate downside market risk, PWF may use derivatives that mainly consist of options and futures. PWF may also hold cash and cash equivalents. The portfolio will be managed actively to achieve the goals of long term growth.

The portfolio will be managed subject to the Investment Restrictions set out below. The Fund Manager may only deviate from these provisions and change the Investment Strategy by amending this Prospectus and the Terms and Conditions in the way set forth in Schedule 1 of this Prospectus.

If PWF holds investments denominated in currencies other than the Euro, this entails a foreign exchange risk. The Fund Manager therefore may, but is not under an obligation to, hedge foreign exchange risks if it considers this to be in the interest of PWF.

PWF may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or with related party funds, on the terms and conditions as applicable under the relevant funds' documentation with the prior approval of the Participants by Ordinary Consent. Valuations in relation to any such transaction may be performed by one or more parties involved in such transaction.

The financial instruments in which PWF invests are predominantly traded on the regulated markets of the European Union, Switzerland, the United Kingdom, Norway, the United States of America and Canada.

DBFF STRATEGY

To achieve the DBFF objective, DBFF will primarily (directly or indirectly) invest in a diversified portfolio of listed individual stocks in which the ESG policy plays an important role and mainly consists of Quality Shares. To mitigate downside market risk, DBFF may use derivatives that mainly consist of options. DBFF may also hold cash and cash equivalents. The portfolio will be managed actively to achieve the goals of long term growth.

The portfolio will be managed subject to the Investment Restrictions set out below. The Fund Manager may only deviate from these provisions and change the Investment

Strategy by amending this Prospectus and the Terms and Conditions in the way set forth in Schedule 1 of this Prospectus.

If DBFF holds investments denominated in currencies other than the Euro, this entails a foreign exchange risk. The Fund Manager therefore may, but is not under an obligation to, hedge foreign exchange risks if it considers this to be in the interest of DBFF.

DBFF may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or with related party funds, on the terms and conditions as applicable under the relevant funds' documentation with the prior approval of the Participants by Ordinary Consent. Valuations in relation to any such transaction may be performed by one or more parties involved in such transaction.

The financial instruments in which DBFF invests are predominantly traded on the regulated markets of the European Union, Switzerland, the United Kingdom, Norway, the United States of America and Canada.

3.2 Fund Investment Restrictions (BBDGF)

The below restrictions will apply to the Fund Assets in respect of BBDGF.

3.2.1 *Position sizes*

BBDGF shall invest at least 90% of its portfolio in the equity (long only) asset class, whereby it shall:

- a) invest at least 95% in companies with a minimum market capitalization of EUR 1,000,000,000;
- b) not invest more than 30% of its portfolio value in a single country, whereby, as an exception, the Fund may invest up to 80% of its portfolio value in the United States; and
- c) not invest more than 40% of its portfolio value in a single (GICS2) sector.

Further, BBDGF may:

- a) invest up to 10% of its portfolio value in a single entity, provided that the aggregate exposure to single entities in which BBDGF invests more than 5% of its portfolio value is less than 40% of its portfolio value; and
- b) hold up to 10% of its portfolio value in cash or cash funds as ancillary liquid assets in order to service inflow or outflow or to await reinvestment.

The BBDGF portfolio turnover rate (*PTR*) shall not be more than 2 times per annum.

3.2.2 *Investment criteria*

BBDGF will only invest in equity instruments issued by companies from developed countries and will invest in at least 3 different economic sectors.

3.3 Fund Investment Restrictions (PWF)

The restrictions below will apply to the Fund Assets in respect of PWF.

3.3.1 *Position sizes*

Individual stocks

No one of the individual stocks will exceed 7.5% of the total Fund Assets. The portfolio must be diversified with a minimum of 30 individual stocks.

Derivatives

Fund is allowed to use derivatives like options and futures.

3.3.2 *Investment criteria*

The PWF portfolio promotes ecological and social characteristics, as defined in Article 8 SFDR (see annex II).

When composing the PWF portfolio, the following investment criterium must be met:

- the portfolio may only consist of listed products.
- the portfolio consists of at least 7 different sectors;
- the portfolio consists of at least 30 share positions
- Sustainability indicators are applied as binding elements of the PWF portfolio (annex II)
- ESG score of at least 45 (based on methodology of an external data provider). If such ESG score falls below this threshold, Fund Manager will close the position in short term.

3.4 Fund Investment Restrictions (DBFF)

The restrictions below will apply to the Fund Assets in respect of DBFF.

3.4.1 *Position sizes*

Individual stocks

No one of the individual stocks will exceed 7.5% of the total Fund Assets. The portfolio must be diversified with a minimum of 30 individual stocks.

Derivatives

Fund is allowed to use derivatives like options and futures.

3.4.2 *Investment criteria*

The DBFF portfolio promotes ecological and social characteristics, as defined in Article 8 SFDR (see annex II).

When composing the DBFF portfolio, the following investment criterium must be met:

- the portfolio may only consist of listed products.
- the portfolio consists of at least 7 different sectors;
- the portfolio consists of at least 30 share positions;
- Sustainability indicators are applied as binding elements of the DBFF portfolio (annex II); and
- ESG score of at least 45 (based on methodology of an external data provider). If such ESG score falls below this threshold, the Fund Manager will close the position in short term.

3.5 **Borrowings and leverage**

The Fund Assets may be pledged to a custodian, if appointed at any time, to borrow against the Fund Assets, limited to 100% of the Fund Assets. In order to mitigate the risk of currency devaluations or fluctuations, the Fund Manager may hedge against a decline in the value of the Fund's non-EUR denominated Fund Assets. The Fund Manager is not allowed to lend any of the Fund Assets to a third party.

To achieve the Fund's objective, the Fund will use leverage in executing its investment strategies. Such leverage may take a variety of forms, including margin borrowing from securities brokers and dealers, derivative instruments that are inherently leveraged as determined by the Fund Manager in its sole and absolute discretion. Whether Leverage will be deployed in the portfolio depends on a set of predefined longterm riskparameters that all have moved within certain critical values. The amount of leverage deployed depends on a set of shortterm riskparameters that all must have been met to determine the amount of leverage relative to the portfolio.

Leverage employed by the Fund may be secured by the Fund Assets.

The Fund may use leverage provided by the Custodian based on collateral up to 100% of its Net Asset Value of the portfolio, so the exposure (measured by the gross method) can be a maximum of two times its Net Asset Value. In due course of investing this percentage will be substantially lower.

In the event of any change in the Fund's policy on leverage, this will be notified to Participants in the monthly newsletters by email. The total amount of leverage and its composition employed by the Fund (calculated in accordance with the gross method as calculated by the relevant Administrator) will be reported in each monthly report provided to the Participants. This report will be drafted by the portfolio manager.

3.6 Life span of the Fund (Term)

The Fund is formed for an indefinite period of time but shall terminate upon the occurrence of any of the events set forth in article 24.1 Terms & Conditions.

3.7 Sustainability Risk incorporation (SFDR)

Investments may be exposed to Sustainability Risk. Examples of such events or circumstances include climate change, involvement in child labor, or scarcity of raw materials. Such events and circumstances could have a negative effect on the value of investments.

The Fund Manager assesses Sustainability Risks as any other risks such as market risk. All of these risks could result in the possibility that expected or targeted returns may not be achieved.

By integrating risk factors – including sustainability factors - into the investment decision process Sustainability Risks are managed by the Fund Manager. If the Fund Manager identifies high risks - including sustainability risks - the Fund Manager will not invest or replaces an existing investment

Since all three portfolios are diversified, the Fund Manager believes that any Sustainability Risk may arise, but given the investment restrictions (3.2 BBDGF, 3.3 PWF and 3.4 DBFF), the required pre-investment risk assessment and post-investment monitoring activities, the Fund Manager expects that the likely impact of Sustainability Risks on the returns for all three portfolios are limited.

No Consideration of Principal Adverse Impacts

The Fund Manager does not consider principal adverse impacts of its investments decisions on sustainability factors at entity level. As the Fund Manager is required to assess all indicators of Table 1 of Delegated Regulation 2022/1288 as well as the relevant indicators of Tables 2 and 3 if it were to include negative impacts on sustainability factors at entity level the Fund Manager believes that there is currently insufficient reliable data available to adequately analyze all of these negative impacts and integrate them into its investment process.

The Fund Manager takes into account some principal adverse impacts on sustainability factors (for PWF and DBFF).

The Fund manager will follow developments in this area closely and reconsider the above statement if it appears that sufficient reliable data becomes available in the market.

4 RISK FACTORS

4.1 Introduction

An investment in the Fund carries a high degree of risk. There can be no assurance that the Fund will achieve its Fund Objective or that Investee Funds' investment policy or activities will be successful.

The value of the Fund's investments and the Participations may fall as well as rise and returns on past investments are no guarantee as to the returns on future investments. Accordingly, Participants may lose all or part of their investment in the Fund.

An investment in the Fund requires the financial ability and willingness to accept for an indefinite period of time the risk and lack of liquidity inherent in the Fund.

Due to the Investment Strategy, the value of Fund Assets can strongly fluctuate up and downwards.

Potential participants should consider, among others, the non-exhaustive list of risks mentioned below, review this Prospectus and its ancillary documents carefully and in their entirety, consult with their professional advisors and conduct and subsequently rely upon their own investigation of risk factors associated with the proposed investment.

Participants should realize that the existence and occurrence of certain risks may contribute to the existence and occurrence of other risks.

4.2 Risks Relating to the Fund

Performance

In so far the Fund invests in Investment Funds, the Fund's results depend upon the performance of Investee Funds.

Market Risks

Markets may rise and fall and the prices of financial instruments and other assets on the financial markets in general, and more specifically the prices of assets of the nature and type the Fund may invest in and hold, can rise and fall. A careful selection and spread of investments does not provide any guarantee of positive results.

Lack of Liquidity

Some of the Fund Assets may be in assets which are illiquid or may become illiquid under certain market conditions. Accordingly, it may not always be possible to purchase or sell those assets for their expected value or, if applicable, the prices quoted on the various exchanges.

The Fund's ability to respond to market movements may be impaired and the Fund may experience severe adverse price movements upon liquidation of its Fund Assets.

Leverage Risk

The Fund's use of swaps, futures contracts, options contracts and certain other derivative instruments may have the economic effect of financial leverage. Financial leverage magnifies exposure to the swings in prices of an asset underlying a derivative instrument and results in increased volatility, which means the Fund will have the potential for greater gains, as well as the potential for greater losses.

Concentration of Investments

The Fund may hold relatively few, large investments in relation to the size of the Fund. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected. Lack of liquidity may aggravate such losses significantly. In addition, the Fund may own a significant percentage of all of the shares or other securities issued by an Investee Fund. It may not always be possible to dispose of such securities without incurring significant losses. Potential profits may not always be immediately realisable and may therefore be lost prior to realisation.

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 cannot be transferred (whether through a sale, donation, exchange, assignment or otherwise) by a Participant other than by way of redemption by the Fund pursuant to article 15 (*Redemption of Participations*) of the Terms and Conditions (reference is made to article 17 (*No Transfer of Participations, No Encumbrance of Participations*) of the Terms and Conditions). There is no public market for the Participations and none is expected to develop. Under certain circumstances as set out in Section 8 of this Prospectus, the Fund Manager may suspend the redemption of Participations.

(Foreign) Currency Risk

The Net Asset Value of the Participations may be affected by exchange rate fluctuations. As some of the Fund's Assets may be denominated in currencies other than the EUR while the Fund's accounts will be denominated in EUR, returns on certain Fund Assets may be significantly influenced by currency risk.

The Fund Manager may hedge against a decline in the value of the Fund's non-EUR denominated Fund Assets. Should the Fund Manager decide to hedge the risk of currency devaluations or fluctuations, the Fund Manager may not always succeed in realizing hedges under acceptable conditions and consequently the Fund may be subject to the risk of changes in relation to the EUR of the value of the currencies in which any of its assets are denominated.

Counterparty Risk

The Fund will be subject to the risk of the inability or refusal of payment or clearing institutions, 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 Manager will seek to mitigate these risks by reviewing the creditworthiness and reliability of all service providers and counterparties and only entering into transactions with those parties that the Fund believes to be creditworthy and reliable.

Non-diversified Status of Fund Assets

The Fund may not be able to achieve adequate diversification in respect of geography, instrument and investment type, sector, capitalisation, liquidity, volatility and/or currency. Consequently the Fund Assets may be subject to and experience greater risk and market fluctuation than a fund that has investments representing a broader range of investment alternatives.

Economic Environment

In the current economic environment, there are increased risks of financial institutions on which the Fund is dependent for its operation or investment returns to fail, be bankrupted or subject to government seizure or nationalization.

Inflation

Due to inflation, the relative value of Participations may decline. The Fund will not specifically hedge inflation risk or take other measures to mitigate this specific risk.

Limited Operating History

The Fund is a recently established entity with limited operating history in order to evaluate the future performance of the Fund.

Changing Legislation

The regulatory and tax environment for investment funds in general as well as certain financial instruments and other types of investments are evolving and changes therein may adversely affect both the Fund's ability to pursue its investment strategies and the value of its Fund Assets. The effect of any future regulatory or tax change on the Fund is impossible to predict. The fiscal status of the Fund may change during the term of the Fund. The Participants are urged to seek fiscal advice before participating in the Fund.

Limited Rights of Participants

The Fund Manager has exclusive authority for managing all operations of the Fund. Participants 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.

Redemption Risk and Restrictions

The Fund is an open-ended fund and Participations may be redeemed at the request of a Participant in accordance with the restrictions of Section 8 of this Prospectus and the applicable terms of the Terms and Conditions. Accordingly, there can be no guarantee that the actual Redemption Price reflects the Net Asset Value per Participation as at the date of submitting the Redemption Notice.

The Fund Manager may further suspend the redemption of Participations if: (i) 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 Fund Manager, not be practical or would negatively affect the rights of other Participants; (ii) the Participant did not act in compliance with applicable legislation or the Terms and Conditions; (iii) for whatever reason, the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained; or (iv) relevant exchanges are not open for business or the sale of Fund Assets is otherwise restricted or suspended.

Redemptions may cause the Fund to dispose of assets in order to meet its redemption obligations earlier than anticipated or under less favourable market conditions than the Fund would otherwise have disposed of such assets. This may result in a lower Net Asset Value of the Fund generating lower or negative returns for the non-redeeming Participants. Significant redemptions may lead to significant losses to Participants, which remain invested in the Fund.

Unclear Legislation

Unclear rules and regulations and conflicting advice 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 Fund Manager and other connected persons may result in a negative impact on the Net Asset Value of the Fund and the Participations.

General Political Factors

Investment results may be adversely affected by developments in countries in which the Fund Assets or counterparties are located. This may result in a partial or complete loss by the Fund as a result of the breakdown of the country's financial system. Such developments include, without limitation: war; civil unrest, ranging from protests to civil war; changes in the political situation and/or government of a country; acts of terrorism; expropriation and creeping expropriation; and inability to transfer moneys cross-border or convert moneys to hard currency.

Indemnification

Under the Terms and Conditions, the Fund Manager and the Legal Owners are entitled to be indemnified out of Fund assets against costs, losses and expenses which they may incur or become liable in connection with the execution of their duties. In addition, the Depositary, the Administrators and other service providers also are entitled to indemnity under the terms of their respective agreements for services. These obligations could require substantial

indemnification payments out of the Fund Assets, provided however that the Depositary shall not be so indemnified with respect to any matter resulting from its negligent or intentional failure to properly fulfil its obligations in accordance with article 21(12) of the AIFMD, and no other person shall be so indemnified with respect to any matter resulting from its attributable breach (*toerekenbare tekortkoming in de nakoming*).

Sustainability Risks

Investments may be exposed to sustainability risks. Sustainability risk means an environmental, social or governance event or condition that if it occurs could cause an actual or potential material negative on the value of the investment.

4.3 General Risks Associated with Investments in Investee Funds

The risks similar to those cited with respect to the Fund might also apply to Investee Funds, in addition to the specific risks which might be applicable to such Investee Funds, such as:

Non-listed Securities

An Investee Fund may invest a large portion of its assets in securities that may not be listed or traded on a stock exchange or regulated market. The issue of such securities may not be monitored by an authority. There may also not be a secondary market monitored by the authorities for such instruments, and the liquidity of these instruments may accordingly be low. As these debt instruments may be issued by issuers who are new to the market or were only recently established, the selection of investments may not be based on detailed historical analyses of the issuer's activities. Consequently the risks and default risks for such investments may be much greater than for conventional securities.

Capital Market Developments

The profitability of portfolio companies of Investee Funds partly depends on the developments in the capital markets. Developments in both debt and equity markets may impact on the ability of portfolio companies to obtain debt financing or raise capital through share offerings. This may in turn impact the returns available for the relevant Investee Fund.

Credit Risk

Subscription amounts paid by Participants prior to the relevant Subscription Date, which are invested into Investee Funds prior to such Subscription Date, may be viewed by the courts as being Fund Assets. In the event of the Fund becoming insolvent prior to the relevant Subscription Date, such subscription amounts would be at risk with all other Fund Assets.

Follow-on Investments

An Investee Fund may have the opportunity or be requested to increase its investment in a particular portfolio company. In case an Investee Fund undertakes such follow-on investments, it may significantly increase its exposure to a particular portfolio company. In case it does not

undertake such follow-on investments, this may have a negative impact on the returns of a particular portfolio company, or may lead to a dilution of the value of the relevant Investee Fund's investment.

Investment Strategy (including the use of derivatives and leverage by the Investee Funds)

Risks involved in these type of investments are greater than that normally associated with other types of investment, as the investment strategies can be subject to sudden, unexpected and substantial price movements. Consequently, the trading of such investments can lead to substantial losses as well as gains in the net asset value per share, unit or participation within a short period of time.

Investments may be made in markets that are volatile and/or which may become illiquid. Accordingly, although certain investments may give greater liquidity than an equity investment, it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive to liquidate positions against which the market is moving. Alternatively, it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant market or otherwise).

Accordingly, the ability to respond to market movements may be impaired. These risks may be accentuated where it is required to liquidate positions to meet margin requests, margin calls, redemption requests or other funding requirements.

Some of the investment strategies may include short selling which involves agreeing to sell securities at a future date although, at the time of such agreement, the securities to be sold may, or may not, be owned by the seller. The seller may, at times, have to borrow securities of the same type for delivery to the purchaser, with an obligation on the seller to replace any such borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such declines exceed the transaction costs and any costs of borrowing the securities.

However, if the borrowed securities must be replaced by purchases at market prices in order to close out a short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. There can be no guarantee that securities necessary to cover a short position will be available for purchase.

In addition, in some markets there are rules prohibiting short sales at a price below the last sale price, which may prevent the short sales from being executed at the most desirable time.

The Investee Funds may use derivatives. Investments in derivatives involve significant risks and may result in losses. The prices of futures contracts and derivative instruments are highly volatile. These prices are influenced by, among other things, interest rates, implied volatility, dividend yield, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and political and economic events.

Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised. Forward and 'cash' trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade, and these markets can experience periods of illiquidity, sometimes of significant duration. Disruptions can occur in any market traded due to unusually high trading volume, political intervention or other factors.

Some of the investment strategies may incur leverage through cash borrowings. The use of cash borrowings creates special risks and may increase the investment risk. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the exposure to capital risk and interest costs.

Cash Management

Investee Funds may enter into arrangements by which cash not required for trading purposes will be managed by the investment managers. Such arrangements may include the entry into of repurchase or reverse repurchase transactions and other cash management arrangements, including holding cash in bank accounts or secured or unsecured deposits, or investing such cash in corporate or government bonds, or such other instruments as deemed appropriate by the investment manager.

A repurchase transaction involves the sale of securities by a seller to a buyer for a purchase price, and an agreement for the seller to repurchase such securities on a mutually agreed future date for the same purchase price, plus interest at a negotiated rate. From the perspective of the buyer, the transaction is referred to as a reverse repurchase transaction, and involves buying securities against payment of a cash price, with the buyer agreeing to resell the securities at a future date, and the original seller agreeing to repurchase such securities at the same price, plus interest at a negotiated rate. Such transactions are economically equivalent to a cash loan collateralised by the securities.

The use of repurchase and reverse repurchase agreements involves certain risks. For example, if the seller of securities under a reverse repurchase transaction defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Investee Funds seek to dispose of such securities, which action could involve costs or delays. The Investee Funds may suffer a loss to the extent that the proceeds from the disposal of the underlying securities are less than the repurchase price due from the defaulting seller.

Discretion of Investment Managers; Strategies, Instruments and Techniques

The investment managers have discretion in the types of financial instruments which they may trade and have the right to modify the trading strategies, instruments or hedging techniques. Any of these new trading techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to the companies. In addition, any new investment

strategy, choice of instruments or hedging technique may be more speculative than earlier techniques and may increase the risk of an investment.

4.4 Risks Relating to the Fund Manager

Due to the insolvency, negligence or fraudulent actions of the Fund Manager, its officers or employees or third parties used for the custody of assets of the Fund, the value of Participations may decline and the Fund Assets may be lost.

4.5 Risks Relating to the Legal Owners and the Depositary

Due to the insolvency, negligence or fraudulent actions of the Legal Owners and/or the Depositary, their officers or employees or third parties used for the custody of assets of the Fund, the value of Participations may decline and the Fund Assets may be lost.

4.6 Risks Relating to Conflicts of Interests

Other Clients

The Fund Manager will manage other funds other than the Fund. There can be no assurance that such services do not conflict with the interests of the Fund. The Fund Manager and the Legal Owners intend to manage potential and actual conflicts of interest issues in good faith in compliance with the Fund's conflicts of interests policy in order to take any necessary decision or action to ensure that the Fund Manager acts in the best interests of the Fund.

Sustainability risks

The Fund Manager and the Legal Owners intend to manage potential and actual conflicts of interest issues in good faith in compliance with the Fund's conflicts of interests policy and take all reasonable steps to identify, prevent, manage and monitor conflicts of interest in relation to sustainability risks to prevent them from adversely affecting the interests of the Fund and its Participants.

Transactions with the funds managed by the Fund Manager or with related party funds

The Fund may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or with related party funds with the prior approval of the Participants by Ordinary Consent. The Fund Manager and the Legal Owners intend to manage potential and actual conflicts of interest issues in good faith in compliance with the Fund's conflicts of interests policy in order to be able to take all reasonable steps designed to identify, prevent, manage and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and the Participants.

Diverse Participants

Participants may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests may relate to, among other things, the nature of Fund Assets, the structuring of Fund Assets and the timing of disposition of Fund Assets. As

a consequence, conflicts of interest may arise in connection with decisions made by the Fund Manager that may be more beneficial for one Participant than for another Participant, especially with respect to Participant's individual tax situations. The Fund Manager will consider the investment, tax and other interests of the Fund and its Participants as a whole, not the investment, tax or other interests of any Participant individually.

The foregoing factors are not exhaustive and do not purport to be a complete explanation of all the risks and considerations involved in investing in the Fund. In particular, the Fund's performance may be affected by changes in market conditions, and legal, regulatory and tax requirements. The Fund will be responsible for paying the fees, charges and expenses referred to in this document regardless of the level of profitability.

Delegation

Manager has delegated certain key functions like administration and the compliance function. Before a delegation partner is committed, a thorough check is done on the delegation partner including a conflict of interests analysis. During the performance of the delegation agreement any possible conflicts of interests are addressed based on the delegation policy and conflicts of interests policy as used by the Fund Manager.

Conflicts of interests might arise between the Fund Manager and the delegation partner or between the delegation partner and other clients of the delegation partner in relation to the Fund Manager and/or the Fund.

No such conflicts of interests currently exist or are expected to arise in the near future.

Other positions of a portfolio manager

This is the risk that a portfolio manager also acts for other funds or investment initiatives besides the Fund of Alpha Based Capital, to the detriment of the Pandion Fund or the investors.

Alpha Based Capital maintains a strict policy regarding conflicts of interests and external positions where full transparency is the norm. The board and the External Compliance Officer will actively monitor on (potential) conflicts of interests.

The portfolio manager of Sub-fund BBDGF and Sub-fund PWF only manages funds from Alpha Based Capital. However, it is noted that Mr drs. Schilder, one of the portfolio managers for Sub-fund DBFF, does manage another low vol fund.

Independent financial advice

Potential Participants who are in any doubt as to the risks involved in investing in the Fund are recommended to obtain independent financial advice before making an investment.

5 LEGAL AND REGULATORY STRUCTURE OF THE FUND

5.1 Legal Structure of the Fund

5.1.1 Legal Form

The Fund is an open end investment fund (*beleggingsfonds*) as referred to in article 1:1 FSA and a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands. The Fund has an umbrella structure meaning that the Fund is divided into Sub-funds and that for each Sub-fund a separate series of Participations is issued and of which Sub-funds the assets are separately administered and each Sub-fund having its own Investment Objective and respective Strategy and cost structure as set out in this Prospectus.

Under the laws of the Netherlands, the Fund is neither a legal entity (*rechtspersoon*) nor a partnership, commercial partnership or limited partnership (*maatschap, vennootschap onder firma* or *commanditaire vennootschap*), but a contractual arrangement *sui generis* between the Fund Manager, the Legal Owners and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Legal Owners for the account and risk of the Participants. In view of its legal form of fund for joint account the Fund is not eligible for registration in the Trade Register (*handelsregister*) of the Netherlands.

The address of the Fund is Nevelgaarde 8, 3436 ZZ Nieuwegein in The Netherlands.

The Fund will be managed by the Fund Manager. The Participants have no proprietary rights with respect to the assets of the Fund. The Legal Owner I is the legal owner of all Fund Assets I and the Legal Owner II is the legal owner of all Fund Assets II. The Legal Owner I will acquire and hold the Fund Assets I for the purpose of management and custody (*ten titel van beheer en bewaring*) on behalf of and for the account of the Participants in Sub-fund BBDGF and Sub-fund PWF. Such interest of the Participants is represented by the Participations held by each of them in Sub-fund BBDGF and Sub-fund PWF. The Legal Owner II will acquire and hold the Fund Assets II for the purpose of management and custody (*ten titel van beheer en bewaring*) on behalf of and for the account of the Participants in Sub-fund DBFF. Such interest of the Participants is represented by the Participations held by each of them in Sub-fund DBFF.

The Legal Owners may grant a power of attorney to the Fund Manager under the Terms and Conditions to manage (*beheren*) the Fund Assets in accordance with the Terms and Conditions.

5.1.2 Establishment, Term and Termination of the Fund

The Fund is established as of the first issue of a Participation and shall continue to exist for an indeterminate period of time. The Fund shall terminate upon the occurrence of any of the events set forth in article 24.1 of the Terms and Conditions.

5.1.3 ***Sub-funds***

All Participants shall be treated fairly by the Fund Manager. The organisation of the Fund Manager observes an elaborate integrity framework as required by law regarding its daily operations as well as regarding informational and notification duties for the benefit of investors and regulators. An example is the handling of Conflicts of Interests.

The Fund shall have three (3) Sub-funds: BBDGF, PWF and DBFF, respectively represented by series A Participations, series B Participations and series C Participations, which Participations shall be issued based on the Total Subscription Price subscribed for by the Participant and/or the date of subscription as described in Section 7.1.3 of the Prospectus.

All Sub-funds have a different Investment Objective and Investment Strategy and cost structure. Also, for the different Sub-funds a different Management Fee will be charged as described in Section 9.2.3 of the Prospectus.

No Participants shall have any other special rights as compared to other Participants, and no Participants shall have any preferential treatment as compared to other Participants. There are no specific legal or economic links between the Fund or the Fund Manager on the one hand, and Participants subscribing for any particular Sub-fund on the other hand.

Participations in each Sub-fund represent an equal interest in the Net Asset Value of that Sub-fund without priority or preference of one over the other.

A Participant cannot directly convert an investment in one Sub-fund into an investment in another Sub-fund. Such conversion from one Sub-fund into the other would need to be made through the procedure of redemption of Participation(s) of the relevant series in the respective Sub-fund followed by the subscription for Participation(s) of the relevant series in the other Sub-fund.

5.1.4 ***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. A liquidation report shall be prepared in connection with the liquidation. The balance left after the liquidation shall be paid in cash to the Participants (pro rata to the numbers of Participations held by them, against cancellation of these Participations).

5.1.5 ***Key Fund Documents, Governing Law and Jurisdiction***

The Fund Documents will be:

- a) the Terms and Conditions. The Terms and Conditions represent the key organisational document of the Fund and amongst others set forth the agreement between the Fund Manager and the Legal Owners concerning the management and custody on behalf of the Fund;

- b) this Prospectus; and
- c) the Subscription Form.

The Fund Documents will be governed by Dutch law. The competent court in Amsterdam, the Netherlands will have exclusive jurisdiction to settle any claims, actions or disputes arising out or in connection with the Fund Documents (subject to appeal as provided by law).

A final judgment obtained in a court of any Member State of the European Union and which is enforceable in such Member State will be recognized and enforced by the courts of the Netherlands without re-trial or re-examination of the merits:

- a) on the basis of and subject to the limitations imposed by the Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (as amended by the Council Regulation (EC) No 1215/2012 of 12 December 2012); and
- b) subject to limitations imposed by Regulation (EC) No. 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims (as amended by commission regulation (EC) No 1869/2005 of November 2005 replacing the Annexes to Regulation(EC) No. 805/2004) and the rules and regulations promulgated pursuant thereto.

5.1.6 *Amendment of the Prospectus and the Terms and Conditions*

The Terms and Conditions and this Prospectus may be amended pursuant to a joint resolution of the Legal Owners and the Fund Manager.

A proposed amendment to the Terms and Conditions or this Prospectus shall be published on the website of the Fund Manager. In addition, an explanation to the proposed amendments will be published on the website of the Fund Manager.

Notice of amendments made will also be made on the website of the Fund Manager. In addition, an explanation to the amendments will be published on the website of the Fund Manager.

An amendment of the Prospectus or the Terms and Conditions causing a reduction in Participants' rights or security, imposing costs on the Participants or causing a change to the Investment Strategy does not become effective in relation to the Participants until one (1) month following the date on which such notification has been published on the Fund Manager's website. Participants have the right to redeem their Participations within this period following the date on which such notification has been disclosed under the existing conditions.

5.2 Regulatory Position of the Fund and Supervision

5.2.1 *Existing position*

The Fund Manager is in possession of an AFM license as referred to in article 2:65(a) FSA, and as a consequence may offer the Participations to professional and non-professional investors within the Netherlands. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.

5.2.2 *Regulatory changes*

The regulatory environment for Alternative Investment Funds continues to evolve. In light hereof, during the existence of the Fund, additional and/or amended legislation and regulations affecting the Fund, the Fund Manager, the Legal Owners, the Depositary and the Administrators may come into force.

The Legal Owners and the Fund Manager may amend the Fund Documents if the Legal Owners and the Fund Manager reasonably determine that a regulatory change has a material adverse effect on the Fund and/or (any of) the Legal Owners and/or the Fund 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 number of funds managed by the Fund Manager that fall within the scope of such change).

5.2.3 *Professional liability risks*

To cover potential professional liability risks resulting from activities the Fund Manager carries out with respect to the Fund, the Fund Manager holds a professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

6 FUND MANAGEMENT AND GOVERNANCE

6.1 The AIFM

6.1.1 *Introduction and Key Duties*

The Fund will be managed by Alpha Based Capital Fund Management B.V. as sole AIFM of the Fund. The Fund Manager is responsible for the entire management of the Fund in accordance with the provisions of the Fund Documents and applicable laws. The Fund Manager is also responsible for maintaining records and furnishing or causing to be furnished all required records or other information of the Fund to the extent such records, reports and other information are not maintained or furnished by the Administrators, the Legal Owners, the Depositary or other service providers.

Alpha Based Capital Fund Management B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands having its official seat (*zetel*) in Amsterdam, the Netherlands and its principal offices at Nevelgaarde 8, 3436 ZZ Nieuwegein, the Netherlands. The Fund Manager is registered in the Dutch trade register (*handelsregister*) under file number 17269299.

The Fund Manager performs its services in accordance with the Terms and Conditions. Pursuant to the Terms and Conditions the Fund Manager has the full and exclusive power, discretion and authority to invest and manage the assets of the Fund.

The Fund Manager shall enter into a research agreement with Roularta. Roularta will provide certain research services to BBDGF, to be executed by Johan Brinkman and Stephen Hendriks. For the avoidance of doubt, this does not constitute delegation by the Fund Manager of any of its activities in relation to BBDGF to Roularta, Johan Brinkman or Stephen Hendriks. The Fund Manager shall bear all costs of the provision of the research services in relation to BBDGF by Roularta to the Fund Manager.

The statutory management board (*bestuur*) of the Fund Manager consists of Mr ir. R.J.Blaes, Mr drs. J. Bouman and Mr mr. A.N. van den Brink who are the (daily) policy makers of the Fund Manager. The Fund Manager has not established a supervisory board.

Ralph Blaes (1978) is currently director at Alpha Based Capital Fund Management B.V. With an extensive background in the financial industry, Mr Blaes has previously held roles as the Head of Sales and Marketing at IEX Group N.V. and has also been actively involved in various roles within the fund industry. Mr. Blaes holds an MSc. in Industrial Engineering and Management from the University of Twente.

Joost Bouman (1971) is currently director at Alpha Based Capital Fund Management B.V. and was partner / director at Asset Enhancement Group B.V. Before that he was a partner of Bouman & Partners Financial Planning (2003-2004), asset manager and shareholder of Amstel Capital Management B.V. (2001-2002), Asset manager at Heijloo & Molkenboer

Vermogensbeheer B.V. (1998-2001) and successively trainee and employee Investment Strategy at Schretlen & Co N.V. (1996-1998). Mr Bouman graduated in Financial Business Administration from the VU University in Amsterdam and holds a charter as Registered Investment Analyst (RBA).

Andreas van den Brink (1984) is currently director at Alpha Based Capital Fund Management B.V. Mr Van den Brink has held various positions in the investment sector over the past 15 years, co-founding two (hedge) funds. Mr Van den Brink began his investment career as a quantitative strategy developer for a long/short market-neutral hedge fund, blending his quantitative skills with algorithmic execution to deliver consistent investment returns. Meanwhile, he has developed into an all-round investment professional, covering all aspects of fund management. Mr Van den Brink pursued a Bachelor's degree in Applied Physics at Eindhoven University of Technology, with a minor in Applied Mathematics. He subsequently studied Law at the University of Utrecht and holds an LLM degree in Dutch Private Law.

The above referenced activities of the board members are not connected to the activities of the Fund.

Portfolio manager BBDGF & PWF

The portfolio manager for Sub-fund BBDGF and for Sub-fund PWF is Mr drs. J. Bouman. See above for Mr J. Bouman's relevant track record.

Portfolio managers DBFF

The portfolio managers for Sub-fund DBFF are Loeg Schilder and Jaap Plat. The relevant track record for Mr drs. L. Schilder and for Mr J. Plat is:

1. Loeg Schilder (1978) has over 20 years of investment experience, amongst others as founder and director of the asset managers Care IS Vermogensbeheer and Axento Vermogensbeheer. Prior thereto he was CIO at Ostrica and active as a options marketmaker at the stock exchange. He writes columns on a regular basis and can be heard on BNR businessnews radio;

Mr drs. Schilder graduated in Economics (*Economie*) from the University of Amsterdam (*Universiteit van Amsterdam*) in Amsterdam, the Netherlands, in the year 2000, and, as part of these studies, (*inter alia*) specialized in environmental economics (*milieu-economie*). Mr drs. Schilder further completed the post-graduate Certified Investment Analyst (*Register Beleggings Analist*) programme in 2003 and earned the CFA Institute's Certificate in EGS Investing in 2021.

2. Jaap Plat (1969) started in 1993 as an options trader at AOT, which later merged into BinckBank. Thereafter he has held positions as trader at several trading houses and as fund manager. In addition to stock market trading, he is also experienced in accountancy. He is a specialist in options structures.

Mr Plat graduated in Business Economics (*Bedrijfseconomie*) from the Amsterdam University of Applied Sciences (*Hogeschool van Amsterdam*) in Amsterdam, the Netherlands, in 1992.

6.1.2 *Delegation of Duties*

The Fund Manager will delegate certain financial, accounting, administrative and other services to the Administrators. In addition, the Fund Manager will delegate the compliance function to Projective Group NL B.V. (Amsterdam branch). No conflicts of interest is expected to arise from such delegations. The Fund Manager will not delegate its portfolio management function or risk management function with respect to the Fund.

6.1.3 *Resignation and removal of the Fund Manager*

The Fund Manager shall resign as Fund Manager on certain grounds set forth in the Terms and Conditions. In case of resignation of the Fund Manager, the Participants shall by Ordinary Consent appoint a substitute Fund Manager.

The Participants may at any time by resolution taken by Special Consent remove the Fund Manager as the fund manager of the Fund, such removal to have effect after three (3) months from the date notified in writing to the Fund Manager. In case of removal of the Fund Manager, the Participants shall by Ordinary Consent appoint a substitute Fund Manager.

6.1.4 *Liability of the Fund Manager and Indemnification*

The Fund Manager shall only be liable towards the Participants for a loss suffered by them in connection with a breach of Fund Manager's duties and responsibilities under the Fund Documents that is attributable to it (*toerekenbare tekortkoming in de nakoming*).

Subject to certain restrictions set forth in the Terms and Conditions, the Fund 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.

6.1.5 *Funds Managed by the Fund Manager*

As at the date of this Prospectus, the Fund Manager additionally manages the Alpha Based Capital Fund, a fund for joint account (*fonds voor gemene rekening*) organised and established under the laws of the Netherlands.

6.2 The Legal Owners

6.2.1 *Introduction*

The appointment of a legal owner of fund's assets is mandatory under article 4:37j FSA in the case of a fund that is not a legal person. The Legal Owners have been appointed to segregate the legal ownership of the Fund Assets from the Fund Manager in the interest of the Participants.

There are 2 Legal Owners:

1. Legal Owner I:

- a) is a legal person entrusted with the safekeeping of the Fund Assets I;
- b) is separate from the Fund Manager; and
- c) shall only act in the interest of the Participants in Sub-fund BBDGF and for Sub-fund PWF.

Stichting Juridisch Eigenaar Pandion, a foundation (stichting) incorporated and organized under the laws of the Netherlands, having its official seat (zetel) in Nieuwegein and its registered office at Nevelgaarde 8, 3436 ZZ Nieuwegein, the Netherlands and registered with the Trade Register of the Netherlands under registration number 78683491 will be the legal owner (houder van de juridische eigendom van de activa van een beleggingsfonds) of the Fund Assets I within the meaning of article 4:37j FSA.

2. Legal Owner II:

- a) is a legal person entrusted with the safekeeping of the Fund Assets II;
- b) is separate from the Fund Manager; and
- c) shall only act in the interest of the Participants in Sub-fund DBFF.

Stichting Juridisch Eigenaar Duurzaam Beleggen Fondsen, a foundation (stichting) incorporated and organized under the laws of the Netherlands, having its official seat (zetel) in the municipality of Amsterdam and its registered office at Nevelgaarde 8, 3436 ZZ Nieuwegein, the Netherlands and registered with the Trade Register of the Netherlands under registration number 82027498 will be the legal owner (houder van de juridische eigendom van de activa van een beleggingsfonds) of the Fund Assets II within the meaning of article 4:37j FSA.

The further arrangements with respect to the position of the Legal Owners vis-a-vis the Fund are set out in the Terms and Conditions a copy of which can be obtained by the investor on request without charges and shall be published on the Fund Manager's website.

6.2.2 **Key Duties**

The key responsibilities of the Legal Owners are:

- a) to hold, for the account and risk of the Participants in the relevant Sub-fund(s), legal title to all assets and rights of the relevant Sub-fund(s);
- b) to, as debtor, assume obligations and liabilities of the relevant Sub-fund(s); and
- c) to be the contracting entity in respect of all agreements entered into on behalf of the relevant Sub-fund(s).

The Legal Owners will do so at the instruction of the Fund Manager, but will not engage itself actively in the management of the Fund.

In acting as a legal owner (*houder van de juridische eigendom van de activa van een beleggingsfonds*) of the Fund Assets of a Sub-fund(s) within the meaning of article 4:37j FSA, the relevant Legal Owner shall act solely in the interests of the Participants in the relevant Sub-fund(s). Each Legal Owner will be fully and exclusively dedicated to the relevant Sub-fund(s) and will not perform any other activities for the relevant Sub-Fund(s) than those referred to above.

6.2.3 **Liability of the Legal Owners and Indemnification**

Each Legal Owner shall only be liable towards the relevant Participants for a loss suffered by them in connection with a breach such Legal Owner's duties and responsibilities under the Fund Documents that is attributable to it (*toerekenbare tekortkoming in de nakoming*).

Subject to certain restrictions set forth in the Terms and Conditions, the Legal Owners will be indemnified out of the Fund Assets against liabilities and charges incurred in connection with the performance of their respective duties and services to the relevant Sub-Fund(s).

6.3 **The Depositary**

6.3.1 **Introduction**

The appointment of an independent AIFMD-depositary (*bewaarder*) within the meaning of article 4:62m FSA is mandatory for an alternative investment fund established in the Netherlands and managed by a licensed Dutch fund manager. The Depositary is appointed to provide the duties as set out in article 21 AIFMD to the Fund in the interest of the Participants.

The Depositary:

- a) is a legal person entrusted with the AIFMD depositary duties;
- b) is separate from the Fund Manager; and
- c) shall only act in the interest of the Participants.

Apex Depositary Services B.V., a licensed limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated and existing under the laws of the Netherlands, having its official seat (*zetel*) in Amsterdam and its registered office at Van Heuven Goedhartlaan 935 A, 1181 LD Amstelveen, the Netherlands, and registered with the Trade Register of the Netherlands under registration number 59855622 will be the depositary of the Fund.

6.3.2 Key Duties

Pursuant to a Depositary Agreement entered into among the Fund Manager and the Depositary, the key responsibilities of the Depositary are:

- a) to monitor the cash flows of the Fund (ensuring in particular that all payments made by or on behalf of Participants upon the subscription for Participations have been received and that all cash of the Fund has been booked in cash accounts opened in the name of the relevant Legal Owner on behalf of Fund or in the name of the Fund Manager acting on behalf of the Fund or in the name of the Depositary acting on behalf of the Fund with the proper entity);
- b) to provide safe-keeping of the Fund Assets (i.e. custody for financial instruments that can be held in a financial instruments account or that can be physically delivered to the Depositary, and verification of the ownership by the relevant Legal Owner of all other assets);
- c) to verify the compliance of the Fund Manager with the investment restrictions as set out in the Prospectus;
- d) to ensure that transactions involving the Fund Assets, any consideration is remitted to the Fund within the usual time limits;
- e) to verify that appropriate procedures are established and applied for the valuation of the Fund Assets; and
- f) to perform various oversight duties with regard to the issue and redemption of Participations, remission of consideration for transactions by the Fund, application of income by the Fund.

The Depositary Agreement contains no option for the Depositary to transfer or re-use the Fund Assets, without the prior consent of the Fund Manager. The Fund Manager would not give its consent as Fund Assets shall not be subject to re-use.

The Depositary may delegate the safekeeping of financial instruments that can be held in custody in accordance with article 21(11) of the AIFMD to a custodian. None of these duties may be delegated by the Depositary to a third party, except the safe-keeping duties as referred to under (b) above, which may be delegated to a custodian. Under the Custody and Brokerage Agreement, the Depositary has delegated its custody services to Saxo Bank A/S in its capacity of custodian of the Fund Assets (Custodian). No conflict of interests are expected to arise from such delegation. The Custody and Brokerage Agreement sets out that the Custodian uses “Chinese walls” and has taken other measures to ensure that the relevant part of its business shall operate independently. The Custodian has undertaken to notify its client of any conflicts of interest that may arise and share further particulars of its conflict of interest policy.

In acting as a depositary of the Fund within the meaning of article 4:62m FSA, the Depositary shall act solely in the interests of the Participants. The Depositary will not be exclusively dedicated to the Fund and may perform any other activities for the Fund than those referred to above or depositary duties for other funds or fund managers.

6.3.3 *Liability of the Depositary and Indemnification, Termination*

The Depositary shall only be liable towards the Fund or the Participants for a loss suffered by them resulting from:

- a) loss of financial instruments in custody with the Depositary in the meaning of article 21(8)(a) AIFMD, unless the Depositary can demonstrate that such loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequence of which would have been unavoidable despite all reasonable efforts to the contrary; or
- b) the Depositary's negligent or intentional failure to properly fulfil its obligations in accordance with article 21(12) AIFMD.

Subject to certain restrictions set forth in the Depositary Agreement, the Depositary will be indemnified out of the Fund Assets against liabilities and charges incurred in connection with the performance of its duties and services to the Fund, but not, for the avoidance of doubt for the loss of financial instruments as set out above.

The Custodian shall only be liable for payment to the Depositary for the Depositary's direct damages resulting from the negligence, wilful default, intentional failure or fraud of the Custodian in performing services as set out in the Custody and Brokerage Agreement. The Depositary's liability under the first and second paragraphs of article 21(12) of the AIFMD to the Fund and the investors of the Fund in respect of the loss of financial instruments held in custody pursuant to the Custody and Brokerage Agreement, is transferred by the Depositary to the Custodian, and (a) the Depositary is entitled to make a claim against the Custodian in respect of such loss on behalf of the Fund in its capacity as depositary of the Fund; and/or (b) the Fund, or the Fund Manager acting on behalf of the Fund, is entitled to make a claim against the Custodian in respect of such loss by the Fund. the Custodian's liability to the Depositary under the Custody and Brokerage Agreement shall not be affected by any delegation by the Custodian of the holding of the Fund Assets. The Fund Manager reserves the right to, at its own discretion, but with due observance of any applicable terms of the Terms and Conditions and the Depositary Agreement, terminate the Depositary Agreement provided that it immediately appoints a substituting depositary.

6.4 The Administrators

6.4.1 *Introduction*

The Fund Manager has engaged the Administrators to provide, subject to the overall direction of the Fund Manager, certain financial, accounting, administrative and other services to the Fund.

6.4.2 **Key Duties**

Pursuant to the relevant Administration Agreement entered into among the Fund Manager, the relevant Legal Owner and the relevant Administrator, the relevant Administrator will be responsible, inter alia, for the following matters under the general supervision of the Fund Manager:

- a) the general administration of the Fund Assets and the Fund Obligations in respect of the relevant Sub-fund(s);
- b) the calculation of the Net Asset Value and the Net Asset Value per Participation in respect of the relevant Sub-fund(s);
- c) providing information to the Fund Manager enabling the Fund Manager to comply with financial and regulatory reporting obligations; and
- d) providing information to the Depositary.

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

6.4.3 **Indemnification and Termination**

Subject to certain restrictions set forth in the relevant Administration Agreement, the relevant Administrator 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 Fund Manager reserves the right to, at its own discretion, but with due observance of any applicable terms of the Terms and Conditions and the relevant Administration Agreement, terminate the relevant Administration Agreement and/or to appoint a substituting administrator.

6.5 **The Brokers**

The Fund Manager has committed two brokers for the Fund: (i) pursuant to the Custody and Brokerage Agreement in its capacity here as broker (Broker) which is separate from its capacity as Custodian: Saxo Bank A/S; and (ii) pursuant to a brokerage agreement dated on or about the date hereof: Interactive Brokers. Each Broker delivers order execution, brokerage, processing of corporate actions, acts as depot bank and provides position administration.

Each Broker will act as broker for leveraged trading and cash management for the benefit of the Fund.

Each Broker is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund Manager. Neither Broker (i) participates in the investment decisions of the Fund Manager or (ii) has any obligation to provide advice in relation to the management of the Fund's investments.

The Fund Manager reserves the right to change the customer arrangements described above by agreement with the Brokers and, in its discretion, to appoint additional or alternative Broker(s).

6.6 The Custodian

Pursuant to the Custody and Brokerage Agreement, Saxo Bank A/S (in its capacity here as custodian (Custodian) which is separate from its capacity as Broker) has been appointed by the Depositary as custodian of the Fund Assets and to provide custody services in such capacity.

6.7 Independent Auditor

Moos Accountants B.V. has been appointed as independent auditor of the Fund. Moos Accountants B.V. is a member of the Netherlands Institute of Chartered Accountants and are under supervision of the AFM based on the Audit Profession Act (*Wet toezicht accountantsorganisaties*).

6.8 The Participants and Meetings of Participants

6.8.1 Introduction

(Prospective) Participants should realize that they are not permitted to engage in the investment operations of the Fund. Participants have certain information rights vis-à-vis the Fund Manager and the relevant Legal Owner and can participate in the decision making process related to certain key aspects of the organisation of the Fund set forth in this Prospectus and the Terms and Conditions.

6.8.2 Meetings of Participants

Meetings of Participants will only be held when called by the Fund Manager.

The Fund Manager must call a meeting of Participants (i) as often as the Fund Manager deems necessary in the interest of the Participants, and (ii) in case one (1) or more Participants holding, in total, at least 25% of the outstanding Participations request the Fund Manager in writing to call and hold such meeting, stating the matters to be placed on the agenda for such meeting.

Meetings of Participants will be held in Amsterdam, the Netherlands, or at such other place in the Netherlands as determined by the Fund Manager. Notice for a meeting of Participants will be published on the Fund Manager's website and sent to the (e-mail) addresses of the Participants at least fourteen (14) calendar days prior to the date of the meeting of Participants. Such notice will state the date, time, place and location and the agenda for the meeting and enclose any documents relevant for the meeting.

Each Participant has the right to attend the meeting and to speak at the meeting. A Participant 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.

For each Sub-fund, a separate meeting may be held, in which case the above applies mutatis mutandis.

6.8.3 *Voting by Participants*

To each Participation is attached the right to cast one (1) vote. Resolutions require, as set forth in the Terms and Conditions, either a simple or a qualified majority of the votes that can be cast on all outstanding Participations being exercised in favour of the proposal.

6.9 Conflicts of interest

6.9.1 *General*

In the business and operations of the Fund, conflicts of interest may arise in respect of investment and divestment transactions, the hiring of services providers as well as other transactions. The Fund's organisational documents will provide for provisions safeguarding the appropriate equitable solution of such conflict of interest situation.

A key role in the resolution of conflict of interest situations is attributed to the meeting of Participants, it being understood that except with the prior approval of the Participants by Ordinary Consent the Fund will not directly:

- a) enter into any transaction with the Fund Manager, the Legal Owners, any Participant; or
- b) enter into any transaction at non-arm's length terms and conditions.

For the avoidance of doubt, the Fund may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or with related party funds with the prior approval of the Participants by Ordinary Consent.

6.9.2 *Involvement of the Fund Manager in Other Funds*

The Fund Manager may manage, and in the future may continue to manage, other investment funds having substantially similar fund objectives and investment strategy as those of the Fund.

The Fund Manager will allocate investment opportunities among such clients and funds on an equitable basis in their good faith discretion, based on the applicable investment guidelines of such investors and funds, portfolio diversification requirements and other appropriate factors, such as managing risks including sustainability risks.

6.10 Complaints Procedure

A Participant can address a complaint related to the Fund, the Fund Manager or any service provider of the Fund to the management board of the Fund Manager in writing (which includes

correspondence by e-mail: info@alphabasedcapital.com). The Fund Manager is registered with the KiFID, this is the Dutch independent organisation for handling complaints that, to the opinion of Participants are not dealt with in a satisfactory manner by the Fund Manager. The Fund Manager will confirm receipt of such complaint and indicate in which manner the complaint will be dealt with within three (3) Business Days of the receipt of such complaint.

7 ADMISSION TO THE FUND AND SUBSCRIPTIONS

7.1 Subscriptions

7.1.1 Conditions

On any Subscription Date, provided the requirements of the Terms and Conditions have been met, the Fund Manager may, at its sole discretion, issue Participations at the request of a new or existing Participant set forth in a Subscription Form. The Participations shall be issued in Amsterdam, the Netherlands.

7.1.2 Subscription Price and Subscription Costs

The Subscription Price of a Participation is equal to the Net Asset Value per Participation as at the Valuation Date immediately preceding the applicable Subscription Date. The Total Subscription Price is the applicable Subscription Price multiplied by the number of issued Participations. The minimum Total Subscription Price for each Sub-fund BBDGF and Sub-fund PWF is EUR 5,000.- per Participant and for Sub-fund DBFF is EUR 1,000.- per Participant. This minimum subscription requirement may be waived by the Fund Manager in its sole discretion.

Up to and including the Closing Date, Participations are offered at a price of EUR 1,000.- per Participation. After the Closing Date, for each Sub-fund the Participations are offered at a price based on Net Asset Value per Participation as at the Valuation Date immediately preceding the applicable Subscription Date. All the Participations at a single Subscription Date will be issued at the same Subscription Price and Net Asset Value per the relevant Sub-fund.

The Total Subscription Price will be increased by the Fund Manager with a surcharge, with a maximum of 0.15% of the Total Subscription Price in normal market circumstances, in order to meet any costs and expenses of the Fund incurred for the acquisition of Fund Assets in order to issue the Participations. The surcharge is for the benefit of the Fund. The surcharge may be substantially higher than 0.15% during times of severe market stress. The Fund Manager shall determine the Total Subscription Amount.

7.1.3 Procedure

Applications for following Participations in the Sub-funds can be made as follows:

- BBDGF: for Participants investing at least EUR 5,000.- on the Closing Date;
- PWF: for Participants investing at least EUR 5,000.- on the Closing Date; and
- DBFF: for Participants investing at least EUR 1,000.- on the Closing Date.

Applications for Participations must be made by submitting a duly signed and completed Subscription Form to the relevant Administrator at least ten (10) Business Days before

the relevant Subscription Date as per which the applicant wishes to receive the respective Sub-fund.

The relevant Administrator will communicate the Total Subscription Amount by email for approval by the applicant.

Payment of the Total Subscription Price must be received in EUR in the bank account of the relevant Legal Owner as specified in the Subscription Form at least ten (10) Business Days before the relevant Subscription Date as per which the applicant wishes to invest in the relevant Sub-fund (please refer to the Subscription Form for further payment details and instructions).

If either (i) the signed and completed Subscription Form, or (ii) the Total Subscription Price has not been received timely, no Participations will be issued and the application shall be retained until the next Subscription Date (for the avoidance of doubt, no interest shall be due). In that case, the Net Asset Value per Participation on that Subscription Date shall be the basis for the determination of the Subscription Price for any Participations issued as per that Subscription Date, subject to receipt of (i) and (ii).

The Fund Manager may decide, at its sole discretion, to (i) accept Subscription Forms which are not received timely (but not later than on the Valuation Date immediately preceding the relevant Subscription Date) and (ii) accept an application for Participations in case of overdue payment, provided that the Total Subscription Price has been received on the Business Day prior to the relevant Subscription Date.

The Fund Manager reserves the right to accept or reject any application in whole or in part at its absolute discretion. When an application is rejected, the amount paid on application or the balance thereof (as the case may be) will be returned (without interest), as soon as practicable, to the same account from which such proceeds were originally debited.

Completed applications are irrevocable once the relevant Subscription Form has been received by the relevant Administrator and the Total Subscription Price has been received in the bank account of the relevant Legal Owner. Upon issuance of the Participations in satisfaction of an application, the relevant Administrator will confirm the number and value of the Participations so issued. For the avoidance of doubt, the Participations subscribed to prior to the Closing Date, shall be issued on the Closing Date.

7.2 Participant Representations and Warranties and Prevention of Money Laundering

7.2.1 *Representations and Warranties*

The Subscription Form requires each applicant for Participations to make certain representations and warranties to the relevant Legal Owner and the Fund Manager.

Persons subscribing on behalf of others, such as nominees, securities giro's and feeder and custody entities, will need to represent to the Fund Manager and the relevant Legal

Owner in an addendum to the Subscription Form certain additional representations, including but not limited to compliance with know your customer (KYC) and anti-money laundering (AML) rules.

7.2.2 *Prevention of Money Laundering and Financing of Terrorism*

Measures aimed at the prevention of money laundering and financing of terrorism will require each applicant for Participations to evidence its identity to the relevant Administrator. The procedure used by the relevant Administrator is stated in the Subscription Form and is compliant with the Dutch Act on the prevention of money laundering and financing of terrorism (Wet ter voorkoming van witwassen en financieren van terrorisme) summarized in **Schedule 3** attached hereto.

The relevant Administrator reserves the right to request such other information as is necessary to verify the identity of an applicant. Pending the provision of evidence satisfactory to the relevant Administrator as to the identity, the evidence of title in respect of interests may be retained at the absolute discretion of the relevant Administrator. If, within a reasonable period of time following a request for verification of identity, the relevant Administrator has not received evidence satisfactory to it as mentioned above, the Fund Manager may, in its absolute discretion, refuse to allot the Participations applied for in which event the subscription proceeds will be returned without interest of the applicant to the account from which such proceeds were originally debited.

In the event that changes in KYC Requirements occur either in the policy or in legislation after an investor's have been allotted, investors will be obliged to provide additional KYC documentation to satisfy such changed requirements within a reasonable period of time following a request for such additional documentation. Any investor who does not or cannot provide the additional KYC documentation may be forcibly redeemed from the Fund in accordance with the mandatory redemption provisions as set forth in the Terms and Conditions.

Investors should be aware that the Total Subscription Price will be at risk once it has been invested in the Fund. An investor's failure to comply with applicable KYC Requirements may result in the return of an amount lower than the Total Subscription Price.

8 TRANSFER AND REDEMPTION OF PARTICIPATIONS

8.1 Introduction

Transfers and redemptions of Participations are subject to limitations. Participations cannot be transferred (whether through a sale, donation, exchange, assignment or otherwise) by a Participant other than by way of redemption by the Fund pursuant to Article 15 (*Redemption of Participations*) of the Terms and Conditions (reference is made to article 17 (*No Transfer of Participations, No Encumbrance of Participations*) of the Terms and Conditions).. The Fund Manager provides for adequate liquidity management in the Fund for redemptions to be paid and shall under normal circumstances be able to redeem Participations upon request, following the procedure described in paragraph 8.3 (*Redemption of Participations at the Request of a Participant*). Under special circumstances, however, the Fund Manager may suspend redemptions. These circumstances are described in paragraph 8.3.3 (*Suspension of Redemptions*) of this Prospectus. Paragraph 8.4 (*Mandatory Redemption of Participations*) of this Prospectus describes the extraordinary circumstances under which the Fund Manager and the relevant Legal Owner shall be entitled to redeem all (but not part of) the Participations of any Participant.

8.2 No Transfer of Participations

Participations cannot be transferred (whether through a sale, donation, exchange, assignment or otherwise) by a Participant other than by way of redemption by the Fund pursuant to Article 15 (*Redemption of Participations*) of the Terms and Conditions (reference is made to article 17 (*No Transfer of Participations, No Encumbrance of Participations*) of the Terms and Conditions). For the avoidance of doubt, in case a Participant holds Participations for a beneficial owner pursuant to a custody relationship between such Participant and the beneficial owner, a change of custodian by such beneficial owner shall be subject to a prior approval of the Fund Manager, but shall not be deemed a transfer for the purpose of the transfer restrictions under this Prospectus and the Terms and Conditions.

8.3 Redemption of Participations at the Request of a Participant

On any Redemption Date, provided the requirements of the Terms and Conditions have been met and redemption of Participations is not suspended in accordance with Article 8.3.3, the Fund Manager will redeem Participations at the request of a Participant sent in writing to the relevant Administrator.

The Fund Assets, including, for the avoidance of doubt, any bridge financing, will be sufficiently liquid to, under normal circumstances, allow the Fund to redeem Participations as requested by its Participants for at least 10% of the fund assets managed per Sub-fund.

8.3.1 Redemption Price and Costs of Redemption

The Redemption Price of a Participation is equal to the Net Asset Value per Participation of the relevant Sub-fund as at the Valuation Date immediately preceding the applicable

Redemption Date. The Total Redemption Price is the applicable redemption price multiplied by the number of redeemed Participations of the respective Sub-fund. The Total Redemption Price will be decreased by the Fund Manager by a discount, with a maximum of 0.15% of the Total Redemption Price in normal market circumstances, in order to meet any costs and expenses of the Fund incurred for the disposal of Fund Assets in order to redeem the Participations. The discount is for the benefit of the Fund. The discount may be substantially higher than 0.15% during times of severe market stress. The Fund Manager shall determine the Total Redemption Amount.

In order to determine the net amount due by the Fund to a Participant in consideration for the redemption of Participations (the Total Redemption Amount), the Total Redemption Price might be at the sole discretion of the Fund Manager reduced by a discount equal to:

- For BBDGF : 0.10% of the Total Redemption Amount if redemptions are requested within 12 months from the relevant subscriptions;
- For PWF: 0.10% of the Total Redemption Amount if redemptions are requested within 12 months from the relevant subscriptions; and
- For DBFF: 0.10% of the Total Redemption Amount if redemptions are requested within 12 months from the relevant subscriptions.

Such redemption discount shall be for the benefit of the relevant Sub-fund.

8.3.2 Procedure

Applications for the redemption of Participations should be submitted to the relevant Administrator by means of a duly signed Redemption Notice specifying the details of the redemption at least twenty (20) Business Days before the relevant Redemption Date. Redemption Notices are irrevocable once received by the relevant Administrator.

If the Redemption Notice has not been received timely, the application shall be retained until the next Redemption Date. In that case, the Net Asset Value per Participation of the respective Sub-fund as at the Valuation Date immediately preceding that next Redemption Date shall be the basis for the determination of the Redemption Price for any Sub-fund redeemed as per that Redemption Date.

The Fund Manager may decide, at its sole discretion, to accept Redemption Notices which are not received timely (but not later than on the relevant Redemption Date). This will only take place when remaining Participants are not disadvantaged in any way.

The relevant Administrator will communicate the Total Redemption Amount by email for approval by the redeeming Participant.

The Total Redemption Amount will normally be paid to the redeeming Participant within five (5) Business Days after the release of the Net Asset Value at the applicable Redemption Date, provided that i) the relevant Administrator has received the KYC

Requirements; and ii) the Fund has received the redemption proceeds from the relevant Investee Fund, unless exceptional circumstances occur, in which case the consideration will be paid at the earliest possible Business Day thereafter.

In the case the relevant Administrator has not received all the requested KYC Requirements, even though the redemption request will be processed, redemption proceeds will be held in the name of the redeeming Participant at the Fund's bank account without any interest accruing in favour of the Participant and the Participant will bear all associated risks until such time as the relevant Administrator receives the outstanding KYC Requirements.

8.3.3 *Suspension of Redemptions*

The Fund Manager may suspend the redemption of Participations if:

- a) the determination of the Net Asset Value has been suspended (see Section 10.2);
- b) 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 Fund Manager, not be practical or would negatively affect the rights of other Participants;
- c) the Participant did not act in compliance with applicable legislation or these Terms and Conditions;
- d) for whatever reason, the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained; or
- e) for whatever reason, the redemption of the Investee Funds Interests is suspended at the level of the relevant Investee Fund, as applicable.

In the event Redemption Notices are received for a particular Redemption Date from one or more Participants for an aggregate Redemption Price equal to 20% or more of the Net Asset Value of the relevant Sub-fund at such Redemption Date, the relevant Legal Owner and the Fund Manager may limit redemption of the relevant Participations to redemption of Participations with an aggregate Redemption Price equal to 20% of the Net Asset Value of the relevant Sub-fund and suspend redemption of the remaining Participations of that Sub-fund subject of such Redemption Notices.

Redemption of such remaining Participations of the relevant Sub-fund may then be held over to be effected at the first following Redemption Date. Such redemption and suspension shall be for each Participant from which a Redemption Notice had been received, pro rata the aggregate Redemption Price per Participation held by such Participant.

If Redemption Notices are received for the following Redemption Date, from one or more Participants for an aggregate Redemption Price equal to 20% or more of the Net Asset Value of the relevant Sub-fund at such Redemption Date (including from redemptions so held over from a previous Redemption Date), the same procedure shall apply provided that redemptions so held over from a previous Redemption Date shall be effected with

priority over redemptions of Participations per Sub-fund from Redemption Notices received subsequently.

In the event redemption of any Sub-fund is suspended for a period of longer than nine (9) months after the Redemption Date of the original Redemption Notice, the Fund Manager may, at its sole discretion, resolve to dissolve the relevant Sub-fund.

8.4 Mandatory Redemption of Participations

The Fund Manager and the relevant Legal Owner 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 (but not part of) the Participations of any Participant.

In the case the relevant Administrator has not received all the requested KYC Requirements, even though the redemption request will be processed, redemption proceeds will be held in the name of the redeeming Participant at the Fund's bank account without any interest accruing in favour of the Participant and the Participant will bear all associated risks until such time as the relevant Administrator receives the outstanding KYC Requirements.

9 COSTS AND EXPENSES

9.1 Introduction

In this Section all costs and expenses related to the organisation, advisors, management and transactions of the Fund and each Sub-fund which will be paid by or charged to the Fund or Sub-fund as the case may be, and accordingly result in a reduction of the Fund's Net Asset Value are described.

This Section does not refer to costs and fees charged to the Participants by the Fund upon a subscription for or redemption of Participations (for these costs and fees see Sections 7 and 8) or by their own service providers in connection with an envisaged investment in or divestment from the Fund (like fees and costs charged to a Participant by its advisors, banks or brokers).

All costs referred to in this Section will be allocated to the period to which they relate. Unless indicated otherwise, all costs will be brought at the charge of the Fund's profit and loss account.

All amounts and percentages mentioned in this Section 9 are exclusive of Dutch or foreign value added tax (VAT), if due. Under present legislation, the Fund cannot deduct VAT charged to the Fund.

9.2 Cost Categories

9.2.1 *Transaction costs*

Transaction costs *inter alia* include all costs of sourcing, evaluating, making, holding or disposing of Fund Assets, including, but not limited to, finders' fees, brokerage fees, (other) transaction costs and expenses and interest on investment-related borrowings. All transaction costs shall be borne by the Sub-fund to which they pertain and be brought at the charge of the relevant Sub-fund's profit and loss account.

The Fund Manager will select transactional service providers on the basis of various considerations, like quality, promptness of performance of services and fee rates. Fee rates may not exceed market standard rates. The total amount of transaction costs from time to time is variable and depends on the number and size of transactions and applicable rates.

9.2.2 *Fund Operational Costs*

Fund operational costs will be divided between the Sub-funds and *inter alia* include, but are not limited to all costs of legal, tax, administrative, accounting, audit, maintaining a bank account, reporting, legal ownership and similar services and advices provided to the Fund and all costs of communications with and meetings of the Participants and the regulatory costs related to the supervision by the AFM and DNB. All operational costs shall be borne by the Sub-fund to which they pertain and be brought at the charge of the relevant Sub-fund's profit and loss account. The operational costs are subject to an

annual indexation based on the consumer price index published by Statistics Netherlands (*Centraal Bureau voor de Statistiek* or *CBS*).

Legal Owner

The Fund will pay to each Legal Owner in remuneration of its service to the Fund, limited to the holding of the legal ownership of the relevant Fund Assets, an annual fee equal to EUR 500.- (excluding VAT).

Depositary

The Fund will pay to the Depositary in remuneration of its service to the Fund, limited to AIFMD depositary duties, an annual fee per Sub-fund equal to:

- (i) up to 30 June 2024: 0.02% of the Net Asset Value (i.e. 2 basis points), subject to a minimum of EUR 16,945; and
- (ii) as and from 1 July 2024: 0.02% of the Net Asset Value (i.e. 2 basis points), subject to a minimum of EUR 17,588.91.

The increase in minimum Depositary fee per Sub-fund as per 1 July 2024 follows from the application of the 2023 3.8% consumer price index (*consumentenprijsindex*) correction. The Depositary fee shall remain subject to (future) consumer price index (*consumentenprijsindex*) corrections.

At onboarding, the Fund paid a one off on boarding fee of EUR 3,500.- (excluding VAT).

Administrator I

The Fund will pay the Administrator I in remuneration for its tasks as administrator of Sub-fund BBDGF and Sub-fund PWF the following fees:

- a) a minimum annual fee of EUR 17,500.-; with assets under management of EUR 0-50 million, the annual fee is eight (8) basis points (0.08%); with AUM of EUR 50-100 million, the annual fee is six (6) basis points (0.06%) and with AUM of > EUR 100 million, the annual fee is four (4) basis points (0.04%). This variable fee is applied as a sliding scale and is calculated annually on the basis of the Net Asset Value of the Fund. An office surcharge of 7.5% applies over this variable fee;
- b) a fixed fee for preparing the (semi-)annual financial statements (audited), equal to EUR 3,750.- (excluding VAT) per annum;
- c) a fixed fee for AIFMR Annex IV reporting, equal to EUR 2,000.- (excluding VAT) per annum; and
- d) a fixed fee for FATCA/CRS reporting, equal to EUR 500.- (excluding VAT) per annum (0-100 Participants via 4 nominees) and EUR 100.- (excluding VAT) per annum per every additional Participant.

For transactions in Investee Funds the Fund will pay the Administrator I a fixed fee of EUR 2,000 per annum, for the first investment in any Investee Fund EUR 500 and thereafter EUR 250 per transaction for investment in the relevant Investee Fund (excluding VAT).

Administrator II

The Fund will pay the Administrator II in remuneration for its tasks as administrator of Sub-fund DBFF the following fees:

- a) Fixed fee of EUR 21,500 per year;
- b) Variable fee per Participant in Sub-fund DBFF:
 - (i) EUR 150 per year per Participant (0 - 50 Participants);
 - (ii) EUR 100 per year per Participant (more than 50 Participants);
- c) Variable fee based on the Net Asset value of Sub-fund DBFF:
 - (i) 0,12% (Net Asset Value below EUR 10,000,000);
 - (ii) 0,06% (Net Asset Value EUR 10,000,000 - EUR 50,000,000);
 - (iii) 0,03% (Net Asset Value EUR 50,000,000 - EUR 100,000,000);
 - (iv) 0,015% (Net Asset Value above EUR 100,000,000).

Other costs

Other costs related to investments and divestments in Investee Funds include (i) the subscription price for Investee Funds Interests including any subscription fee, if applicable and (ii) redemption fee, if applicable. In respect of the Investee Funds, a management fee up to 2% per annum may be charged at the level of such Investee Funds and a performance fee up to 20%. In addition, the following fixed and variable fees and costs may be charged at the level of the Investee Funds: custodian and administrative fees, advisory fees, organizational expenses, agency fees, transaction costs, operational costs, secretarial services fee, accounting fees, etc. Subscription price for Investee Funds Interests (including any subscription fee, if applicable) and any redemption fee, if applicable, shall be borne by the Fund and be brought at the charge of the Fund's profit and loss account. Other costs related to investments in Investee Funds shall be paid out of such relevant Investee Fund's assets.

The Fund will pay the Auditor in remuneration of its service to the Fund, an estimated fee equal to EUR 16,500.- (excluding VAT) for the first Sub-fund and EUR 3,500.- (excluding VAT) for each additional Sub-fund. For the assurance work for the Prospectus of the Fund the Auditor will charge EUR 2,500.-.

For the avoidance of doubt, the Fund shall not bear the costs of the provision of research services in relation to BBDGF by Roularta to the Fund Manager; these costs shall be borne by the Fund Manager. The Fund will pay its advisors (such as its legal and compliance advisors) an estimated fee equal to EUR 20,000.- (excluding VAT) per Sub-fund as a fee for their services to the relevant Sub-fund.

In the event of an increase in compliance costs following the introduction of new sustainability principles in relation to a Sub-fund, the Fund Manager shall charge additional compliance costs to the assets of such Sub-fund. Additional compliance costs related to the introduction of new sustainability principles in relation to a Sub-fund are subject to a maximum of EUR 20,000 (per Sub-fund). Any costs in excess of this maximum shall be borne by the Fund Manager.

The Fund will bear all taxes, as applicable.

9.2.3 **Management Fee**

The Fund Manager is entitled to an annual Management Fee to be charged to the respective Sub-fund equal to:

- To BBDGF : 0.80% of the Net Asset Value (i.e. 80 basis points);
- To PWF: 1.5% of the Net Asset Value (i.e. 150 basis points); and
- To DBFF: 1.00% of the Net Asset Value (i.e. 100 basis points) for Participants holding Participations in DBFF with a Total Subscription Price of EUR 1,000 or more but less than EUR 250,000, 0.75% of the Net Asset Value (i.e. 75 basis points) for Participants holding Participations in DBFF with a Total Subscription Price of EUR 250,000 or more but less than EUR 2,500,000 and 0.60% of the Net Asset Value (i.e. 60 basis points) for Participants holding Participations in DBFF with a Total Subscription Price of EUR 2,500,000 or more,

excluding (i.e. before deduction of) the Management Fee, as at the last Business Day of each calendar month, payable monthly in arrears out of the Fund Assets. Any changes to the Management Fee are subject to the prior approval of the Fund Manager and the relevant Legal Owner. The Management Fee shall be calculated for each Sub-fund separately, and applied against the Net Asset Value of the relevant Participations in the relevant Sub-fund. The minimum aggregate Management Fee per Sub-fund will at all times be at least EUR 30,000.- per annum (net of any VAT).

For the avoidance of doubt the Fund shall not bear the cost of: (i) remuneration of any employee of the Fund Manager; (ii) compensation and benefits of Loegie Schilder and Jaap Plat as portfolio managers for Sub-fund DBFF; (iii) any office rental, utilities or office equipment of the Fund Manager; and (iv) other overhead or travel costs of any of the Fund Manager's personnel and of Loegie Schilder and Jaap Plat as portfolio managers for Sub-fund DBFF, it being acknowledged that the Management Fee is intended to compensate the Fund Manager for such costs.

9.2.4 **Regulatory Costs**

The regulatory costs related to the supervision by the AFM and DNB are estimated at EUR 10,000.- per annum and are charged to the Fund Assets. Regulatory costs are set periodically, are (therefore) subject to change and are expected to increase annually.

The AFM charges a fee for ongoing supervision (*doorlopend toezicht*). This may be a fixed amount, with the possible addition of a variable amount based on a charge criterion (the size of the assets under management). Each Sub-Fund shall bear 1/3rd of the fixed amount charged as well as its pro rata assets under management share of any variable rate charged to the Fund. In addition to the fees for ongoing supervision, the AFM charges fees for certain non-recurring activities (*eenmalige verrichtingen*). These are only incurred on an ad-hoc basis, in so far as relevant.

9.2.5 **Organisational Expenses**

The Fund Manager shall charge the organisational and establishment costs (other than the costs otherwise described in this Prospectus) to the Fund Assets. Expenses in connection with the establishment of the Fund and organisational costs of the Fund, will be paid out of the Fund Assets, including (but not limited to) legal, accounting and tax advisory fees and incorporation expenses.

Establishment costs (set-up costs) are estimated at EUR 50,000.- (excluding VAT) as reimbursement for the costs charged to the Fund Manager in connection with the formation of the Fund, including legal and tax advisory fees and regulatory costs and assurance report costs, which shall be activated and written off over a period of five (5) years. Establishment costs are subject to a maximum of EUR 100,000.-. Any costs in excess of this maximum shall be borne by the Fund Manager.

In the event the Fund Manager establishes an additional Sub-fund, it shall charge the organisational and establishment costs (other than the costs otherwise described in this Prospectus) to the assets of such Sub-fund. Expenses in connection with the establishment of an additional Sub-fund and organisational costs of such Sub-fund, will be paid out of the assets of such Sub-fund, including (but not limited to) legal, accounting and tax advisory fees and incorporation expenses. Establishment costs related to the establishment of an additional Sub-fund are subject to a maximum of EUR 30,000 (per Sub-fund). Any costs in excess of this maximum shall be borne by the Fund Manager.

Establishment costs (set-up costs) for the establishment of Sub-fund DBFF are estimated at EUR 20,000.- (excluding VAT), which shall be charged to the assets of Sub-fund DBFF and which shall be activated and written off over a period of five (5) years. In addition, there will be a settlement with regard to the initial establishment costs of the Fund.

9.2.6 **Ongoing Charges Figure**

The OCF will be calculated at the end of each financial year and published annually in the Fund's annual reports.

The table below illustrates the expected OCF per Sub-fund:

| Ongoing Charges Figure ¹ | BBDGF | PWF | DBFF |
|---|--------------|--------------|--------------------|
| Management Fee | 0.80% | 1.50% | 0.81% ² |
| Administrator I & Legal Owner I | 0.17% | 0.17% | n/a |
| Administrator II & Legal Owner II | n/a | n/a | 0.16% |
| Audit | 0.07% | 0.07% | 0.03% |
| Depository | 0.07% | 0.07% | 0.08% |
| Set-up costs | 0.07% | 0.07% | 0.04% |
| Legal & Compliance costs | 0.07% | 0.07% | 0.04% |
| Regulatory Costs | 0.03% | 0,03% | 0.03% |
| Total | 1.28% | 1.98% | 1.19% |
| <i>The OCF excludes costs from Investee Funds</i> | | | |

¹ Projection based on a Net Asset Value of EUR 30 million.

² This percentage is based on the current average assets under management level per holder of series C Participations.

10 VALUATION, REPORTING AND INFORMATION DISCLOSURE

10.1 Valuation Principles

The Fund Manager has delegated the calculation of the Net Asset Value for each Sub-fund to the relevant Administrator, whereby the Net Asset Value shall be based on the value of 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, whilst Dutch GAAP will prevail for financial reporting purposes should there be a conflict amongst them.

The Investee Funds Interests shall be valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Funds, as further set forth in the Terms and Conditions. To ensure valuations received from administrators of the Investee Funds are appropriate, valuations are reviewed by the Fund Manager and the relevant Administrator, based on the previous valuation received and other relevant information. Valuations that deviate materially from the previous valuation are further analysed and if needed discussed with the manager or administrator of the relevant Investee Fund.

During a book year of the Fund, the Net Asset Value per Participation may vary between the different Sub-funds, but will be the same for Participations within a Sub-fund. The Net Asset Value for a Participation of a Sub-fund shall be determined by dividing the Net Asset Value allocable to such Sub-fund by the number of Participations in such Sub-fund as per the determination date.

10.2 Reporting to Participants

10.2.1 *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 next calendar year. The first financial year of the Fund will begin on the Closing Date and will end on the thirty first day of December 2021.

10.2.2 *Reporting on Net Asset Value*

Subject to certain exception grounds set forth in the Terms and Conditions, the Fund Manager shall as per last calendar day of each month determine the Net Asset Value and the Net Asset Value per Participation. The Net Asset Value shall be expressed in EUR and be determined in accordance with the Fund's valuation principles referred to above.

The Fund Manager has delegated the determination of the Net Asset Value and the Net Asset Value per Participation to the relevant Administrator. In determining the Net Asset Value of the Fund and the Net Asset Value per Participation, the relevant Administrator will follow the valuation policies and procedures adopted by the Fund as set out above.

The Fund Manager may declare a suspension of the determination of the Net Asset Value and the Net Asset Value per Participation per Sub-fund:

- a) if one or more stock exchanges on which Fund Assets are listed (or on which securities which belong to the assets of a collective investment scheme in which the Fund is invested are listed directly or indirectly), are closed on other days than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;
- b) if the communication means or calculation facilities 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 with the speed or accuracy desired by the Fund Manager;
- c) if there are factors relating to the political, economic, military or monetary situation that make it impossible for the Fund Manager to determine the Net Asset Value; or
- d) if a resolution to liquidate the Fund is passed; or
- e) if the management board of an Investee Fund suspends the determination of the net asset value of the relevant Investee Funds Interests, as applicable.

When the Fund Manager is unable to determine the Net Asset Value and the Net Asset Value per Participation, the Participants will be informed hereof.

In case of errors in the calculation of the Net Asset Value, the Fund Manager will as soon as possible prepare a report on the errors that were made and which correction will need to be made to the Net Asset Value. If a correction is required of more than 0.5% of the Net Asset Value, and a Participant incurred a loss by an allocation or redemption against the erroneously calculated Net Asset Value, the Fund will at the request of such Participant provide compensation (in cash or in Participations) for the relevant Participant for the actual loss incurred. The compensation will be paid out of the Fund Assets.

Within ten (10) Business Days following the calculation of the Net Asset Value a statement on the Net Asset Value of the Fund and each Sub-fund as per last Valuation Date shall be published on the Fund Manager's website in the latest NAV statement. Simultaneously the Participant will receive a correction notification in writing from the Fund Manager.

10.2.3 Annual and Semi-Annual Reporting

Within six (6) months after the end of each financial year of the Fund, Fund Manager shall, in accordance with the applicable legal requirements, prepare and publish the Fund's (including each Sub-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 shall be drawn up in accordance with the applicable provisions of Title 9 of Book 2 of the Dutch Civil Code and published on the Fund Manager's website. The Fund Manager will provide the Participants upon request and free of charge with copies of the annual accounts and the annual report,

notwithstanding their compliance with other publication requirements under applicable laws.

The Fund Manager shall, in accordance with the applicable legal requirements, prepare and publish the Fund's (including each Sub-fund's) semi-annual financial statements as soon as possible yet within three (3) months after the end of the first six (6) months of the financial year. The semi-annual financial statements shall be drawn up in accordance with the provisions of Title 9 of Book 2 of the Dutch Civil Code. The semi-annual financial statements shall not be audited. The semi-annual financial statements shall be published on the Fund Manager's website and are available for Participants free of charge at the offices of the Fund Manager.

10.2.4 Other Information

The license provided to the Fund Manager pursuant to article 2:65 FSA and the Terms and Conditions shall be available for inspection at the office of the Fund Manager. A copy of the Terms and Conditions shall be provided by the Fund Manager upon request free of charge and shall be published on the Fund Manager's website. A copy of the Fund Manager's license and the Depositary Agreement shall be provided by the Fund Manager upon request at cost price.

Information regarding the Fund Manager, the Legal Owners and the Depositary from the Trade Register of the Netherlands shall be provided by the Fund Manager upon request at cost price.

The Fund Manager shall prepare a monthly statement containing an explanation of: (i) the total value of the investments of the Fund; (ii) an overview of the composition of such investments; (iii) the number of outstanding Participations; and (iv) the most recently determined net asset value of the Participations, indicating when the determination of the net asset value took place and with a period of at least one week between the times of preparation, and shall publish such statement on its website for the benefit of the Participants. The statement shall be co-signed by the Custodian. The Fund Manager shall provide this statement to Participants upon request at cost price.

The *Key Information Document* or *KID* (*Essentiële-informatiedocument* or *EID*) with respect to each Sub-fund shall be available on the Fund Manager's website.

10.2.5 Information Regarding Investee Funds

The Fund Manager and/or the relevant Legal Owner, shall on behalf of the Fund in its capacity of the holder of the legal ownership of Investee Funds Interests, be entitled to receive and/or inspect documents which Investee Funds shall make available for the holders of interests in such Investee Funds. The Fund Manager may upon request and with the prior consent of the investment manager of the relevant Investee Fund provide certain information related to the Investee Funds to which 20% or more of the assets of the Fund are allocated to Participants at cost price.

10.3 Liquidity Risk

The Fund Manager employs an appropriate liquidity risk policy and has adopted procedures which enable it to monitor the liquidity risk of the Fund and to ensure that the liquidity profile of the investments of the Fund complies with their underlying obligations. In particular, the Fund Manager can restrict redemptions on certain conditions as set out in the Terms and Conditions.

As and when relevant, but at least on a monthly basis, the Fund Manager shall periodically disclose to the Participants by e-mail:

- a) the percentage of the Fund Assets which are subject to special arrangements arising from their illiquid nature;
- b) any new arrangements for managing the liquidity of the Fund; and
- c) the risk profile of the Fund and the risk management systems employed by the Fund Manager to manage those risks.

10.4 FATCA

The Fund will use reasonable efforts to satisfy any obligations imposed on it in order to avoid the imposition of this withholding tax (except with respect to the interest of “recalcitrant account holders” as described in §1.1471-5(g)(2) of the Foreign Account Tax Compliance Act). A fund’s ability to satisfy its obligations under an agreement with the IRS will depend on each participant of such fund providing the fund with any information, including information concerning the direct or indirect owners of such participant, that the fund determines is necessary to satisfy such obligations. Any such information provided to a fund will be shared either with the local tax authority or the IRS, depending on the Model of the Intergovernmental Agreement.

An investment fund that is classified as subject to FATCA requirements will be required to register with the IRS and obtain a Global Intermediary Identification Number “(GIIN) and agree to have policies and procedures in place to identify certain direct and indirect U.S. account holders or equity holders. For these purposes the Fund would fall within the definition of a FFI for the purpose of FATCA.

Each prospective Participant agrees by signing the Subscription Form to provide such information upon request from the Fund Manager or the relevant Administrator. If a fund fails to satisfy such obligations or if a participant of a fund fails to provide the necessary information to such fund, as applicable, payments of U.S. source income and payments of proceeds will generally be subject to a 30 per cent withholding tax.

The Fund may exercise its right to completely redeem a participant that fails to provide the Fund or the relevant Administrator with the requested information in order for the Fund to satisfy its FATCA obligations, and the Fund may take any other action deemed necessary in relation to a participant's shares or redemption proceeds to ensure that such withholding is eventually borne

by the relevant participant whose failure to provide the necessary information gave rise to the withholding tax. Each prospective Participant in the Fund should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

The Fund will endeavour to satisfy the requirements imposed on the Fund by FATCA to avoid the imposition of FATCA withholding tax. However, there can be no guarantee or assurance that the Fund will comply with all the requirements imposed by FATCA. In the event that the Fund is not able to comply with the requirements imposed by FATCA and the Fund does suffer US withholding tax on its investments as a result of non-compliance, the Net Asset Value may be affected and the Fund may suffer loss as a result.

The Common Reporting Standard

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

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

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

11 DISTRIBUTIONS

11.1 Distributions Policy

As the primary Fund Objective of the Fund is to achieve capital growth. Frequent and regular distributions of Net Proceeds (including profit distributions) by the Fund are not intended nor anticipated. However, the Fund Manager may, at its sole discretion and at any time, decide to distribute any Net Proceeds. It is expected that the Fund Manager will especially do so if the Fund Manager is of the opinion that there are no sufficient suitable investment opportunities to achieve the Fund Objectives. All distributions (including profit distributions) to the Participants will be made pro rata to the number of Participations held by each Participant.

Any distribution (including profit distributions) to the Participants, including the amount, composition and manner of payment, shall be published on the Fund Manager's website.

11.2 Form of Distributions

Distributions of Net Proceeds (including profit distributions) will be made in cash, in EUR provided that the relevant Administrator has received all requested KYC Requirements.

12 DUTCH TAXATION ASPECTS

12.1 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 a Participant, and does not purport to deal with the tax consequences applicable to all categories of Participants. The tax and other matters described in this Prospectus do not constitute, and should not be considered as, legal or tax advice to prospective Participants. Participants should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Participations.

12.2 Taxation of the Fund

The Fund qualifies as a transparent or “closed” fund for joint account Dutch tax purposes, since Participations cannot be transferred (whether through a sale, donation, exchange, assignment or otherwise) by a Participant other than by way of redemption by the Fund pursuant to article 15 (Redemption of Participations) of the Terms and Conditions (reference is made to article 17 (*No Transfer of Participations, No Encumbrance of Participations*) of the Terms and Conditions).

Consequently, pursuant to article 2(4) CITA the Fund does not qualify as a taxable entity. Tax is therefore levied on the results and revenue of the investment at the level of the Participants and not at the level of the Fund itself. This implies that for Dutch tax purposes the Fund’s results are directly allocated to the individual Participants in accordance with the size (and, if applicable, the duration) of their pro rata investment.

12.3 Withholding Taxes

Distributions by the Fund are not subject to Dutch dividend withholding tax as a consequence of its transparency for tax purposes. Due to its transparency, the Fund itself is not entitled to any credit or refund of Dutch dividend withholding tax or (non-reclaimable) foreign withholding taxes withheld on dividends and interest received, nor can the Fund claim any benefits under a tax treaty concluded by the Netherlands with other states.

The tax transparency of the Fund also implies that any dividend withholding tax and foreign withholding taxes withheld on its investments are allocated to the Participants, i.e., on a pro rata basis. In principle, such withholding taxes may be set off by the Participants, whereby the conditions that apply are the same as would be the case for a direct investment (pro rata) by the relevant Participant.

Several countries³ have confirmed that they will disregard a Dutch tax transparent mutual fund for withholding tax purposes.

³ including Australia, Austria, Belgium, Denmark, Ethiopia, Germany, Norway, South Africa, Switzerland, Taiwan, the United Kingdom and the United States.

13 POLICY REGARDING VOTING RIGHTS AND VOTING CONDUCT INVESTEE FUNDS

The Fund Manager shall on behalf of the Fund, in its capacity of the holder of Investee Funds, not attend the general meetings of shareholders/limited partners/members of the Investee Funds and any relevant sole class or category meetings and shall not exercise the voting rights attached to such Investee Funds Interests.



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ASSURANCE REPORT OF THE INDEPENDENT AUDITOR (RE SECTION 115X, SUBSECTION 1, UNDER E, OF THE BGFO WFT)

To: the manager of Pandion fund

Our opinion

In accordance with Section 115x, subsection 1, under e, of the Besluit Gedragstoezicht financiële ondernemingen Wft (BGfo Wft, Decree on the Supervision of the Conduct of Financial Undertakings pursuant to the Act on Financial Supervision), we have examined the prospectus of Pandion fund at Nieuwegein.

In our opinion the prospectus dated 5 December 2024 of Pandion 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.

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 Pandion 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 determining whether the prospectus contains the required information, which means we did not examine the accuracy of the information included in the prospectus.

Section 115x, subsection 1 under c of the BGfo Wft requires that the prospectus of an alternative investment fund contains the information which investors need in order to form an opinion on the alternative investment fund and the costs and risks attached to it. Based on our knowledge and understanding, acquired through our examination of the prospectus or otherwise, we have considered whether material information is omitted from the prospectus. We did not perform additional assurance procedures with respect to Section 115x, subsection 1, under c, of the BGfo Wft.

Our opinion is not modified in respect of these matters.

Responsibilities of the management for the prospectus

The management 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 management 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 fraud or error.

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 detect 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 among 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;



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- 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 alternative investment fund.

Diemen, 5 December 2024

Moos Accountants B.V.

S. Bouwmeester RA

15 DECLARATION OF THE FUND MANAGER

The Fund Manager declares that the Fund, the Depositary, the Legal Owners and the Fund Manager itself are compliant with the rules and regulations laid down by and pursuant to the FSA.

The Fund Manager declares that this Prospectus is compliant with the rules and regulations laid down by and pursuant to the FSA.

This Prospectus has been prepared by the Fund Manager. The Fund Manager is responsible for the contents hereof. The information included in this Prospectus is true and no information has been omitted which, if included, would alter the meaning of this Prospectus.

The Prospectus shall be available at the Fund Manager's office. A copy of the Prospectus shall be provided by the Fund Manager upon request free of charge and shall be published on the Fund Manager's website.

SCHEDULE 1 TERMS & CONDITIONS

PANDION FUND

ISIN CODE BBDGF SUB-FUND: NL00150001B1

ISIN CODE PWF SUB-FUND: NL00150001A3

ISIN CODE DBFF SUB-FUND: NL00150023R1

TERMS AND CONDITIONS OF MANAGEMENT AND CUSTODY

5 December 2024

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1 DEFINITIONS

- 1.1 In these Terms and Conditions, except where terms are expressly defined herein, capitalized terms shall have the same meaning given to them in the Prospectus of the Pandion Fund.
- 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 (*rechtspersonen*) as well as individuals and natural persons (*natuurlijke personen*).
- 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.

2 NAME, LEGAL FORM, TAX AND REGULATORY STATUS

- 2.1 The name of the Fund is: Pandion Fund.
- 2.2 The Fund is a fund for joint account (*fonds voor gemene rekening*) organised and existing under the laws of the Netherlands. The Fund has an umbrella structure meaning that the Fund will issue separate series of Participations for each Sub-fund of which Sub-funds the assets are separately administered and each Sub-fund having its own Investment Objective and respective Strategy and cost structure as set out in the Prospectus.
- 2.3 The Fund (of which each Sub-fund forms part) is an investment fund (*beleggingsfonds*) as referred to in article 1:1 of the FSA. The Fund Manager is in possession of an AFM license as referred to in article 2:65(a) FSA, and as a consequence may offer the Participations to professional and non-professional investors within the Netherlands. The Fund Manager is subject to conduct of business and prudential supervision by the AFM and DNB.
- 2.4 The Fund is under Dutch law 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 Fund Manager, the Legal Owners and each of the Participants separately, governing the assets and liabilities acquired or assumed by the Fund Manager or the Legal Owners for the account and risk of the Participants.
- 2.5 These Terms and Conditions form part of the contractual relationship existing between the Fund Manager, the Legal Owners and each Participant (separately) originating from the execution of the Participant's Subscription Form.

- 2.6 These Terms and Conditions do not form an agreement between any or all Participants among themselves and are not (otherwise) aimed at any cooperation among or between any or all Participants and no provision of these Terms and Conditions shall constitute or be interpreted as constituting any right or obligation existing between any or all Participants vis-à-vis each other or as a cooperation agreement (*samenwerkingsovereenkomst*) between the Fund Manager, the Legal Owners and any of the Participants.
- 2.7 A Participant's obligation to pay a consideration for Participations is a commitment (*verbintenis*) to the relevant Legal Owner (represented by the Fund Manager) only. This commitment is no contribution (*inbreng*) or commitment to make contribution to any partnership.
- 2.8 The Fund qualifies as a transparent or "closed" fund for joint account Dutch tax purposes, since Participations cannot be transferred (whether through a sale, donation, exchange, assignment or otherwise) by a Participant other than by way of redemption by the Fund pursuant to Article 15 (*Redemption of Participations*) (reference is made to Article 17 (*No Transfer of Participations, No Encumbrance of Participations*)). Tax is therefore levied on the results and revenue of the investment at the level of the Participants and not at the level of the Fund itself. This implies that for Dutch tax purposes the Fund's results are directly allocated to the individual Participants in accordance with the size (and, if applicable, the duration) of their pro rata investment.

3 TERM

The Fund is formed for an indefinite period of time but shall terminate upon the occurrence of any of the events set forth in Article 24.1.

4 OBJECTIVE, INVESTMENT STRATEGY, INVESTMENT RESTRICTIONS, BORROWINGS

4.1 Objective

4.1.1 BBDGF Objective

BBDGF's objective is to create a concentrated equity portfolio of quality companies with a sustainable or growing dividend distribution with the aim of increasing the value of the capital invested over time. BBDGF is aimed at investors with a long-term investment horizon (minimum five years). The expected return is in line with the MSCI World Index Net Return (in EUR, Bloomberg ticker MBWO Index).

4.1.2 PWF Objective

PWF's objective is to achieve long term capital growth. To achieve this, the strategy of PWF is to invest in predominantly in a basket of individual shares, looking at the extent to which attention is paid to the ESG policy of the relevant share.

4.1.3 DBFF Objective

DBFF's objective is to achieve long term capital growth. To achieve this, the strategy of DBFF is to invest in predominantly in a basket of individual Quality Shares, looking at the extent to which attention is paid to the ESG policy of the relevant share.

4.2 Investment Strategy

4.2.1 BBDGF Strategy

To achieve the BBDGF objective, BBDGF will invest in listed equities and create a long only portfolio. The BBDGF portfolio will consist of 25-75 equity securities. BBDGF will only invest in equity instruments issued by companies from developed countries and will invest in at least 3 different economic sectors.

4.2.2 PWF Strategy

To achieve the PWF objective, PWF will primarily invest in a diversified portfolio of individual stocks in which the ESG policy plays an important role and mainly consists of Blue Chips shares. The portfolio will be managed subject to the Investment Restrictions as set out in the Prospectus. If PWF holds investments denominated in currencies other than the Euro, this entails a foreign exchange risk. The Fund Manager therefore may, but is not under an obligation to, hedge foreign exchange risks if it considers this to be in the interest of PWF. PWF may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager.

4.2.3 DBFF Strategy

To achieve the DBFF objective, DBFF will primarily (directly or indirectly) invest in a diversified portfolio of individual stocks in which the ESG policy plays an important role and mainly consists of Quality Shares. The portfolio will be managed subject to the Investment Restrictions as set out in the Prospectus. To mitigate downside market risk, DBFF may use derivatives that mainly consist of options. DBFF may also hold cash and cash equivalents. The portfolio will be managed actively to achieve the goals of long term growth. DBFF may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager.

4.3 Investment Restrictions

The BBDGF, the PWF and the DBFF portfolios will be managed subject to the relevant Investment Restrictions as set out in the Prospectus.

4.4 Borrowings

The Fund Assets may be pledged to a custodian, to borrow against the Fund Assets, only for bridge financing purposes and limited to 100% of the Fund Assets. Such borrowings are temporary in nature and pending redemption proceeds of Investee Funds.

5 MANAGEMENT AND ADMINISTRATION, LIABILITY OF THE FUND MANAGER

- 5.1 The Fund Manager is charged with the management and administration of the Fund. The Fund Manager is, subject to these Terms and Conditions, entitled and authorised (i) to acquire (*verkrijgen*) and to dispose of (*beschikken over*) Fund Assets and to enter into and assume Fund Obligations in the name of the relevant Legal Owner for the account and risk of the Participants in the relevant Sub-fund, and (ii) to perform any and all other acts in its own name or in the name of the relevant Legal Owner for the account and risk of the Participants in the relevant Sub-fund which are reasonably necessary for or conducive to the attainment of the Fund Objectives of the relevant Sub-fund. Each Legal Owner hereby grants a power of attorney with the full right of substitution to the Fund Manager to act in the relevant Legal Owner's name for such purposes.
- 5.2 In the performance of its obligations and in the exercise of its rights, powers and authorities hereunder, the Fund Manager shall exercise the standard of care, skill, prudence and diligence under the circumstances then prevailing that a prudent (*zorgvuldig*) 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 administering the Fund, the Fund Manager shall act solely in the interest of the Participants. The management and administration of the Fund shall be performed for the account and risk of the Participants. Benefits and/or losses resulting therefrom shall consequently be for the benefit of or be borne by the Participants, without prejudice to the provisions of Article 11.3.
- 5.4 The Fund Manager shall only be liable towards the Participants for a loss suffered by them in connection with a breach of Fund Manager's duties and responsibilities under the Fund Documents that is attributable to it (*toerekenbare tekortkoming in de nakoming*).
- 5.5 The Fund Manager may contract other third parties in the exercise of its powers and duties under these Terms and Conditions and shall exercise reasonable prudence (*zorgvuldigheid*) in the selection of such third parties.

6 AUTHORITY TO INVEST AND ADMINISTER

- 6.1 Subject to the Fund Objective, the Investment Strategy, the Investment Restrictions and this Article 6, the Fund Manager may invest in any eligible assets and assume eligible obligations. The determination of the Fund 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 Objective, 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 Fund Manager shall have the broadest power and authority in making investments consistent with the investment powers herein provided. The Fund 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 Fund 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.

7 CONFLICTS OF INTEREST

- 7.1 Except with prior approval of the Participants by Ordinary Consent, the Fund Manager (with respect to the Fund) will not, directly or indirectly:
- 7.1.1 enter into any investment, divestment or other business transaction (including, but not limited to, the hiring of service providers as referred to in Article 5.5) with the Fund Manager, the Legal Owners, any Participant or any of its or their Affiliates; or
 - 7.1.2 enter into any investment, divestment or other business transaction at non-arm's length terms and conditions.
- 7.2 For the avoidance of doubt, the Fund may enter into any investment, divestment or other business transaction with any other funds managed by the Fund Manager or with related party funds with the prior approval of the Participants by Ordinary Consent.
- 7.3 The Fund Manager will allocate investment opportunities among such clients and funds on an equitable basis in their good faith discretion, based on the applicable investment guidelines of such investors and funds, portfolio diversification requirements and other appropriate factors.

8 RESIGNATION AND REMOVAL OF THE FUND MANAGER

- 8.1 The Fund Manager, without any further action of any party being required:
- 8.1.1 shall resign with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Fund Manager having been granted suspension of payments (*surséance van betaling*); and
 - 8.1.2 may resign upon the provision of sixty (60) calendar days' notice to the Legal Owners, the Depositary and the Participants,
- whereby investors must know that no resignation of the Fund Manager shall be effective before the appointment of a successor Fund Manager, whether or not on a temporary basis, in accordance with the provisions of Article 8.3 has become effective.
- 8.2 The Participants may at any time by resolution taken by Special Consent remove the Fund Manager as the fund manager of the Fund, such removal to have effect after three (3) months from the date notified in writing to the Fund Manager.

- 8.3 The Participants shall no later than forty-five (45) calendar days after the date of occurrence of the event causing the resignation of the Fund Manager or after the Fund Manager has been notified of its removal, by resolution taken by Ordinary Consent appoint a substitute Fund Manager. As long as no successor Fund Manager has been appointed, the person designated for that purpose by the Legal Owners shall temporarily act as Fund Manager of the Fund.
- 8.4 Upon the effective date of the resignation or removal of the Fund Manager, any rights and obligations of the Fund Manager under these Terms and Conditions shall immediately cease to exist (it being understood that the Fund Manager remains entitled to its Management Fee and its reimbursements referred to in Article 18.2 to the extent allocable to an already expired period of time).
- 8.5 The Fund Manager hereby commits itself to cooperate fully in the transfer of its contractual position with the Participants, the Legal Owners and the Depositary to a successor Fund Manager.

9 FUND ASSETS AND FUND OBLIGATIONS, THE LEGAL OWNERS

- 9.1 All Fund Assets I shall be legally owned by and will be administered in the name of the Legal Owner I and all Fund Assets II shall be legally owned by and will be administered in the name of the Legal Owner II. All Fund Obligations I shall be assumed by the Legal Owner I as debtor and all Fund Obligations II shall be assumed by the Legal Owner II as debtor. All agreements of the Fund in respect of a certain Sub-fund shall be entered into in the name of the Legal Owner of the relevant Sub-Fund(s).
- 9.2 The relevant Legal Owner shall acquire and hold the relevant Fund Assets for the purpose of management and custody (*ten titel van beheer en bewaring*) for the account and risk of the Participants in the relevant Sub-fund(s) and will receive any income and proceeds on or originating from relevant Fund Assets paid to it by a custodian or the underlying obligor in a capacity of agent, nominee or otherwise on behalf and for the benefit of the Participants in the relevant Sub-fund(s).
- 9.3 The relevant Legal Owner shall assume the relevant Fund Obligations in its own name for the account and risk of the Participants in the relevant Sub-fund(s), as qualified by these Terms and Conditions and without prejudice to the provisions of Article 11.3.
- 9.4 The relevant Legal Owner shall ensure that with respect to the relevant Fund Obligations assumed and contracts entered into in the name of the relevant Legal Owner, it shall be explicitly stipulated that (i) the relevant Legal Owner is acting in its capacity as the legal owner of the relevant Sub-fund(s), and, unless the relevant Legal Owner deems such statement in a specific contract not feasible, immaterial and/or not in the interests of the relevant Participants, and (ii) the counterparty or counterparties undertake(s) to never seek recovery on anything other than the relevant Fund Assets.

9.5 In acting as the legal owner of the relevant Sub-fund(s), the relevant Legal Owner shall act solely in the interests of the Participants in the relevant Sub-fund(s). The Legal Owners cannot represent (*vertegenwoordigen*) or bind (any of) the Participants directly or indirectly.

9.6 Each Legal Owner shall only be liable towards the relevant Participants for a loss suffered by them in connection with a breach of such Legal Owner's duties and responsibilities under the Fund Documents that is attributable to it (*toerekenbare tekortkoming in de nakoming*).

10 RESIGNATION OF A LEGAL OWNER

10.1 A Legal Owner, without any further action of any party being required:

10.1.1 shall resign with immediate effect upon its bankruptcy (*faillissement*) or dissolution (*ontbinding*) or upon the Legal Owner having been granted suspension of payments (*surséance van betaling*); and

10.1.2 may resign upon the provision of sixty (60) calendar days' notice to the Fund Manager, the Depositary and the Participants,

it being understood that no resignation of such Legal Owner shall be effective before the appointment of a successor legal owner, whether or not on a temporary basis, in accordance with the provisions of Article 10.2 has become effective.

10.2 Following or in anticipation of the resignation of a Legal Owner, the relevant Participants shall no later than fifteen (15) calendar days after the date of occurrence of the event causing the resignation by resolution taken by Ordinary Consent appoint a substitute legal owner for the relevant Sub-fund. As long as no successor legal owner has been appointed, the person or entity designated for that purpose by the Fund Manager shall temporarily act as legal owner of the relevant Sub-fund.

10.3 Each Legal Owner hereby commits itself to cooperate fully in the transfer of its contractual position and all relevant Fund Assets and Fund Obligations held by or registered in the name of such Legal Owner to a successor legal owner. In particular, each Legal Owner hereby (i) commits in advance to transfer all relevant Fund Assets and Fund Obligations to the successive legal owner and to carry out all necessary in rem acts and other acts, and (ii) grants irrevocable power of attorney to the Fund Manager to in its name perform all acts referred to in or conducive to the purpose described in (i) of this Article 10.3.

11 PARTICIPANTS, RIGHTS AND OBLIGATIONS OF THE PARTICIPANTS

11.1 Each Participant shall, subject to the provisions of these Terms and Conditions, be beneficially entitled to the Fund Assets and Fund Obligations allocable to the relevant Sub-fund, and any income generated thereon pro rata the number of its Participations in each Sub-fund.

- 11.2 Each Participant shall be bound by and subject to these Terms and Conditions by submitting a signed Subscription Form to the Fund Manager. Each Participant will be provided with a copy of these Terms and Conditions.
- 11.3 The liability of a Participant vis-à-vis the Fund will be limited to the amount of the Total Subscription Price due by the Participant in respect of its Participations to the extent not previously paid to the relevant Legal Owner, but notwithstanding its liability by virtue of the law and these Terms and Conditions for its default on any of its obligations under these Terms and Conditions and its Subscription Form. The Participants shall not be liable for the Fund Manager's obligations, the (relevant) Legal Owners' obligations or the Fund Obligations.

12 MEETINGS OF PARTICIPANTS, RESOLUTIONS OF PARTICIPANTS

- 12.1 Meetings of Participants will only be held when called by the Fund Manager. The Fund Manager must call a meeting of Participants (i) as often as the Fund Manager deems necessary in the interest of the Participants, and (ii) in case one (1) or more Participants holding, in total, at least 25% of the outstanding Participations request the Fund Manager in writing to call and hold such meeting, stating the matters to be placed on the agenda for such meeting, in which case the meeting must be held within fourteen (14) days after the date of the request.
- 12.2 The agenda for a meeting of Participants shall be determined at the sole discretion of the Fund Manager or, as the case may be, the Participant(s) who requested the Fund Manager to hold the meeting in accordance with the second sentence of Article 12.1. No valid resolutions can be taken on subjects not mentioned on the agenda unless such resolution is taken by unanimity of votes of all Participants.
- 12.3 Notice for a meeting of Participants will be published on the Fund Manager's website and sent to the (e-mail) addresses of the Participants in accordance with the provision of Article 27.1 at least fourteen (14) calendar days prior to the date of the meeting of Participants. Such notice will state the date, time, place and location and the agenda for the meeting and enclose any documents relevant for the meeting.
- 12.4 With any request of the Fund Manager for consent or approval by the Participants, the Fund Manager will prepare a memorandum providing background information on the matter. The memorandum will be sent to the Participants not later than simultaneously with the convocation.
- 12.5 A Participant may participate in a meeting by telephone. Meetings of Participants may be held by conference call unless a majority of the Participants in a specific case oppose against the holding of the meeting by conference call. Resolutions taken at such meeting need after the meeting to be confirmed in writing by the applicable majority of Participants in order to be valid.

- 12.6 A Participant may authorise (*volmachten*) another Participant or other person to attend a meeting of Participants (or participate in a meeting of Participants by telephone), to address the meeting and to vote at the meeting provided that the relevant power of attorney is validly set forth in a written document submitted prior to the meeting to the chairman of the meeting.
- 12.7 The Fund Manager shall appoint a chairman of the meetings of Participants unless the meeting is called at the request of one or more of the Participants in which case the requesting Participant(s) shall appoint the chairman of the meeting. The chairman shall be responsible for determining the procedure to be adopted for the conduct of any meeting of Participants.
- 12.8 Each Participant may cast one (1) vote per Participation. Blank votes will be deemed not to have been cast.
- 12.9 The Fund Manager or such other person designated by the chairman of the meeting shall record all votes taken during conference calls or at meetings of Participants and maintain a copy of consents obtained in writing, by facsimile, or by e-mail. Detailed voting records should promptly be made available by the Fund Manager to any Participant upon request.
- 12.10 The Fund Manager, or such other person designated by the chairman of the meeting will keep minutes of the meetings of Participants. The draft minutes will be distributed to all Participants within thirty (30) days after the date of the meeting and submitted for approval at the next meeting of Participants.
- 12.11 The Participants may also adopt resolutions outside a meeting, or in a meeting for which notice was given less than fourteen (14) calendar days prior to the meeting date, in which case resolutions shall be adopted in writing, provided that the proposed resolutions are submitted to all Participants and none of them objects to the proposed manner of adopting resolutions.
- 12.12 For each Sub-fund, separate meetings of Participants may also be held, and the above provisions of this Article 12 shall apply *mutatis mutandis*.

13 PARTICIPATIONS, REGISTER

- 13.1 Participations are rights registered in the name of the Participants. Participation certificates shall not be issued.
- 13.2 The Fund shall have three (3) Sub-funds and issue three (3) series of Participations. Series A Participations constituting BBDGF, series B Participations constituting PWF and series C Participations constituting DBFF, which Participations shall be issued based on the Total Subscription Price subscribed for by the Participant and/or the date of subscription as described in Section 7.1.3 of the Prospectus.

- 13.3 The Sub-funds have a different Investment Objective and Investment Strategy and are charged different costs including a different Management Fee as described in Section 9.2.3 of the Prospectus.
- 13.4 The relevant Administrator shall keep a Register for each Sub-fund, specifying the name and address of each Participant, the number of its Participations per Sub-fund and the relevant Subscription Date.
- 13.5 The Administrators and the Fund Manager may rely on the accuracy of the information provided by each Participant for inclusion in the Register and treat such information as conclusive with respect to such Participant and its entitlement to its Participations. The Administrators and the Fund Manager shall not be bound:
- 13.5.1 by any change in such information which has not been notified to the relevant Administrator in accordance with Article 13.5 hereof; or
- 13.5.2 to recognise any interest or claim of any person to a Participation other than those of the Participant duly registered in the Register as holder of these rights.
- 13.6 Each Participant shall notify the relevant Administrator promptly by written notice (including e-mail) of any change in the information included in the Register in relation to such Participant. The relevant Administrator shall upon receipt of such notice cause the Register to be amended accordingly within ten (10) Business Days.
- 13.7 Upon written request (including e-mail) to that effect by the Participant to the Fund Manager, the Register shall be available at the Fund Manager's office for the inspection of each Participant on Business Days, but only in so far as it concerns the Participant's own entry. Any costs related hereto shall be charged to the relevant Participant. With the prior written consent (including e-mail) of a Participant, the Fund Manager may disclose to another Participant the name of such Participant and the number of Participations held by such Participant.
- 13.8 The Fund Manager may provide information included in the Register to tax, regulatory or other authorities if, in the Fund Manager's reasonable opinion, this is required, necessary, conducive to or in the interest of the Legal Owners, the Fund or any of the Participants, including but not limited for the application of tax treaties between the jurisdiction of source of any income or gain and the jurisdiction of residence of a Participant respectively the Netherlands. Each Participant shall at the written request of the Fund Manager provide the Fund Manager with such information and documentation as the Fund Manager may in all reasonableness require from the Participant in support of the Fund Manager's duty and right referred to in the preceding sentence.

14 SUBSCRIPTIONS

- 14.1 The Fund Manager may at its sole discretion, but notwithstanding the further provisions of these Terms and Conditions, resolve that new Participations are issued at the request of a

new or existing Participant set forth in a Subscription Agreement or decide to temporarily discontinue or indefinitely stop the issuance of Participations.

- 14.2 The price of issuance of a Participation shall be equal to the Subscription Price. The Total Subscription Price will be increased by the Fund Manager with a surcharge, with a maximum of 0.15% of the Total Subscription Price in normal market circumstances, in order to meet any costs and expenses of the Fund incurred for the acquisition of Fund Assets in order to issue the Participations. The surcharge is for the benefit of the Fund. The surcharge may be substantially higher than 0.15% during times of severe market stress. The Fund Manager shall determine the Total Subscription Amount.
- 14.3 In the Subscription Form as completed by a subscribing investor shall inter alia be set forth the Total Subscription Price for which the subscriber requests issuance of Participations. The Fund Manager may at its sole discretion resolve to refuse or to only partly accept a subscription for Participations.
- 14.4 Applications for Participations should be made by submitting a duly signed and completed Subscription Form to the relevant Administrator not later than 17:00 CET on the Business Day falling at least ten (10) Business Days before the relevant Subscription Date as per which the applicant wishes to receive the Participations. Subscription Forms not received in time will be held over until the following Subscription Date. Completed applications are irrevocable once received by the relevant Administrator.
- 14.5 Payment of the Total Subscription Price must be received in EUR in the bank account of the relevant Legal Owner as specified in the Subscription Form at least ten (10) Business Days before the relevant Subscription Date as per which the applicant wishes to receive Participations (please refer to the Subscription Form for further payment details and instructions).
- 14.6 Participations shall be issued by the relevant Legal Owner and acquired by the Participants on a Subscription Dates but the Participations subscribed for will not be issued if the Total Subscription Price with respect to Participations subscribed for due by the subscriber has not been received by the relevant Legal Owner.
- 14.7 Immediately upon the completion of the issuance of new Participations, the Fund Manager shall procure that the appropriate entries are made in the Register.

15 REDEMPTION OF PARTICIPATIONS

- 15.1 The Fund is obliged to, subject to this Article 15 and the further provisions of these Terms and Conditions, redeem Participations at the request of a Participant set forth in a Redemption Notice. Any and all Participations that are redeemed shall not be held by the relevant Legal Owner or the Fund Manager but shall be automatically cancelled.
- 15.2 The price of redemption of a Participation shall be equal to the Redemption Price. The Fund Manager shall determine the Total Redemption Amount.

- 15.3 In the Redemption Notice as completed by a Participant shall inter alia be set forth the Total Redemption Amount for which the Participant requests redemption of Participations or the number of the Participations to be redeemed per Sub-fund.
- 15.4 Participations shall be redeemed by the Fund on Redemption Dates, provided the requirements of the Terms and Conditions have been met. Redemption of Participations as referred to in Article 16.1 may be effected at all times.
- 15.5 A signed Redemption Notice will need to be received by the relevant Administrator no later than 17:00 CET on the Business Day falling at least twenty (20) Business Days before the relevant Redemption Date. Redemption notices not received in time will be held over until the following Redemption Date. Completed Redemption Notices are irrevocable once received by the relevant Administrator.
- 15.6 The Total Redemption Amount will be paid to the redeeming Participant within five (5) Business Days after the applicable Redemption Date, provided that i) the relevant Administrator has received the KYC Requirements; and ii) the Fund has received the redemption proceeds from the relevant Investee Fund, unless exceptional circumstances occur, in which case the Total Redemption Amount will be paid at the earliest possible Business Day thereafter. The Total Redemption Amount may be paid earlier to the redeeming Participant at the sole discretion of the Fund Manager.
- 15.7 Requests for redemption may be refused in case applicable laws or regulations so require, for example laws or regulations within the anti-money laundering and sanctions sphere.
- 15.8 The relevant Legal Owner and the Fund Manager may suspend redemption of Participations if:
- 15.8.1 the determination of the Net Asset Value has been suspended in accordance with Article 20.3;
 - 15.8.2 the transfer of funds realised from the sale of Fund Assets cannot, in the sole opinion of the Fund Manager, be effected at normal rates of exchange;
 - 15.8.3 relevant exchanges are not open for business or the sale of Fund Assets is otherwise restricted or suspended;
 - 15.8.4 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 Fund Manager, not be practical or would negatively affect the rights of other Participants;
 - 15.8.5 the Participant did not act in compliance with applicable legislation or these Terms and Conditions;
 - 15.8.6 for whatever reason, the valuation of Fund Assets or Fund Obligations to be sold cannot be promptly or accurately ascertained;

- 15.8.7 a decision or action giving rise to the dissolution of the Fund described in Article 24 has occurred; or
- 15.8.8 for whatever reason, the redemption of Investee Funds Interests is suspended at the level of the relevant Investee Fund, as applicable.
- 15.9 In the event Redemption Notices are received for a particular Redemption Date from one or more Participants for an aggregate Redemption Price equal to 20% or more of the Net Asset Value of the relevant Sub-fund at such Redemption Date, the relevant Legal Owner and the Fund Manager may limit redemption of the relevant Participations to redemption of Participations with an aggregate Redemption Price equal to 20% of the Net Asset Value of the relevant Sub-fund and suspend redemption of the remaining Participations per Sub-fund subject of such Redemption Notices. Redemption of such remaining Participations per Sub-fund may then be held over to be effected at the first following Redemption Date. Such redemption and suspension shall be for each Participant from which a Redemption Notice had been received, pro rata the aggregate Redemption Price of each such Participant. If Redemption Notices are received for the following Redemption Date, from one or more Participants for an aggregate Redemption Price equal to 20% or more of the Net Asset Value of the relevant Sub-fund at such Redemption Date (including from redemptions so held over from a previous Redemption Date), the same procedure shall apply provided that redemptions so held over from a previous Redemption Date shall be effected with priority over redemptions of Participations of the relevant Sub-fund from Redemption Notices received subsequently. In the event redemption of Participations in any Sub-fund is suspended for a period of longer than nine (9) months after the Redemption Date of the original Redemption Notice, the Fund Manager may, at its sole discretion, resolve to dissolve the relevant Sub-fund.
- 15.10 If the Fund Manager suspends the redemption of the Participations of a Sub-fund, it shall inform the Participants and the AFM of such suspension without delay.
- 15.11 Immediately upon completion of the redemption of Participations, the Fund Manager shall procure that the necessary amendments are made to the Register.
- 15.12 The relevant Legal Owner and the Fund Manager may delegate any or all part of their duties and responsibilities under this Article 15 to the relevant Administrator. The Fund Manager will not delegate its portfolio management function or risk management function with respect to the Fund.

16 MANDATORY REDEMPTION OF PARTICIPATIONS

- 16.1 The Fund Manager and the relevant Legal Owner shall be entitled to redeem all (but not part of) the Participations of any Participant:
- 16.1.1 if the Participant is dissolved, becomes insolvent, is unable to pay its debts, institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy, any other relief under any bankruptcy, insolvency or similar law;

- 16.1.2 if in the Fund Manager's reasonable opinion the tax position of the Legal Owners, the Fund or any of the other Participants is or will become negatively affected due to the tax status or position or any change therein of the relevant Participant or any other circumstance concerning such Participant;
 - 16.1.3 if, for whatever reason, the continuation of the relationship cannot reasonably be expected from the Fund Manager and/or Legal Owners; or
 - 16.1.4 if the management board of an Investee Fund proceeds with compulsory redemption of the relevant Investee Funds Interests, as applicable.
- 16.2 Each Participant agrees that it shall immediately notify the Fund Manager if any status, position or change therein as referred to in Article 16.1.1 occurs in its respect or if it becomes aware of circumstances in all reasonableness qualifying as circumstances as referred to in Article 16.1.2 or Article 16.1.3 in its respect.
- 16.3 Upon redemption of Participations in accordance with the provisions of Article 16.1 the Participant will be entitled to receive a Total Redemption Amount determined by the Fund Manager on the basis of the most recent determined Net Asset Value.
- 16.4 Immediately upon completion of the redemption of Participations, the Fund Manager shall procure that the necessary amendments are made to the Register.
- 17 NO TRANSFER OF PARTICIPATIONS, NO ENCUMBRANCE OF PARTICIPATIONS**
- 17.1 Participations cannot be transferred (whether through a sale, donation, exchange, assignment or otherwise) by a Participant other than by way of redemption by the Fund pursuant to Article 15 (*Redemption of Participations*).
- 17.2 Units cannot be made subject to any pledge mortgage, usufruct, charge, lien, retention or other encumbrance (whether or not a limited right (*beperkt recht*)) of any nature whatsoever.
- 17.3 Any transfer, assignment or encumbrance of Participations in violation of this Article 17 shall be null and void and without legal consequence.
- 18 FEES AND EXPENSES**
- 18.1 The following fees, costs and expenses shall be borne by the Fund or the Sub-fund as the case may be:
- 18.1.1 all transaction costs, i.e. all costs related to the sourcing, evaluating, making, holding or disposing of investments, including, but not limited to, brokerage fees, advisors' fees, (other) transaction costs and expenses, due diligence costs and taxes;
 - 18.1.2 all of the Fund's operational costs, including, but not limited to, all costs of legal, tax, administrative, legal ownership, depositary, custody, placement agents,

accounting, regulatory and other reporting, valuation, regulatory fees and similar services and advices provided to the Fund, the costs of supervision of the Fund and all costs of communications with and meetings of the Participants;

18.1.3 all taxes and governmental charges levied against the Fund or its income or assets, including but not limited to irrecoverable VAT payable by the Fund Manager in respect of services provided to it and falling within the scope of this Article 18.1;

18.1.4 all reasonable Organisational Expenses;

18.1.5 the Management Fee; and

18.1.6 all fees in connection with the compliance by the Fund and the Fund Manager in its capacity of the manager of the Fund with the AIFMD related legislation,

as further set out in the Prospectus.

18.2 To the extent that the Fund Manager pays or otherwise bears any costs or expenses on behalf of the Fund that are pursuant to Article 18.1 to be borne by the Fund, the Fund shall reimburse the Fund Manager for the same.

18.3 Costs, fees and expenses that are not explicitly assumed by the Fund pursuant to Article 18.1 shall not be borne by the Fund. For the avoidance of doubt, the Fund shall not bear the cost of remunerating any employee of the Fund Manager or any office rental, utilities 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 Fund Manager for such costs.

18.4 The Fund Manager is entitled to an annual Management Fee per Sub-fund equal to:

(a) for BBDGF : 0.80% of the Net Asset Value (i.e. 80 basis points);

(b) for PWF: 1.5% of the Net Asset Value (i.e. 150 basis points); and

(c) for DBFF: 1.00% of the Net Asset Value (i.e. 100 basis points) for Participants holding Participations in DBFF with a Total Subscription Price of EUR 1,000 or more but less than EUR 250,000, 0.75% of the Net Asset Value (i.e. 75 basis points) for Participants holding Participations in DBFF with a Total Subscription Price of EUR 250,000 or more but less than EUR 2,500,000 and 0.60% of the Net Asset Value (i.e. 60 basis points) for Participants holding Participations in DBFF with a Total Subscription Price of EUR 2,500,000 or more,

excluding (i.e. before deduction of) the Management Fee, as at the last Business Day of each calendar month, payable monthly in arrears out of the Fund Assets. Any changes to the Management Fee are subject to the prior approval of the Fund Manager and the relevant Legal Owner. The Management Fee shall be calculated for each Sub-fund separately, and applied against the Net Asset Value of the relevant Participations of the relevant Sub-fund.

- 18.5 The Fund Manager maintains a careful, controlled and sustainable remuneration policy. The remuneration policy is consistent with and contributes to a sound and effective risk management and does not encourage risk taking beyond what is acceptable for the Fund Manager. The description of the actual remuneration policy of the Fund Manager is available on the website of the Fund Manager and upon request, a copy of such policy shall be provided to the Participant free of charge.

19 VALUATION PRINCIPLES

- 19.1 The Fund Manager has delegated the calculation of the Net Asset Value to the relevant Administrator, the Net Asset Value shall be based on the value of the Fund Assets and Fund Obligations in accordance with Dutch GAAP, and, where more specific, the following valuation methods:

19.1.1 investments in Investee Funds will be valued on the basis of the latest available valuation of Investee Funds Interests provided by the administrators of the relevant Investee Funds; and

19.1.2 all Fund Assets and Fund Obligations denominated in foreign currency shall be converted into EUR in accordance with the currency exchange rate prevailing at the close of business of the relevant Valuation Date.

- 19.2 The valuation shall be performed in accordance with article 19 of the AIFMD.

20 REPORTING

- 20.1 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 next calendar year. The first financial year of the Fund will begin on the Closing Date and will end on the thirty first day of December 2018.

- 20.2 On each Valuation Date the Fund Manager shall determine the Net Asset Value and the Net Asset Value per Participation. The Net Asset Value shall be expressed in EUR. The Net Asset Value and the Net Asset Value per Participation can be found on the website of the Fund Manager.

- 20.3 The Fund Manager may declare a suspension of the determination of the Net Asset Value and the Net Asset Value per Participation:

20.3.1 if one or more stock exchanges on which Fund Assets are listed (or on which securities which belong to the assets of a collective investment scheme in which the Fund is invested are listed directly or indirectly), are closed on other days than normal days of closure or if the transactions on these exchanges are suspended or subject to irregular restrictions;

20.3.2 if the communication means or calculation facilities 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 with the speed or accuracy desired by the Fund Manager;

- 20.3.3 if there are factors relating to the regulatory, political, economic, military or monetary situation that make it impossible for the Fund Manager to determine the Net Asset Value;
 - 20.3.4 if a resolution to liquidate the Fund is passed; or
 - 20.3.5 if the management board of an Investee Fund suspends the determination of the net asset value of the relevant Investee Funds Interests, as applicable.
- 20.4 If the Fund Manager has suspended the determination of the Net Asset Value and the Net Asset Value per Participation pursuant to and in accordance with Article 20.3, then the determination of the Net Asset Value for the calculation of the Management Fee pursuant to Article 18.4 is likewise suspended and the Net Asset Value shall be determined for this purpose per such later date.
- 20.5 In case of any errors in the calculation of the Net Asset Value, the Fund Manager will within three (3) Business Days prepare a report describing the errors that were made and the correction(s) which will need to be made to the Net Asset Value. If: (i) a correction is required of more than 0.5% of the Net Asset Value, and (ii) the Participants or the Fund (i.e. the then present Participants) incurred losses by a subscription or redemption against the erroneously calculated Net Asset Value, the Fund Manager will provide compensation (in cash or in Participations) for the relevant Participant and/or the Fund (i.e. the then present Participants) for the actual losses incurred, unless the error is not attributable to the Fund Manager or the Legal Owners, taking into account their liabilities as set out herein. For the avoidance of doubt, the Legal Owners shall have no role in determining the value of the Fund Assets.
- 20.6 Within six (6) months after the end of each financial year of the Fund, the Fund Manager shall, in accordance with the applicable legal requirements, prepare and 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 shall be drawn up in accordance with the relevant provisions of Title 9 of Book 2 of the Dutch Civil Code.
- 20.7 The annual accounts will be adopted by the Fund Manager and the Legal Owners.
- 20.8 The Fund Manager will make available copies of the annual accounts and the annual report free of charge to each Participant, notwithstanding its compliance with other publication requirements under applicable laws.
- 20.9 The annual accounts shall be published on the Fund Manager's website.
- 20.10 The Fund Manager shall, in accordance with the applicable legal requirements, prepare and publish the Fund's (including each Sub-fund's) semi-annual financial statements as soon as

possible yet within three (3) months after the end of the first six (6) months of the financial year. The semi-annual financial statements shall be drawn up in accordance with the provisions of Title 9 of Book 2 of the Dutch Civil Code. The semi-annual financial statements shall not be audited. The semi-annual financial statements shall be published on the Fund Manager's website and are available for Participants free of charge at the offices of the Fund Manager.

20.11 Within thirty (30) days after the end of each calendar quarter during the life of the Fund (or as soon thereafter as is reasonably possible), the relevant Administrator shall provide to the Fund Manager a performance report of the relevant Sub-funds over such quarter and the Management Fee payable over such quarter, per Sub-fund.

20.12 The relevant Administrator or the Fund Manager shall at the request of any Participant, and each Participant shall at the request of the Fund Manager, promptly furnish to the requesting party any information which 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 the relevant Administrator or the Fund Manager, or such Participant, respectively, is able to obtain such information without unreasonable effort or expense.

21 DISTRIBUTIONS

21.1 The Fund Manager may, at its sole discretion and at any time, decide to distribute any Net Proceeds to the Participants. All distributions to Participants will be made pro rata to the numbers of Participations held by each of them in each Sub-fund.

21.2 Distributions of Net Proceeds will be made in cash, in EUR.

21.3 Any distribution to the Participants, including the amount, composition and manner of payment, shall be published on the Fund Manager's website.

22 AMENDMENT TO THE TERMS AND CONDITIONS

22.1 These Terms and Conditions may be amended pursuant to a joint resolution of the Legal Owners and the Fund Manager.

22.2 A proposed amendment to the Terms and Conditions shall be published on the website of the Fund Manager. In addition, an explanation to the proposed amendments will be published on the website of the Fund Manager.

22.3 Notice of amendments made will also be made on the website of the Fund Manager. In addition, an explanation to the amendments will be published on the website of the Fund Manager.

22.4 An amendment of the Prospectus or the Terms and Conditions causing a reduction in Participants' rights or security, imposing costs on the Participants or causing a change to the Investment Strategy does not become effective in relation to the Participants until one (1) month following the date on which such notification has been published on the Fund

Manager's website. Participants have the right to redeem their Participations within this period following the date on which such notification has been disclosed.

- 22.5 All parties to these Terms and Conditions shall be bound by any amendment to these Terms and Conditions effected in accordance with the provisions of this Article 22.

23 REGULATORY CHANGES

- 23.1 The regulatory environment for investment funds continues to evolve. In the light hereof, during the existence of the Fund, additional and/or amended legislation and regulations affecting the Fund, the Fund Manager and the Legal Owners may come into force.
- 23.2 The Legal Owners and the Fund Manager may amend the Fund Documents if the Legal Owners and the Fund Manager reasonably determine that a regulatory change has a material adverse effect on the Fund and/or the Legal Owners and/or the Fund 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 number of funds managed by the Fund Manager that fall within the scope of such change).

24 DISSOLUTION AND LIQUIDATION

- 24.1 The Fund and each Sub-fund shall be dissolved upon the occurrence of any of the following events:
- 24.1.1 the resignation of the Fund Manager, without a successor Fund Manager having been appointed in time in accordance with Article 8.3 and/or the resignation of a Legal Owner, without a successor Legal Owner having been appointed in time in accordance with Article 10.2;
 - 24.1.2 the removal of the Fund Manager, without a successor Fund Manager having been appointed in time in accordance with Article 8.3;
 - 24.1.3 notice served by the Fund Manager and the Legal Owners on the Participants following any change in the law as a result of which, in the reasonable opinion of the Fund Manager and the Legal Owners, the continuation of the Fund becomes unlawful or is not expedient;
 - 24.1.4 notice served by the Fund Manager and the (relevant) Legal Owners on the Participants following any change in market conditions as a result of which, in the reasonable opinion of the Fund Manager and the (relevant) Legal Owners, the continuation of the Fund or the relevant Sub-fund as the case may be is not expedient; or
 - 24.1.5 notice served by the Fund Manager and the relevant Legal Owner on the Participants pursuant to Article 15.9 if redemption of Participations in any Sub-fund

has been suspended for a period of longer than nine (9) months after the Redemption Date of the original Redemption Notice.

- 24.2 Any dissolution of the Fund or a Sub-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 24.
- 24.3 Upon dissolution of the Fund or a Sub-fund as the case may be, no further business shall be conducted except for such action necessary for the liquidation of the affairs of the Fund or a Sub-fund as the case may be in accordance with the applicable provisions of the 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 Participants and the Fund Manager. During the liquidation period these Terms and Conditions shall, to the extent possible, remain in full force and effect.
- 24.4 The liquidation of the Fund shall be effected by the Fund Manager, provided, however, that if the Fund is dissolved for a reason set forth in Article 24.1.1, then the Participants shall by Ordinary Consent appoint another party as liquidator which shall have the rights and obligation of a Fund Manager under these Terms and Conditions be it for the sole purpose of and within the restrictions set by Article 24.3.
- 24.5 After payment of a final Management Fee, the balance left after the liquidation shall be paid in cash to the Participants in accordance with the provisions of Article 21. If any Fund Obligation is contingent or uncertain in amount, a reserve will be established in such amount as the Fund 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 21.

25 INDEMNIFICATION

- 25.1 The Legal Owners, the Fund Manager and any of their respective (former) directors, 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 omission 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 act or omission of such Indemnified Person found by any court or governmental body of competent jurisdiction (or admitted to by the Fund Manager in a settlement of any lawsuit) to have resulted from actual fraud, bad faith, wilful misconduct, gross negligence or a material violation of applicable laws that has a material adverse effect on the Fund.

- 25.2 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 Fund Manager with a written undertaking to promptly repay to the Fund the amount of such reimbursed expenses paid if there was no entitlement to indemnification pursuant to Article 25.1.
- 25.3 The rights of the Indemnified Persons to be indemnified in accordance with this Article shall survive the termination of the Fund.

26 MISCELLANEOUS

- 26.1 The Fund Manager shall and shall cause the Fund to comply and to continue to comply, and shall request the Participants to comply and continue to comply, with all applicable regulations (including any applicable anti-terrorism and money laundering regulations). The Fund Manager will promptly inform the Participants of any non-compliance that comes to its attention which could have an impact on the Participants.
- 26.2 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.
- 26.3 No failure to exercise and no delay in exercising on the part of any of the Participants 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.
- 26.4 These Terms and Conditions and the Subscription Form constitute the entire agreement between the Fund Manager, the Legal Owners and each of the Participants, 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.

27 NOTICES

27.1 All notices to Participants shall be sent in writing to the addresses of Participants stated in the Register.

27.2 All notices to the Legal Owners, the Fund Manager or the relevant Administrator shall be made in the form of e-mail 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 Participants in accordance with the provisions of Article 27.1. Notices to the relevant Administrator shall be deemed to be received by the relevant Administrator (i) where the delivery thereof has been acknowledged by a signed receipt or (ii) following a written confirmation of receipt by the relevant Administrator.

To the Legal Owner I:

Stichting Juridisch Eigenaar Pandion

Nevelgaarde 8
3436 ZZ Nieuwegein
The Netherlands

To the Legal Owner II:

**Stichting Juridisch Eigenaar Duurzaam Beleggen
Fondsen**

Nevelgaarde 8
3436 ZZ Nieuwegein
The Netherlands

To the Fund Manager:

Alpha Based Capital Fund Management B.V.

Nevelgaarde 8
3436 ZZ Nieuwegein
The Netherlands
E-mail: info@alphabasedcapital.com

To the Administrator I

Bolder Fund Services (Netherlands) B.V.

De Boelelaan 7, 7th floor
1083 HJ Amsterdam
The Netherlands
E-mail: investors.nl@boldergroup.com

To the Administrator II:

AssetCare Fund Services B.V.

Barbara Strozilaan 310
1083 HN Amsterdam
The Netherlands
E-Mail: info@assetcare.nl

28 APPLICABLE LAW AND COMPETENT COURT

- 28.1 These Terms and Conditions shall be governed by the laws of the Netherlands.
- 28.2 These Terms and Conditions shall remain in full force and effect until the Fund is liquidated.
- 28.3 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.

SCHEDULE 2
SUBSCRIPTION FORM

SCHEDULE 3

ANTI-MONEY LAUNDERING OBLIGATIONS OF THE FUND

Pursuant to the Dutch Act on the Prevention of Money Laundering and Terrorism Financing is concerned (*Wet ter voorkoming van witwassen en financieren van terrorisme*, the "**Wwft**"), a "client investigation" (*cliëntenonderzoek*) needs to be conducted by the Fund Manager with respect to each applicant Participant prior to their entering into the Fund.

In general terms, the purpose of the "regular" Wwft client investigation is to:

- (i) establish and lay down the purpose and the nature of the envisaged business relationship, which must be documented, and subsequently (to the extent possible) "monitor" the consistency of the information so laid down with the actual (increased) knowledge the Fund Manager has of the Participant. When doing so, the Fund Manager may take into account the actual profile type of the client;
- (ii) establish the identity of the applicant Participant and verify the identity so obtained on the basis of "reliable sources"; in addition, if the applicant investor is a trustee, establish the identity of the settlors of the trust; the documentation on the basis of which the identification and verification has occurred must be retained;
- (iii) (if applicable) establish and verify the identity of any ultimate beneficiary owner of the applicant Participant, being:
 - a) natural person holding a 25% or more participating interest in the Participant or 25% or more of the voting rights in the Participant, or who is otherwise factually able to exercise a decisive influence in the Participant; or
 - b) in the event that the Participant would consist of a trust or foundation, a person being, either directly or indirectly, the beneficiary of 25% or more of such trust or foundation's assets or having direct or indirect control over 25% or more of such assets;

The Fund Manager may, if situations warrant that, always decide to lower this percentage.

- (iv) if the applicant Participant has an ultimate beneficiary owner as described under (iii), to establish and verify such ultimate beneficiary owner's identity.

In certain cases, a "simplified" client investigation suffices (e.g. for applicant that are listed companies, credit institution, financial service providers, collective investment schemes, investment firms, insurance undertakings based in the Netherlands, the European Union, Argentina, Australia, Brazil and several other countries). It is sufficient to establish and lay down the purpose and the nature of the envisaged business relationship and to retain a reliable document evidencing that the relevant applicant Participant falls under one of the categories for which a "simplified" client investigation applies.

In other cases (e.g. increased risk of money laundering or terrorism financing, applicant is a “Politically Exposed Person”, client is a natural person that is not present for identification purposes), an “extended” client investigation must be performed. In that case, extensive verification and monitoring requirements apply.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be

Product name: Pandion Fund (PWF)

Legal entity identifier: 724500XEK8X22Q492650

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes ecological and social characteristics, as defined in Article 8 SFDR.

Ecological characteristics

By not investing in companies involved in fossil energy extraction and aviation and by investing in companies with lower pollution values than similar companies (*best in class*), the Fund promotes

climate change mitigation, protection of water resources and pollution control as ecological characteristics.

Social characteristics

By not investing in companies involved in weapons, pornography, fur and special leathers and screening companies for acting in accordance with international treaties, the Fund promotes respecting human rights and animal welfare as social characteristics.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- Share of investments in companies involved in fossil energy extraction;
- Share of investments in companies involved in aviation;
- Share of investments in companies involved in weapons;
- Share of investments in companies involved in pornography;
- Share of investments in companies involved in fur and special leathers;
- Minimum ESG score individual shares
- Average weighted ESG rating relative to Index/Benchmark
- Number of issuers involved in material violations of the following internationally recognized standards:
 - o OECD Guidelines for Multinational Enterprises;
 - o UN Principles on Business; and
 - o Human Rights and UN Global Compact.
- Average weighted carbon intensity relative to the benchmark
- Average weighted water intensity relative to the benchmark
- Average weighted energy intensity relative to the benchmark
- Average weighted waste intensity relative to the benchmark

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are



How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Rights? Details:

Not applicable



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, the Fund takes into account some Principal Adverse Impacts (PAIs) on sustainability factors. The Fund's selection process includes *a number* of PAI indicators as an integral part of the process with the aim of minimizing adverse impacts. The assessment takes into account the direct and the indirect effects of an investment. In relation to the shares, the relevant SFDR PAI indicators for this this Fund have been identified and are periodically reviewed to determine adverse effects on sustainability factors. If the data for this selection of PAI indicators are missing, the Fund Manager will conduct additional research.

What investment strategy does this financial product follow?

The Fund invests in a concentrated portfolio of approximately forty (40) stocks from North America and Europe.

The stocks are selected from a universe of more than 1,000 companies based on quantitative investment factors such as valuation, low volatility, momentum and quality. In addition, competitiveness and sustainability are assessed. Companies preferably have a sustainable competitive advantage and are in the process of strengthening that position.

Shares are purchased for the long term and the Fund Manager supplements the strategy by periodically Writing Call Options. In doing so, the Fund amasses additional premium resulting in a better risk/reward ratio. The upside potential of the stocks in the portfolio is capped by the written Call options.

The Fund promotes ecological and social characteristics, as defined in Article 8 SFDR.

Selection process

The investment selection decision-making process always considers environmental, social and governance factors for each stock by applying:



- Exclusions;
 - Minimum ESG score of the investments;
 - Screening investments against international standards;
 - Selecting investments with lower pollution values;
 - Selecting investments that can contribute to an environmental or social objective;

The investment strategy guides investment decisions based on factors such as investment objectives and risk

Exclusions

The Fund maintains the following exclusions, companies involved in:

- Extraction of fossil energy
- Weapons
- Pornography
- Furs and special leathers
- Aviation

Before an investment is included in the portfolios, it is assessed whether the company is not involved in the above sectors.

In addition to the above, at least bi-annually it is assessed whether a company meets the conditions below:

Minimum ESG score

All investments are required to have a minimum ESG score of 45. The ESG score stands for "Environmental, Social and Governance". This score reflects environmental, social and good and governance requirements. The score can vary between 0 and 100. Before including an investment in the portfolio, the Fund Manager assesses the ESG score of the investments based on information from an external data provider. The Fund Manager periodically monitors the score of the companies included in the portfolio. If the ESG score of a company falls below 45, the position is closed as soon as possible.

Screening international standards When selecting investments, the Fund takes into account requirements on good governance by assessing, before an investment is made, the extent to which companies act in accordance with relevant legislation and internationally recognized standards, including:

- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business; and
- Human Rights and UN Global Compact.

To this end, the Fund Manager reviews the SFDR report of its external data provider in which negative publications/controversies per company are listed. Each controversy will be investigated individually, and follow-up measures will be taken if necessary. It is an ongoing process performed at least bi-annually and as such it forms part of the Fund managers monitoring program of Pandion Fund (PWF).

Lower pollution values (best in class)

The Fund aims for lower pollution values than those of the benchmark (iShares MSCI World index ETF) in terms of:

- CO2 emissions
- Water use
- Energy use
- Waste generation

These values for these parameters are obtained from external data provider and, if necessary, supplemented with data from the (sustainable) annual report of the companies concerned. This is monitored on an ongoing basis.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund uses the following binding elements:

1. Exclusion of companies active in:
 - Fossil energy extraction (0%)
 - Weapons (0%)
 - Pornography (0%)
 - Furs and special leathers (0%)
 - Aviation (0%)
2. Minimum ESG score of 45 based on external data provider
3. Companies must act in accordance with the following international standards:
 - OECD Guidelines for Multinational Enterprises;
 - UN Guiding Principles on Business; and
 - Human Rights and UN Global Compact.
4. Lower Carbon Intensity
Average weighted carbon intensity lower than the Benchmark (iShares MSCI World index ETF).
5. Water Intensity
Average weighted water intensity lower than the Benchmark (iShares MSCI World index ETF)
6. Energy Intensity
Average weighted energy intensity lower than the Benchmark (iShares MSCI World index ETF)
7. Waste Intensity
Average weighted waste intensity lower than the Benchmark (iShares MSCI World index ETF)

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable

What is the policy to assess good governance practices of the investee companies?

The Fund uses various external data providers to identify and investigate violators of global standards and issuers that may be involved in poor governance practices, particularly with respect to sound management structures, labor relations, employee remuneration and tax compliance.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best expressed as a share of:

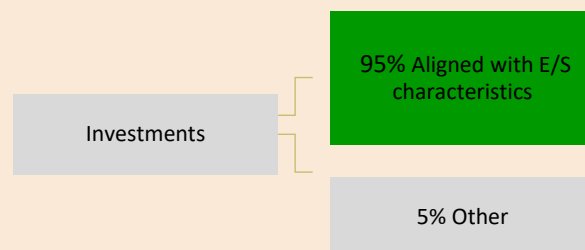
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee

Companies identified by external data providers as violating or otherwise failing to comply with the principles of the United Nations Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are identified and further investigated.

After reviewing this external data, companies that show persistent and serious violations and/or fail to have good governance practices in place, and demonstrate insufficient initiative to remediate these insufficiencies, are excluded from the Fund. The Fund's policy is to review the entire portfolio on a monthly basis. Manager will strive to divest as soon as possible in an orderly manner and in the best interests of the Fund participants in the event of lack of good governance practices.



What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Fund invests in a concentrated portfolio of approximately 40 primarily European and North American companies that combine strong competitiveness with attractive valuations and above-average ESG scores. The Fund's planned asset allocation aligned with environmental and social characteristics is reflected in the table below. In assessing and selecting investments, companies that take sustainability and corporate responsibility into account in their operations have a preference.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy



No

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The following investments fall under "other": liquid assets for liquidity purposes, derivatives to manage market risk and or investments in etf's or mutual funds. These investments neither promote the environmental or social characteristics of the Fund nor qualify as Sustainable Investments.

The percentage stated is the planned percentage that can be held in these instruments, but the actual percentage may vary.

No minimum environmental or social safeguards apply to these financial instruments.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Where can I find more product specific information online?



More product-specific information can be found on the website:

<https://www.alphabasedcapital.com/#/funds>

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be

Product name: Pandion Fund (DBFF)

Legal entity identifier: 72450098RNMV39YPQT60

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes ecological and social characteristics, as defined in Article 8 SFDR.

Ecological characteristics

By not investing in companies involved in fossil energy extraction and aviation and by investing in companies with lower pollution values than similar companies (*best in class*), the Fund promotes

climate change mitigation, protection of water resources and pollution control as ecological characteristics.

Social characteristics

By not investing in companies involved in weapons, pornography, fur and special leathers and screening companies for acting in accordance with international treaties, the Fund promotes respecting human rights and animal welfare as social characteristics.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- Share of investments in companies involved in fossil energy extraction;
- Share of investments in companies involved in aviation;
- Share of investments in companies involved in weapons;
- Share of investments in companies involved in pornography;
- Share of investments in companies involved in fur and special leathers;
- Minimum ESG score individual shares
- Average weighted ESG rating relative to Index/Benchmark
- Number of issuers involved in material violations of the following internationally recognized standards:
 - o OECD Guidelines for Multinational Enterprises;
 - o UN Principles on Business; and
 - o Human Rights and UN Global Compact.
- Average weighted carbon intensity relative to the benchmark
- Average weighted water intensity relative to the benchmark
- Average weighted energy intensity relative to the benchmark
- Average weighted waste intensity relative to the benchmark

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are



How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Rights? Details:

Not applicable



Does this financial product consider principal adverse impacts on sustainability factors?

Yes, the Fund takes into account some Principal Adverse Impacts (PAIs) on sustainability factors. The Fund's selection process includes *a number* of PAI indicators as an integral part of the process with the aim of minimizing adverse impacts. The assessment takes into account the direct and the indirect effects of an investment. In relation to the shares, the relevant SFDR PAI indicators for this this Fund have been identified and are periodically reviewed to determine adverse effects on sustainability factors. If the data for this selection of PAI indicators are missing, the Fund Manager will conduct additional research.

What investment strategy does this financial product follow?

The Fund invests in a concentrated portfolio of approximately forty (40) stocks from North America and Europe.

The stocks are selected from a universe of more than 1,000 companies based on quantitative investment factors such as valuation, low volatility, momentum and quality. In addition, competitiveness and sustainability are assessed. Companies preferably have a sustainable competitive advantage and are in the process of strengthening that position.

Shares are purchased for the long term and the Fund Manager supplements the strategy by periodically Writing Call Options. In doing so, the Fund amasses additional premium resulting in a better risk/reward ratio. The upside potential of the stocks in the portfolio is capped by the written Call options.

The Fund promotes ecological and social characteristics, as defined in Article 8 SFDR.

Selection process

The investment selection decision-making process always considers environmental, social and governance factors for each stock by applying:



- Exclusions;
 - Minimum ESG score of the investments;
 - Screening investments against international standards;
 - Selecting investments with lower pollution values;
 - Selecting investments that can contribute to an environmental or social objective;

The investment strategy guides investment decisions based on factors such as investment objectives and risk

Exclusions

The Fund maintains the following exclusions, companies involved in:

- Extraction of fossil energy
- Weapons
- Pornography
- Furs and special leathers
- Aviation

Before an investment is included in the portfolios, it is assessed whether the company is not involved in the above sectors.

In addition to the above, at least bi-annually it is assessed whether a company meets the conditions below:

Minimum ESG score

All investments are required to have a minimum ESG score of 45. The ESG score stands for "Environmental, Social and Governance". This score reflects environmental, social and good and governance requirements. The score can vary between 0 and 100. Before including an investment in the portfolio, the Fund Manager assesses the ESG score of the investments based on information from an external data provider. The Fund Manager periodically monitors the score of the companies included in the portfolio. If the ESG score of a company falls below 45, the position is closed as soon as possible.

Screening international standards

When selecting investments, the Fund takes into account requirements on good governance by assessing, before an investment is made, the extent to which companies act in accordance with relevant legislation and internationally recognized standards, including:

- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business; and
- Human Rights and UN Global Compact.

To this end, the Fund Manager reviews the SFDR report of its external data provider in which negative publications/controversies per company are listed. Each controversy will be investigated individually, and follow-up measures will be taken if necessary. It is an ongoing process performed at least bi-annually and as such it forms part of the Fund managers monitoring program of Pandion Fund (PWF).

Lower pollution values (best in class)

The Fund aims for lower pollution values than those of the benchmark (iShares MSCI World index ETF) in terms of:

- CO2 emissions
- Water use
- Energy use
- Waste generation

These values for these parameters are obtained from external data provider and, if necessary, supplemented with data from the (sustainable) annual report of the companies concerned. This is monitored on an ongoing basis.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The fund uses the following binding elements:

1. Exclusion of companies active in:
 - Fossil energy extraction (0%)
 - Weapons (0%)
 - Pornography (0%)
 - Furs and special leathers (0%)
 - Aviation (0%)
2. Minimum ESG score of 45 based on external data provider
3. Companies must act in accordance with the following international standards:
 - OECD Guidelines for Multinational Enterprises;
 - UN Guiding Principles on Business; and
 - Human Rights and UN Global Compact.
4. Lower Carbon Intensity
Average weighted carbon intensity lower than the Benchmark (iShares MSCI World index ETF).
5. Water Intensity
Average weighted water intensity lower than the Benchmark (iShares MSCI World index ETF)
6. Energy Intensity
Average weighted energy intensity lower than the Benchmark (iShares MSCI World index ETF)
7. Waste Intensity
Average weighted waste intensity lower than the Benchmark (iShares MSCI World index ETF)

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable

What is the policy to assess good governance practices of the investee companies?

The Fund uses various external data providers to identify and investigate violators of global standards and issuers that may be involved in poor governance practices, particularly with respect to sound management structures, labor relations, employee remuneration and tax compliance.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best expressed as a share of:

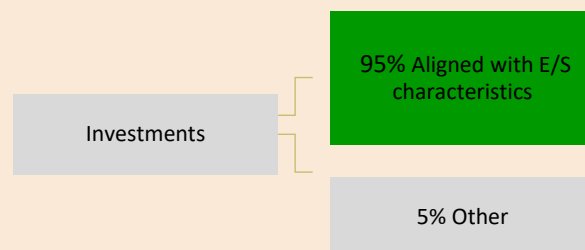
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee

Companies identified by external data providers as violating or otherwise failing to comply with the principles of the United Nations Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are identified and further investigated.

After reviewing this external data, companies that show persistent and serious violations and/or fail to have good governance practices in place, and demonstrate insufficient initiative to remediate these insufficiencies, are excluded from the Fund. The Fund's policy is to review the entire portfolio on a monthly basis. Manager will strive to divest as soon as possible in an orderly manner and in the best interests of the Fund participants in the event of lack of good governance practices.



What is the asset allocation planned for this financial product?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Fund invests in a concentrated portfolio of approximately 40 primarily European and North American companies that combine strong competitiveness with attractive valuations and above-average ESG scores. The Fund's planned asset allocation aligned with environmental and social characteristics is reflected in the table below. In assessing and selecting investments, companies that take sustainability and corporate responsibility into account in their operations have a preference.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy²?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy



No

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable



What is the minimum share of socially sustainable investments?

Not applicable



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The following investments fall under "other": liquid assets for liquidity purposes, derivatives to manage market risk and or investments in etf's or mutual funds. These investments neither promote the environmental or social characteristics of the Fund nor qualify as Sustainable Investments.

The percentage stated is the planned percentage that can be held in these instruments, but the actual percentage may vary.

No minimum environmental or social safeguards apply to these financial instruments.

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Not applicable

Where can I find more product specific information online?



More product-specific information can be found on the website:

<https://www.alphabasedcapital.com/#/funds>

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.