PROSPECTUS

Relating to the offering and issue of Units in

CIGOGNE FUND

A Luxembourg Investment Fund
(Fonds Commun de Placement – Specialised Investment Funds)

February 2021

The Units referred to in this Prospectus are offered solely on the basis of the information contained herein and in the reports referred to in this Prospectus. In connection with the offer hereby made, no person is authorised to give any information or to make any representations other than those contained in this Prospectus and the documents referred to therein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information contained in this Prospectus shall be solely at the risk of the purchaser.

Subscriptions for Units shall be made on the basis of this Prospectus [and the Management Regulation] accompanied by the latest annual report of CIGOGNE FUND.
Copies of the complete Prospectus and the latest financial report of the CIGOGNE FUND may be obtained, free of charge, upon request at the registered office of the AIFM.

VISA 2021/162759-3756-0-PC
L'apposition du visa ne peut en aucun cas servir d'argument de publicité
Luxembourg, le 2021-03-02
Commission de Surveillance du Secteur Financier

TABLE OF CONTENTS

		Pages
	INTRODUCTION	3
	DEFINITION	5
	FUND'S AGENTS	8

Part A: General Information

Chapter I.	Investment Objectives and Policies	12
Chapter II.	Investment Instruments and Limits	13
Chapter III.	Special Risks Considerations	23
Chapter IV.	The Units	25
Chapter V.	Management of the Fund	32
Chapter VI.	Charges and Expenses	36
Chapter VII.	General Information	37
Chapter VIII.	Management Regulations Applicable Law and Jurisdiction	46
Chapter IX.	Documents Available	47

Part B: Specific Information – Compartment Particulars – CIGOGNE FUND

- CIGOGNE FUND – M&A Arbitrage	I.i
- CIGOGNE FUND – Fixed Income Arbitrage	II.i
- CIGOGNE FUND – ABS/MBS Arbitrage	III.i
- CIGOGNE FUND – Credit Arbitrage	IV.i
- CIGOGNE FUND – Convertible Arbitrage	V.i

INTRODUCTION

CIGOGNE FUND (the "Fund") is organized in Luxembourg pursuant to the law of February 13, 2007 regarding specialised investment funds and is a "*fonds commun de placement"* with different portfolios of assets, each constituting a compartment. CIGOGNE FUND qualifies as an AIF in accordance with the Law of 12 July 2013. The Fund is governed by the Management Regulations effective as of July 6, 2004 which are published in the Mémorial C, Recueil des Sociétés et Associations (the "Mémorial") for the first time on July 16, 2004, and updated from time to time.

The Fund is managed by CIGOGNE MANAGEMENT S.A. (the "AIFM"), a public limited company ("société anonyme") organized under the laws of the Grand Duchy of Luxembourg, whose shareholder is Crédit Mutuel – CIC Group. Its share capital amounts to EUR 125,000. The AIFM was established on July 6, 2004 for an undetermined period. Its Articles of Incorporation were published in the Mémorial of July 16, 2004 for the first time.

No person is authorized to give any information or to make any representations other than those contained in this Prospectus.

CIGOGNE FUND is offering units of several Compartments on the basis of the information contained in this Prospectus and in the documents referred to herein. The distribution of the Prospectus is not authorized unless it is accompanied by the most recent annual and semi-annual report(s) of the Fund, if any. Such report or reports are deemed to be an integral part of the Prospectus.

The Fund is an unincorporated mutual investment fund (fonds commun de placement). The Fund is organised as a "multiple compartments fund", i.e. comprised of different Compartments. Each Compartment constitutes a separate pool of assets (invested in accordance with the particular investment features applicable to such Compartment *as provided in Part B hereto)* and liabilities and is represented by specific class or classes of Units. For the purposes of relations with creditors, each Compartment is treated as a single entity. The assets of one Compartment are only responsible for all debts, engagements and obligations attributable to this Compartment. In this regard, if the AIFM incurs a liability, which relates to a particular Compartment, the creditor's recourse with respect to such liability shall be limited solely to the assets of the relevant Compartment. For the purposes of relations with the Unitholders, each Class is treated as a single entity. Therefore the Net Asset Value of its Units fluctuates according to the net assets to which they relate.

The Units represent undivided interests solely in the assets of the related Compartment. They do not represent interests in or obligations of, and are not guaranteed by, any government authority, the initiator of the Fund, the Depositary of the Fund, the AIFM or any other person or entity.

The AIFM may, at any time, amend existing Compartments and Classes and create additional Compartments for an undetermined or determined period, whose investment features will differ from those of the Compartments existing at the present time and may also create, at any time, additional Classes of Units within each Compartment. Upon the amendments or the creation of a new Compartment or Classes, the Prospectus will be updated or supplemented accordingly.

Details regarding each Compartment are described in the Part B to the Prospectus. The Net Asset Value of the Units of each Compartment shall be determined in the currency set forth in Part B of the Prospectus in the relevant Appendix.

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

possession of the Prospectus and of any person wishing to apply for Units to inform himself or herself about and to observe all applicable laws and regulations of relevant jurisdictions.

The Prospectus does not constitute a public offer or invitation to acquire Units with regard to persons from jurisdictions in which such a public offering of Units is not authorized or if it could be considered that such an offer is not authorized with regard to that person. Moreover, the fact that the Fund is registered on the official list of the CSSF may under no circumstances be considered as a positive appreciation by the supervisory authority of the quality of the Units offered for sale.

However, the Units may be marketed to professional investors in other member states of the European Union in accordance with the Law of 12 July 2013.

The AIFM has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which makes misleading any statement herein, whether of fact or opinion. The AIFM accepts responsibility accordingly.

It should be remembered that the price of Units and the income from them may fall as well as rise and that the amount initially invested may not be recovered. Changes in rates of foreign exchange may cause the value of the investments go up or down. Moreover, credit risk may also cause the value of Net Assets to go down.

Investors should inform themselves regarding the economic benefits and risks of their investments and should take appropriate advice on the legal or tax-related requirements and consequences, foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, exchange, conversion, redemption or disposal of the Units of the Fund.

Potential subscribers should note that the structure of the Prospectus is such that it distinguishes the part made up of chapters I to IX, on the one hand, and the part made up of the "Compartment Particulars", on the other hand. The chapters I to IX contain the regulations to which the Fund as a whole, and each of its Compartments are subjected, whereas the Compartment Particulars contain the terms and conditions applicable to each individual Compartment in addition or in dispensation to the general regulations.

Investment in the Fund carries substantial risk. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Units is suitable for them in light or their circumstances and financial resources (see under "Risk Factors").

Potential investors should consult, and must rely on, their own professional tax, legal and investment advisors as to matters concerning the Fund and their investments in the Fund.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to : (i) the legal requirements within their own jurisdictions for the purchase, holding or disposal of Units; (ii) any income tax and other taxes which may apply to their purchase, holding or disposal of Units or payments in respect of Units.

Investors in CIGOGNE FUND are advised that offering is restricted to Well Informed Investors only and that the AIFM will not permit the issuance and transfer of Units to persons who may not be considered as Well Informed Investors within the meaning of Law of February 13, 2007. For complementary definition and information on restrictions on issue and transfer of Units of CIGOGNE FUND, investors should refer to and carefully read Chapter IV ("the Units") of this prospectus.

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the context otherwise requires:

"AIF"	Alternative Investment Fund.
"AIFM"	Alternative Investment Fund Manager.
"AIFM of CIGOGNE FUND"	CIGOGNE Management S.A.
"AIFM Directive"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010.
"AIFM Regulations"	Commission delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.
"Assets"	Gross assets of the Compartment accounted as all the assets of the Compartment including borrowed funds.
"Board, Directors, Board of Directors"	The board of directors of the AIFM.
"Business Day", or "Bank Business Day"	A day on which banks are open for business in Luxembourg or in any other country as *specified elsewhere in the Prospectus.*
"Central Administration Agent"	Banque de Luxembourg S.A (or its delegated entity European Fund Administration (**"EFA"**)).
"Class" or "Classes"	The class(es) of Units which constitute the Classes of CIGOGNE FUND.
"Compartment(s)"	Pool(s) of assets and liabilities constituting separate entities, established by the Board of Directors within the meaning of article 71 of the Law of February 13, 2007, and *provided in the "Compartment Particulars".*
"Compartment Particulars"	Part of the Prospectus giving details on each particular Compartment.
"**Conversion Day**"	For dealing with conversion of Units the relevant day on which the converted Units shall be cancelled/issued, as determined in the Part B – Compartment Particulars. Unless otherwise specified in the Part B, such a day shall be the first

	Business Day immediately following the relevant Valuation Day of each month, a day on which the AIFM or the appropriate agent of the AIFM shall cancel any redeemed Units
"Depositary" or "Depositary Bank"	Banque de Luxembourg S.A.
"Domiciliary Agent"	Banque de Luxembourg S.A.
"Investment Advisor"	Crédit Industriel et Commercial, the investment advisor of the AIFM.
"Law of August 10, 1915"	The Luxembourg law of August 10, 1915 relating to commercial companies, as amended from time to time.
"Law of August 2, 2002"	The Luxembourg law of 2 August 2002 on the protection of persons with regard to the processing of personal data.
"Law of February 13, 2007"	The Luxembourg law of February 13, 2007 concerning the specialized investment funds, as amended from time to time.
"Law of December 17, 2010"	The Luxembourg law of December 17, 2010 relating to undertakings for collective investment as amended from time to time.
"Law of July 12, 2013"	The Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended from time to time.
"**Main Party**"	Any of the following entities: • the AIFM; • the Depositary; • the Central Administration; • the Central Administration Subcontractor(s); • the Portfolio Manager(s); • the Investment Advisor(s); any other entity specifically designated by the Board of Directors.
"Management Regulations"	The management regulations of CIGOGNE FUND.
"Net Asset Value" or "Net Assets" or "NAV"	The net asset value of a Class, of a Compartment or of the Fund, as the context may require.
"Initiator"	Crédit Industriel et Commercial.
"Prospectus"	This document accompanied by all the addenda which can be added.
"Redemption Day"	For dealing with redemption of Units the relevant day on which the redeemed Units shall be cancelled, as determined in the Part B – Compartment Particulars. Unless otherwise specified in the Part B, such day shall be the first Business Day immediately following the relevant Valuation Day of each month, a day on which the AIFM or the appropriate agent of the AIFM shall cancel any redeemed Units.

"Reference Currency"	The currency which is used to express the Net Asset Value of a Unit, of a Class, of a Compartment or of the Fund as the context may require.
"Registrar and Transfer Agent"	Banque de Luxembourg S.A.
"**Relevant Person**"	Any of the following persons: • a member of the Board of Directors; • an employee of the AIFM; • any other person specifically designated by the Board of Directors.
"Subscription Agreement"	Agreement between an investor and the AIFM, whereby the investor undertakes to subscribe Units of the Fund, and the AIFM expressly agrees the investor as a Unitholder.
"**Subscription Day**"	The first Business Day immediately following the relevant Valuation Day of each month, being a day on which the AIFM or the appropriate agent of the AIFM shall issue any Units following a subscription or a conversion.
"Total Gross Asset"	Total of Assets before accrual of Performance Fee
"UCI"	Undertaking for Collective Investment.
"Unit(s)"	The unit(s) of the Classes representing the Compartments of CIGOGNE FUND.
"Unitholder"	The unitholders of a Class, as the context may require.
"Valuation Day"	The day on which the AIFM or the appropriate agent of the AIFM shall calculate the Net Asset Value of each Compartment and the Units of each Class. The frequency will be determined by the AIFM and may vary between Classes, but will be at least once a month.
"Well Informed Investors"	Well informed investors in the meaning of the Law of February 13, 2007.

Any reference to «USD» in the Prospectus refers to the lawful currency of the United States of America. Any reference to «EUR» in the Prospectus refers to the lawful currency of the European Economic and Monetary Union.

CIGOGNE FUND'S AGENTS

The AIFM
CIGOGNE MANAGEMENT S.A.
9, boulevard Prince Henri
L – 1724 Luxembourg

Board of Directors of the AIFM

- Guillaume ANGUE
  Directeur Général, CREDIT MUTUEL INVESTMENT MANAGERS, Paris, France
  Chairman

- Georges ENGEL
  CONVENTUM ASSET MANAGEMENT, Luxembourg, Grand Duché de Luxembourg
  Director

- Hugues DUBLY
  DUBLY DOUILHET GESTION, Lille, France
  Director

- Jean-Louis LAURENS
  Financière de Montméjean SARL, Luxembourg, Grand Duché de Luxembourg
  Director

Initiator
Crédit Industriel et Commercial
6, avenue de Provence
F-75009 Paris
France

Executive Committee of the AIFM

- Guillaume BINNENDIJK, Chief Risk Officer

- Joffrey CZURDA, Chief Investment Officer

Investment Advisor for the AIFM
Crédit Industriel et Commercial
6, avenue de Provence
F-75009 Paris
France

Depositary , Paying Agent, Registrar, Transfer And Administrative Agent
Banque de Luxembourg
14, boulevard Royal
L – 2449 Luxembourg

Auditor to the Fund and the AIFM
DELOITTE AUDIT S.à.r.l
20, boulevard de Kockelscheuer
L – 1821 Luxembourg

Central Administration's Subcontractor
EUROPEAN FUND ADMINISTRATION (EFA)
Société Anonyme
2, rue d'Alsace
B.P.1725
L-1017 Luxembourg

Part A: General Information

PRELIMINARY INFORMATION

Pursuant to the obligations arising from the Law of 2 August 2002, Unitholders are informed that the AIFM of the Fund takes reasonable care with all procedures to ensure that the due formalities prior to processing (notification and/or requests for authorization for processing from the national commission for data protection) are performed.
Unitholders are informed that the Board of Directors of AIFM is responsible for the processing of personal data within the meaning of the Law of 2 August 2002. The BANQUE DE LUXEMBOURG and EFA are subcontractors of the body responsible for data processing within the meaning of the Law of 2 August 2002.
In this context, it is specified that the AIFM, BANQUE DE LUXEMBOURG and EFA processes personal data relating to Unitholders, in the Fund's register and on behalf of the Fund. The personal data relating to Unitholders are processed in a computerized data base, in accordance with the Fund's AIFM instructions, for the purposes necessary for the exercise of the AIFM, BANQUE DE LUXEMBOURG and EFA's mission such as:

- the opening, closure and blocking of accounts in the name of Unitholders;
- the management of subscriptions, redemptions, conversions and transfer of Units by Unitholders;
- the sending of contract notes to Unitholders;
- the payment of dividends to Unitholders;
- processing succession for deceased Unitholders;

These personal data are not used for marketing purposes and serve only for processing the Unitholders' register, subscriptions, redemptions, conversions, transfer of Units and payment of dividends.
These data can only be transferred to third parties on written instructions from the AIFM Board of Directors and if required by Luxembourg law.
Unitholders are informed that they have the right to access their personal data and to request correction in the event of any errors. These personal data are stored for as long as required by Luxembourg law.

Restrictions on the subscription and transfer of Units applicable to US investors

No Compartment has been or will be registered in application of the United States Securities Act of 1933 ("Law of 1933") or of any law on transferable securities of any State or political subdivision of the United States of America or of its territories, possessions of other regions subject to the jurisdiction of the United States of America, such as the Commonwealth of Puerto Rico ("United States"), and the Units of such Compartment can only be offered, purchased or sold in compliance with the provisions of the Law of 1933 and of laws governing transferable securities of said States or others.
Certain restrictions also apply to any subsequent transfer of Units of a Compartment to or on behalf of US persons (US Persons, as defined by Regulation S of the Law of 1933, hereinafter "US Persons"), i.e. to any resident of the United States, any legal entity, corporation or partnership or any other entity created or organized under the laws of the United States (including any asset of such a person created in the United States or organized in accordance with the laws of the United States). The Fund is not and will not be registered under the United States Investment Company Act of 1940, as amended, in the United States.
Unitholders must immediately inform the Fund if they are or become US Persons or if they hold classes of Units for or on behalf of US Persons or else if they hold classes of Units in violation of any laws or regulations or in circumstances that have or could have unfavorable regulatory or fiscal consequences for the Compartment or its Unitholders, or against the best interests of the Fund. If the AIFM Board of Directors discovers that a Unitholder (a) is a US Person or holds Units on behalf of a US Person, (b) holds classes of Units in violation of any laws or regulations or in circumstances that have or could have unfavorable regulatory or fiscal consequences for the Fund or its Unitholders, or going against the best interests of the

Fund, the AIFM has the right to execute a forced redemption of the Units concerned, in accordance with the provisions in the Fund Management Regulation.
Before making an investment decision with respect to Units of the Fund, investors should consult their legal, tax and financial advisor, auditor or any other professional advisor.

Conflicts of interests

A conflict of interest is a situation where a Relevant Person or Main Party has personal interests that influence or may influence the way in which such Relevant Person or Main Party assumes its role and responsibility towards the Fund in a manner which is distinct from the Fund's interest and that is or might be detrimental to the Fund ("Conflict of Interest").

At the level of a Relevant Person or a Main Party, Conflicts of Interest may arise in a variety of situations, including but not limited to the following situations:

- Relevant Persons may act as directors, managers, employees, representatives of other entities pursuing the same objective as the Fund.
- Main Parties may provide a similar service to entities other than the Fund and pursuing the same objective as the Fund.
- More particularly, the Portfolio Manager(s) or the investment advisor(s) may act as portfolio manager or investment advisor for persons or entities other than the Fund.
- Relevant Persons or Main Parties may operate proprietary trading including personal transactions.

The Fund has formalized a policy regarding Conflicts of Interest which is available upon request at the registered office of the AIFM.

I. INVESTMENT OBJECTIVES AND POLICIES

General

The investment objective and policies of each Compartment are described in Part B of the Prospectus.

The exclusive object of the Fund, with respect to each Compartment, is to place the funds available to it in securities and instruments of any kind and any other assets with the overall aim and purpose of spreading investment risks and affording its Unitholders the results of the management of its portfolio.

The Fund may borrow funds on a permanent basis, make an extensive use of techniques and instruments and take any measures and carry out any operation which it may deem useful in the accomplishment and development of its purpose to the full extent permitted by the Law of February 13, 2007.

The investments within each Compartment are subject to market fluctuations and to the risks inherent in all investments. There can be no assurance that the Compartments will achieve their investment objectives.

II. INVESTMENT INSTRUMENTS AND LIMITS

The following is an indication of the instruments and securities in which the Compartment may invest but is not an exhaustive list. New variations of interest rate instruments, futures and options contracts and other financial derivatives and products continue to be developed and the Compartment may invest in any such new instruments or products, or any new combination of derivative instruments or products, or any other related investment to the extent that it is consistent with the Compartment's investment objectives and policies as described herein.

Techniques and Instruments -- The AIFM with respect to each of its Compartment may on an extensive basis:

(a) employ techniques and instruments relating to transferable securities provided that such techniques and instruments are used for the purpose of efficient portfolio management (which includes return enhancement techniques and instruments); for such purpose, the AIFM, with respect to each of its Compartments, may engage, with collateral if necessary, in, among other transactions over any derivatives financial instruments:

- Transactions relating to options,
- Transactions relating to forward contracts on financial instruments and options on such agreements,
- Transactions relating to OTC derivatives contracts, including transactions relating to derivatives contracts such as asset swaps, credit default swaps, credit spread options,
- Transactions relating to the temporary transfer of instruments such as loans, borrowings, repos (repurchase transactions),
- Transactions relating to equity rights such as warrants,
- Transactions relating to securities such, credit linked notes, collateralised debt obligations, mortgage backed or assets backed securities, government and non-government securities.

Such transactions will be valued at fair market value as determined in good faith pursuant to procedures established by the AIFM in accordance to Chapter VII. General Information.

(b) employ techniques and instruments intended to provide protection against exchange risks in the context of the management of their assets and liabilities.

Asset Swaps, Equity swaps, or Total Return Swaps -- means a transaction whereby the Compartment acquires (or has acquired) an asset or an equity and whereby the Compartment enters into an interest rate or a plain swap transaction with a counterparty in order to exchange periodically the coupon received on the asset and a cash settlement representing the appreciation of the market value of the asset over an agreed strike price against, principally, a floating rate plus a cash settlement representing the depreciation of the market value of the asset over an agreed strike price. All Compartments may use asset swaps, equity swaps or total return swaps on an extensive basis to serve their investment objectives, strategies and policies as described in this prospectus and in then management regulations of the Fund. Those transactions are looked through for the purpose of controlling the investment criteria applicable to the Compartment.

Equity swaps or Contracts For Difference (CFDs) -- means a transaction whereby the Compartment, without acquiring the underlying equity, enters into an equity swap transaction, as the CFD buyer, with a counterparty in order to receive periodically the coupon received on the underlying asset and a cash settlement representing the appreciation of the market value of the asset over an agreed strike price against, principally, a floating rate representing the financing cost of the seller plus a cash settlement representing the depreciation of the market value of the asset over an agreed strike price. CFDs are a margined product, allowing an investor to gain an increased return from the leverage this provides. Margin trading means the

buyer is only required to deposit a fraction of the overall value of the trade, typically 10% to 20%. This enables the investor to take a much larger position than would have been possible were he to buy the underlying equity. All Compartments may use CFDs on an extensive basis to serve their investment objectives, strategies and policies as described in this prospectus and in then management regulations of the Fund. Those transactions are looked through for the purpose of controlling the investment criteria applicable to the Compartment.

Credit Default Swaps -- All Compartments may use credit default swaps on an extensive basis to serve their investment objectives, strategies and policies, in accordance with those investment strategies as described in this prospectus and in the management regulations of the Fund. Each Compartment may act as protection buyer or protection seller as the case may be.

The credit default swap is an off-balance sheet OTC financial contract which allows credit risk to be isolated from the other risks associated with an asset or basket of assets (the "reference asset") issued by a company (the "reference entity"), and transferred from one counterparty (the "protection buyer") to another (the "protection seller").

The main applications for the protection buyer are to achieve protection against deterioration of credit quality of credit-sensitive assets, hedge illiquid assets (e.g., loans), reduce concentration risk, manage capital requirements and enhance the return on equity of the credit portfolio.

The main applications for the protection seller are to invest in off-balance sheet/un-funded format, create synthetic exposure to credits/tenures that may not be directly available in the credit market, improve the risk/return profile of a portfolio through systematic diversification, trade credit expectations.

The protection seller receives a premium, (generally a period payment on a quarterly basis) from the protection buyer in return for taking the credit risk. In case of credit event (bankruptcy, failure to pay, acceleration, repudiation, moratorium, restructuring, etc) affecting the reference entity, the credit default swap is terminated either through cash settlement or through physical settlement, or a combination of those two kinds of settlement.

Any credit default swaps a Compartment may enter in will exclusively be executed with first class financial institutions submitted to the control of and agreed by a regulating authority.

Credit default swaps transactions are looked through for the purpose of controlling the investment criteria applicable to the Compartment.

Credit Spread Options -- means a transaction whereby the Compartment acquires (or has acquired) an asset or a group of assets and whereby the Compartment, provided this is specified in the Compartment Particulars, enters into a credit spread option with an aim to cover the high volatility risks of its portfolio assets. Thus the Compartment, against the payment of a premium when entered such OTC option, will be paid by the credit spread option seller a cash settlement amount, or it may deliver its portfolio assets, if the spread between the agreed referenced asset and its portfolio enlarges over the period.

Those transactions are looked through for the purpose of controlling the investment criteria applicable to the Compartment.

Credit-Linked Notes -- Each Compartment may also invest in credit-linked notes. A credit-linked note is a note whereby the holder receives a coupon and par redemption unless there has been a credit event (i.e.: payment default, bankruptcy, etc.) affecting a selected entity. In such case, redemption can be made below par (or at zero).

Collateralised Debt Obligations – Each Compartment may also invest in collateralised debt obligations. A collateralised debt obligation (CDO) is a structured fixed income security issued by and for the funding of a special purpose vehicle (SPV) that owns a diversified pool of assets.

The CDOs are issued in several different classes, with a different risk-reward profile. For each class of

security, payment of interest and repayment of principal to the investor is linked to the performance of the portfolio of underlying debt instruments that the SPV owns and that serves as collateral for the CDO liabilities. The motivations for the investor are diversification (risk is spread by investing in a vehicle holding a diversified portfolio of securities together with the ability to invest in tranches with different risk profiles), professional credit management (managed by experienced fixed income managers), and potential income and returns (superior to equally rated securities).

This underlying collateral that backs the CDO can consists of publicly traded bonds, which can include low risks or high yield bonds, emerging market corporate and sovereign debt, mortgage-backed securities or other assets-backed securities or even subordinated securities from other structured transactions (CDOs of CDOs), and also of credit risk exposure acquired through credit default swaps. A CDO for which the collateral consists primarily of bonds is called a collateralised bond obligation (CBO). A CDO which acquires the credit exposure to the underlying collateral through credit default swaps may be referred to as collateralised synthetic obligations (CSO). This latter one is set up as well as a bankruptcy remote SPV issuing different classes of notes, with rating depending on the underlying exposure ranging from AAA/Aaa to BB/Ba, as well as a class of unrated subordinated notes. The proceeds of the issue of these notes are usually placed in high rated securities or placed entirely in deposits. The premium payments from the synthetic collateral consisting of credit default swaps and the interest payments from the cash collateral pay the interest requirement of each class of notes of the CSO. Whatever cash flow is left, the residual, will go to the holders of the subordinated tranches of the CSO. The same procedure is followed for the redemption of the principal of each class of note.

In a market value credit structure, the assets of the SPV are marked-to-market periodically. If the market value of the assets drops below the par value of debt tranches by a certain percentage, assets will be sold and the debt tranches repaid. In cash flow CDOs, the cash flows from the SPV's assets are paid to the debt tranches according to the seniority of the tranches. If there are default losses in the portfolio, ranging from deterioration of credit quality to bankruptcy of some of the reference entities of the underlying collateral, the SPV, which either holds the downgraded bonds and/or is the protection seller, will have to compensate the credit default swap counterparty for the losses. This will impact the return on the subordinated tranches, since all residual cash-flow might be diverted to senior tranches. If the number of defaults increases it will also affect the return of the classes of rated notes. However, because of the difference between the projected income from the collateral portfolio and the cost of funding that portfolio (such difference being the leverage as appreciated by the investor), the number of defaults should increase considerably before there is any impact on the return of the more senior rated notes.

Assets Backed and/or Mortgage Backed Securities –

Each Compartment may also invest in Assets Backed and/or Mortgage Backed Securities (ABS/MBS).
A collateralised debt obligation (CDO) is a structured fixed income security issued by and for the funding of a special purpose vehicle (SPV) that owns a diversified pool of assets.
ABS/MBS are securities backed by one or a pool (portfolio) of particular assets. The issuer is a Special Purpose Vehicle (SPV) set up to that effect, to which government entities, investment banks, mortgage banks, or other financial institutions performing traditional lending function (mortgage loans, education, small business, equipment or credit card loans, ..) have transferred (in the form of a true sale) a pool of their assets; the performance (interests plus redemption) of which, insured or guaranteed by first ranking companies in order to enhance the final rating of the notes issued by the SPV, is backing the ABS / MBS notes.

For the Compartment investing in such notes, ABS/MBS are fixed income type of securities, bearing customized cash flows (fixed/floating, amortizing, bullet, short/long average lives, …) and lower credit risk (due to the diversification of the underlying portfolio of assets), for a higher yield premium (comparing to government bonds).

The Compartment may purchase the following types of ABS/MBS products and derivatives:

- Mortgage-backed securities guaranteed by Ginnie Mae or any government-sponsored enterprise chartered by the United States Congress with a mission to provide liquidity, stability and

affordability to the U.S. housing and mortgage markets.

- Credit enhanced mortgage-backed securities issued by nongovernmental financial institutions.
- Other types of asset backed securities collateralized by the cash flows from pools of underlying assets.
- Interest Only and Principal Only Strips.
- Collateralized Mortgage Obligations.
- Planned Amortization Class Bonds.
- Z-Bonds (Zero Coupon Bonds or Accrual Tranches).
- Super POs (Shock Absorber Tranches).
- Sequential (Vanilla) Bonds.
- Floaters.
- Super Floaters.
- Inverse or Reverse Floaters.
- Residuals.

Money Market Instruments -- Each Compartment may purchase commercial paper or any other similar instruments. Commercial paper is a short-term obligation with maturities from 2 days to one year issued by banks, corporations, and other borrowers. Such instruments are unsecured and usually discounted, although some are interest-bearing. They can be issued directly or through brokers. Commercial paper rates are usually marginally lower than bank rates. Commercial paper is almost always backed by bank lines of credit and is rated by Moody's or Standard & Poor's. Secondary market sales are limited, as issuers are able to closely match the maturity needs of investors.

Each Compartment may also purchase certificates of deposit (« CDS »). Certificates of deposit are debt instruments, usually interest bearing, issued by banks. Maturities can range from a few days to several years. CDS pay a market rate of interest. They can be issued in negotiable or non negotiable form. Negotiable CDS are usually purchased by institutional investors and are traded in an active secondary market.

Government Treasury Securities – Each Compartment may invest in marketable securities issued or guaranteed by a government, its agencies, authorities or instrumentalities, primarily. Treasury bills, notes and bonds, differ only in their interest rates, maturities and times of issuance. These market transactions may be for cash settlement (*i.e.*, same day), regular settlement (*i.e.*, next day settlement), deferred settlement (usually five days after the initial trade) or WI (when issued) settlement (*i.e.,* settled on the day of issue by the Treasury). Generally, these transactions will take place through commercial banks, primary dealers or other recognized brokers in the relevant government securities.

Non-Government Securities -- Each Compartment may invest in marketable securities issued by financial or non financial companies, including supra-national entities, such as :

- long term securities : a security which maturity is over 12 years and up to 30 years.
- intermediary securities : a security which maturity is between 5 and 12 years.
- short term securities : a security which maturity is between 1 to 5 years.

A note is an obligation due under 10 years.

The terms of Non-Government Securities are not uniform, compared to some Monetary Instrument. These types of obligations may be secured or unsecured and vary significantly in terms of interest rates, amortization and prepayment features. Non-Government Securities may also be rated by a rating agency.

Depending on the creditworthiness of the corporation or the attractiveness of the obligation, assuming the obligation is not subject to any trading restrictions, Non-Government Securities may benefit from a secondary market.

Intermediary securities may take the form of EMTN (Euro Medium Term Notes) or any equivalent under any jurisdiction.

OTC Derivatives -- means a rate swap transaction, basis swap, forward rate transaction forward equity or equity index transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap

transaction, cross currency rate swap transaction, currency option, credit default swap or any other similar transaction (including any option with respect to any of these transactions) or any combination of these transactions which are traded over-the-counter, entered into with professional counterparty considered creditworthy by the AIFM (see sub-section "Margin Arrangement and Counterparties" hereafter).

Forward and Futures Contracts – Each Compartment may enter into forward and futures contracts which provide for the delivery or the cash settlement over various foreign exchange rate, interest rate or underlying securities or securities index price sensitive instruments at a specific time, date and place. Each Compartment may also enter into commodities contracts. The Compartment shall enter into forward and futures contracts only with highly rated financial institutions specialised in that type of transaction. The Compartment will trade forward and futures contracts only on financial instruments. At times, the Compartment may actually make delivery or receive delivery of the underlying financial instrument, or terminate the forward and futures contracts per cash settlement. The Compartment may also close out its contractual futures obligations by taking an opposite and offsetting position in the same futures contract.

A forward contract is an agreement between a buyer and a seller to deliver or take delivery of an underlying asset or instrument at a future point in time at a price agreed at the time of the contract. A futures contract is a forward contract in which the terms are standardized, the contract is traded on an organized market and is subject to a daily settlement procedure whereby the losses of one party to the contract are paid to the other party, via deposits and margin calls posted with the clearing house of the relevant exchange.

A deposit is generally placed as security or initial margin for such contracts. Additional amounts are paid or received as a variation margin based on price movements over the life of the contract.

Options Contracts -- Each Compartment may purchase or sell both "over-the-counter" and exchange listed options to manage its position risks and construct arbitrage strategies with the intent of efficient (including return enhancing) portfolio management. "Over-the-counter" options are non-exchange traded option agreements, specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level, and amount of a given position or hedge strategy. The counterparty for these agreements will be the specific firm involved in the transaction rather than a recognized exchange. The Compartment will trade options contracts only on financial instruments, or commodities contracts. At times, the Compartment may actually make delivery or receive delivery of the underlying financial instrument.

The value of an options contract depends largely upon the likelihood of favourable price movements in the underlying instrument in relation to the option's exercise price. Many of the risks applicable to trading the underlying instrument are applicable to trading options. Additional risks are present as well. For example, the purchaser of an option could risk the loss of its entire premium paid. Similarly, the seller of an uncovered or unhedged option is subject to unlimited risk if an adverse price movement forces the seller to cover or deliver the position to an options exerciser.

Each Compartment may engage in transactions in options on interest rates, swaps, collars, floor, forward and futures contracts, corporate or government debt, currencies, credit defaults, or any other commodity, security or financial instrument. The purchaser of an option pays the seller of the option a premium for the right to buy (in the case of a call option) or sell (in the case of a put option) the underlying asset, security or instrument at an agreed price. The seller of an option may be required to place a "margin" deposit with the buyer in the case of an OTC option (through collateralization agreements) or a broker in the case of an exchange-listed option.

The Compartment could lose the expected benefit from a futures or options transaction and may incur losses if the prices of the underlying instruments move in an unanticipated manner. In addition, changes in the value of the Compartment's futures and options positions may not prove to be perfectly correlated with changes in the value of its portfolio securities.

Repurchase Agreements, Pension Livrées (French repo) and Reverse-Repurchase Agreements -- Each Compartment may utilize both repurchase agreements and reverse-repurchase agreements in its trading. In a repurchase agreement, the Compartment will sell a security from a counterparty and simultaneously and

irrevocably agree to repurchase the security back to the counterparty at an agreed price and time, with the difference between the selling price and the repurchase price establishing the cost of the transaction to the Compartment. Reverse repurchase agreements essentially constitute a form of cash borrowing and will have the effect of leveraging the Compartment's assets. Repurchase agreements will be entered into either on an overnight, or on an open, or on a fixed term basis. During the period between the sale of the securities and their repurchase, the Compartment will be entitled to principal and interest paid on the securities sold, through the payment by the counterparty of a "manufactured" gross coupon or dividend at the time of its payment by the issuer. Under the repurchase agreement, the seller is required to maintain the value of the securities subject to the agreement at not less than their repurchase price. Repurchase transactions entered into by the Compartment are governed by internationally recognized repo Master Agreements, and according to their variation margin provisions, are fully collateralised either by cash or securities bearing a market liquidity at least equivalent to the purchased securities, to allow for the level of collateral to be immediately adjusted to the daily marked to market value of the purchased securities. In case of an event of default of the counterparty, legal title to collateral is immediately passed on to the Compartment.

In a reverse repurchase agreement, the Compartment will buy a security to a counterparty and simultaneously and irrevocably agree to sell back such security to the counterparty at an agreed upon time, price and rate of interest, with the difference between the purchase price and the resale price establishing the Compartment's return. Reverse repurchase agreements essentially constitute a form of securities borrowing and cash providing. These agreements may also be entered into either on an overnight, or on an open, or on a fixed term basis. During the period between the purchase and the selling back, the Compartment will be entitled to principal and interest paid on the securities sold by the Compartment, but will have to repay such gross coupon or dividend to the counterparty. Reverse repurchase transactions entered into by the Compartment are governed by internationally recognized repo Master Agreements, and according to their variation margin provisions, are fully collateralised either by cash or securities bearing a market liquidity at least equivalent to the purchased securities, to allow for the level of collateral to be immediately adjusted to the daily marked to market value of the purchased securities. In case of an event of default of the counterparty, legal title to collateral is immediately passed on to the Compartment. Reverse repurchase transactions may be essentially aimed at providing adequate securities coverage to the Compartments investment policies.

Securities Lending and Borrowing -- Each Compartment may lend securities held in its portfolio to brokers, dealers and other financial organizations. A stock lending transaction covered by an internationally recognized Master Agreement contractually conveys legal title from the securities lender to the securities borrower, against the simultaneous transfer of collateral, and with the simultaneous agreement by the borrower to transfer to the lender equivalent securities on a fixed date or on demand, against the transfer by the lender to the borrower of assets equivalent to such collateral. These securities loans will thus be collateralized up to at least 100% (depending on the between the parties agreed margin ratio (or "haircut") on collateral) by cash, Government securities or other securities with a market liquidity level comparable to the securities lent. Collateral will be marked to market daily, and its adequacy to the marked to market value of the securities temporarily lent will be achieved by way of margin calls. Each Compartment may also borrow securities on a comparable basis.
Securities borrowings may be essentially aimed at providing adequate securities coverage to the Compartments investment policies. Securities lending and borrowing transactions will be entered into either on an overnight, or on an open, or on a fixed term basis.

Forward Purchase or Forward Sale Settlement Transactions -- Each Compartment may enter into forward purchase settlement transactions for the purpose of either efficient portfolio management and enhancement, or hedging purpose, with broker-dealers who make markets in these transactions and who are first class financial institutions that specialize in these types of transactions and are participants in the over-the-counter markets. Such transactions consist in the purchase of debt securities at their current price with delivery and settlement at a specified future date (which could be up to twelve months' time).

As settlement date approaches, the Compartment may agree with the relevant broker-dealer either to sell the underlying securities back to such broker-dealer, either through physical delivery or cash settlement or both combined, or to roll the trade over for a future period with any gains or losses realized on the trade received from, or paid to, the broker-dealer.

The Compartment will pay customary fees to the relevant broker-dealer in order to finance the cost to such broker-dealer of the delayed settlement. Such transactions will give way to adequate ISDA collateralization agreement with each Compartment's counterparties, in order to minimize the Compartment's counterparty risk.

Exchange-traded funds ("ETFs") – means a security that tracks an index, a commodity or a basket of assets as an index fund. ETFs are listed on a stock exchanges and can be traded in the same way as any other listed transferable security. Each Compartment may invest in equities, bonds and/or commodities through ETF, with no sectoral, monetary and /or geographical restrictions (including emerging markets).

Additionally a Compartment may seek exposure to commodities through commodity-linked derivatives (futures contracts, swaps…) and/or inflation linked-derivatives.

Limits

The purpose of the investment limits is to ensure that investments are sufficiently diversified. Certain of these limits may not apply to certain Compartments insofar as they are incompatible with the investment policy assigned to each such Compartment. Certain Compartments may be subject to other limits which are provided in Part B of the Prospectus. Subject to the foregoing, the Compartments are subject to the following limits:

(a) The AIFM may not invest, on behalf of a Compartment, in the securities of any one issuer, if the value of the holdings of the Compartment in the securities of such issuer exceeds 20% of the Compartment's Assets. The foregoing restriction shall not apply to securities issued or guaranteed by the government of any country which is a member of the OECD or their regional or local authorities, or public international bodies with EU, regional or global supranational institutions.

(b) The AIFM shall not acquire, on behalf of all the Compartments together, more than 20% of all securities issued by the same issuer. The foregoing restriction shall not apply to securities issued or guaranteed by the government of any country which is a member of OECD or their regional or local authorities, or public international bodies with EU, regional or global supranational institutions.

(c) The AIFM may not invest, on behalf of a Compartment, more than 10% of the Compartment's Assets in securities which are not traded on an official stock exchange or on a regulated market. The foregoing restriction shall not apply to (i) securities issued or guaranteed by the government of any country which is a member of OECD or their regional or local authorities, or public international bodies with EU, regional or global supranational institutions, (ii) liquid transferable certificates of deposits and money market instrument which are issued by first class financial institutions, (iii) transactions in over-the-counter traded securities so long as such over-the-counter markets operate on a regular basis, through market makers being first class financial institutions and are publicly accessible.

(d) The AIFM may borrow permanently, on behalf of a Compartment, for investment purposes with first class financial institution specialised in this kind of operations.

The counterparty risk resulting from the difference between (i) the value of the assets transferred by the Compartment to a lender as security in the context of the borrowing transactions and (ii) the debt of the Compartment owed to such lender may not exceed 20% of the assets of the Compartment. The foregoing restriction shall not apply to security granted by the Compartment within the framework of guarantees system which do not result in a transfer of ownership or which limit the counterparty risk by other means.

The counterparty risk resulting from the sum of (i) the difference between the value of the assets transferred as security in the context of the borrowings of securities and the amounts due under item (e) below and (ii) the difference between the assets transferred as security and the amounts borrowed

referred to above may not exceed, in respect of a single lender, 20% of the assets of the Compartment. The foregoing restriction shall not apply to any leverage that may be created pursuant to the use of techniques and instruments set forth hereafter.

(e) The AIFM, on behalf of a Compartment, may purchase securities on margin, make short sales of securities or maintain a short position in securities, provided that for the purpose hereof the term "securities" excludes any form of risk transfer contract in which a gain or loss is recognised from fluctuations in market price level which includes, but is not limited to, futures, forwards, options, swaps, swaptions, forward rate and forward exchange contracts, cross-trade or cross-rate contracts, rolling spot contracts, deferred delivery, leverage or commodity related contracts and other similar contracts (without limitation, margined transactions).

(e) 1. Short sales may not result in the Compartment holding:

- a short position on transferable securities which are not listed on a stock exchange or dealt on another regulated market, operating regularly and being recognised and open to the public. However, the Compartment may hold short positions on transferable securities which are not quoted and not dealt on a regulated market if such securities are highly liquid and do not represent more than 10% of the assets of the Compartment;

- a short position on transferable securities which represent more than 20% of the securities of the same type issued by the same issuer;

(e) 2. In connection with short sales on transferable securities, the Compartment is authorised to enter, as borrower, into securities lending transactions with first class professionals specialised in this type of transactions. The counterparty risk resulting from the difference between (i) the value of the assets transferred by the Compartment to a lender as security in the context of the securities lending transactions and (ii) the debt of the Compartment owed to such lender may not exceed 20% of the assets of the Compartment. The foregoing restriction shall not apply to security granted by the Compartment within the framework of guarantees system which does not result in a transfer of ownership or which limits the counterparty risk by other means.

(f) The AIFM may not make, on behalf of a Compartment, loans to any person provided that for the purposes of this restriction the acquisition of bonds, debentures, or other corporate debt securities and investment in Government bonds, short-term commercial paper, certificates of deposit and bankers' acceptances shall not be deemed to be the making of a loan.

(g) The AIFM may not, on behalf of a Compartment, underwrite securities of other issuers.

(h) Notwithstanding items (a), (b), (c), the AIFM may not invest, on behalf of a Compartment, the assets of the Compartment in securities of other investment companies or trusts if the value of the holdings of the Compartment in the securities of such investment companies or trusts exceeds 20% of the Compartment's Net Assets.

For the purpose of this 20% limit, each compartment of a target UCI with multiple compartments is to be considered as a distinct target UCI provided that the principle of segregation of the commitments of the different compartments towards third parties is ensured. The Compartment referred to may hold more than 50% of the units of a target UCI, provided that, if the target UCI is a UCI with multiple compartments, the investment of the Compartment in the legal entity constituting the target UCI represents less than 50% of the net assets of the Compartment.

These restrictions are not applicable to the acquisition of units of open-ended target UCIs if such target UCIs are subject to risk diversification requirements comparable to those applicable to UCIs which are subject to part II of the law of December 17, 2010 as amended and/or supplemented from time to time

and if such target UCIs are subject in their home country to a permanent supervision by a supervisory authority set up by law in order to ensure the protection of investors and where the target UCIs is managed by Cigogne Management S.A.. Except where the targeted UCIs is managed by Cigogne Management S.A., this derogation may not result in an excessive concentration of the investments of the Compartment in one single target UCI provided that for the purpose of this limitation, each compartment of a target UCI with multiple compartments is to be considered as a distinct target UCI if the principle of segregation of the commitments of the different compartments towards third parties is ensured.

The AIFM does not intend to invest into other investment funds on a regular basis, unless otherwise specified in the Compartment Particulars.

(i) The AIFM, on behalf of a Compartment, may enter into derivative financial instruments, provided that :

(i)1. The Compartment may acquire, for cash consideration, precious metals which are negotiable on an organised market.

(i)2. The Compartment must ensure an adequate spread of investment risks by sufficient diversification.

(j) The AIFM, on behalf of a Compartment, may enter into securities lending and borrowing transactions provided that :

(j)1. The Compartment may only lend or borrow securities through a standardized system organized by a recognized clearing institution or through a first class financial institution specializing in this type of transactions and acting as its counterparty.

As intrinsic part of the lending transaction, the Compartment will simultaneously receive full legal title to securities (being Government securities or any other by the parties agreed securities with a market liquidity level comparable to the securities lent) or cash transferred as collateral under a master securities lending agreement, for an amount at least equal to the securities lent, and this whether the lending transaction be made with a financial counterparty referred to above, or through Clearstream Banking or Euroclear or through any other recognized clearing institution. Such collateral, which guaranties totally the market value of the securities lent, will be marked to market daily, and its adequacy to the marked to market value of the securities temporarily lent will be achieved by way of margin calls.

(j)2. Securities lending and borrowing transactions may exceed 50% of the Assets of the Compartment and may exceed 30 days when the Compartment through adequate coverage is entitled at any time to terminate the contract and obtain the restitution of the securities lent.

(k) The AIFM, on behalf of a Compartment, may enter into repurchase agreement transactions provided that:

(k)1. the Compartment may only buy or sell securities using a 'repo' transaction through a standardized system organized by a recognized clearing institution or through a first class financial institution specializing in this type of transactions and acting as its counterparty.

(k)2. where the Compartment is exposed to redemption of its own Units, it must take care to ensure that the level of its exposure to 'repo' transactions is such that it is able, at all times, to meet its redemption obligations.

Certain of these techniques and instruments may not apply to certain Compartments insofar that they are incompatible with the management techniques and instruments assigned to these Compartments. Certain Compartments may use other techniques and instruments which are provided in the Prospectus.

For purposes of the investments limits listed above, all percentage limitations apply immediately upon

purchase or initial investment, and any subsequent change in any applicable percentage, resulting from market fluctuations, or reasons beyond the control of the AIFM, or disinvestments to meet redemption requests, does not require elimination of any security from the Compartment's portfolio. The restrictions referred to above do not necessarily dictate that change to investments will have to be made because appreciation or depreciation in the value of the whole or any part of the Compartment's assets or any variation in exchange rates, interest rates, or market price evolutions, or the receipt of any rights variation in exchange rates, or the receipt of any rights, or any repayment or redemption or due to the exercise of any pre-emption rights arising from any investment, means that the limits would be breached. However, subject to the foregoing, the AIFM shall adopt as objective for its transactions the remedying of that situation, taking due account of the interests of its Unitholders.

Currency Hedging

In order to protect its present and future assets and liabilities against the fluctuation of currencies, the AIFM may for each Compartment enter into transactions the object of which is the purchase or the sale of forward foreign exchange contracts, the purchase or the sale of call options or put options in respect of currencies, the purchase or the sale of currencies forward or the exchange of currencies on a mutual agreement basis ("Basis Swaps", "Cross-Currency Swaps") provided that these transactions be made either on regulated markets or over-the-counter with first class financial institutions specializing in these types of transactions and being participants of the over-the-counter markets.

The objective of the transactions referred to hereabove presupposes the existence of a direct relationship between the contemplated transaction and the assets or liabilities to be hedged and implies that, in principle, transactions in a given currency (including a currency bearing a substantial relation to the value of the Reference Currency (*i.e.*, currency of denomination) of the relevant Compartment - known as "Cross Currency Hedging" -) may not exceed the total valuation of such assets and liabilities nor may, as regards their duration, exceed the period where such assets are held or anticipated to be acquired or for which such liabilities are incurred or anticipated to be incurred.

Margin Arrangements and Counterparties

All transactions in listed futures and options will be subject to variation margin payments which will limit market risk exposure to the initial margin plus a variation margin. There shall be no counterparty.

In addition, the Compartment will enter into OTC derivative transactions only with first ranking professional participants in the OTC derivative markets considered creditworthy by the AIFM ("Trading Counterparties").

OTC derivative transactions will be entered into on the basis of market standard international legal documentation (like ISDA Master Agreements and adequate standard transaction confirmations, or any other market standard documentation as required). OTC derivatives transactions shall be collateralised by use of international legal documentation such as ISDA Credit Support Annexes. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Moreover, repurchase and reverse repurchase transactions, as well as stock lending or borrowing transactions, will be entered into on the basis of standard PSA-ISMA, TBMA/ISMA, OSLA, GMSLA, EMA or any internationally recognised master agreement. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

III. SPECIAL RISK CONSIDERATIONS

General

The Fund can use various techniques to increase or decrease a Compartment's exposure to changing security prices, interest rates, currency exchange rates, commodity prices, or other factors that affect security values. These techniques may involve derivative transactions such as buying and selling options and futures contracts, entering into currency exchange contracts or swap agreements.

The Fund can use these practices to adjust the risk and return characteristics of a Compartment's portfolio investments. If the AIFM judges market conditions incorrectly or employs a strategy that does not correlate well with a Compartment's investments, these techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These techniques may increase the volatility of a Compartment and may involve a small investment of cash relative to the magnitude of the risk assumed. In addition, these techniques could result in a loss if the counterparty to the transaction does not perform as promised.

Investing in securities of companies and governments of different nations and denominated in different currencies involves certain risks. The value of an investment may be affected through fluctuations in the currency of the country in which the investment was made or through exchange control regulations, application of foreign tax laws, including withholding taxes, changes in governmental administration or economic or monetary policies in the countries concerned. Investing mainly in one country or geographical region or in one sector of the economy may be subject to greater share price fluctuation than a more diversified investment.

Credit Risk

The likelihood that a debtor will be unable to pay interest or principal payments as planned is typically referred to as default risk. Default risk for most debt securities is constantly monitored by several internationally recognized statistical rating agencies such as Moody's Investors Services, Inc. ("Moody's ") and Standard and Poor's Corporation ("S&P"). Even if the likelihood of default is remote, changes in the perception of an institution's financial health will affect the valuation of its debt securities and may cause loss in capital or return for the Fund. This extension of default risk is typically known as credit risk.

Special Risks of Hedging and Income Enhancement Strategies

Each Compartment may engage in various portfolio strategies to attempt to reduce certain risks of its investments and to attempt to enhance return. These strategies currently include the use of options, forward currency exchange contracts, futures contracts and options thereon and swap contracts, and any other techniques and instruments as defined in chapter II of this prospectus. The ability to use these strategies may be limited by market conditions and regulatory limits and there can be no assurance that any of these strategies will succeed. Participation in the options or futures markets, in swap transactions and in currency exchange transactions involves investment risks and transaction costs to which the Compartment would not be subject absent the use of these strategies. If the AIFM's predictions of movements in the direction of the securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to a Compartment may leave the Compartment in a worse position than if such strategies were not used.

Risks inherent in the use of options, foreign currency, swaps, futures contracts, options on futures contracts include, but are not limited to, (a) dependence on the AIFM's ability to predict correctly movements in the direction of interest rates, securities prices and currency markets; (b) imperfect correlation between the price of options and futures contracts and options thereon and movements in the prices of the securities or currencies being hedged; (c) the fact that skills needed to use these strategies are different from those needed to select portfolio securities; (d) the possible absence of a liquid secondary market for any particular

instrument at any time; (e) the possible inability of a Compartment to purchase or sell a portfolio security at a time that otherwise would be favorable for it to do so, or the possible need for a Compartment to sell a portfolio security at a disadvantageous time.

Where a Compartment enters into swap transactions or purchases options or listed or unlisted warrants, it is exposed to potential counterparty and issuer risk. In the event of the insolvency or default of the counterparty or issuer, the Compartment could suffer a loss.

There can be no assurance that the AIFM will be able successfully to hedge the Compartments' portfolios or that the Compartments will achieve their investment objectives.

IV. THE UNITS

The subscription price per Unit is based on the Net Asset Value per Unit of the relevant Compartment, plus a sales charge as described in Part B of the Prospectus. The net proceeds from subscriptions are invested in the specific pool of assets constituting the relevant Compartment. The Board of Directors of the AIFM maintains for each Compartment a separate pool of assets. The Units of each Compartment represent an interest in the same portfolio of investments. For the purposes of relations with creditors, each Compartment is treated as a single entity. Pursuant to article 71 of the law of February 13, 2007, a multiple compartment investment fund constitutes a single legal entity and notwithstanding the article 2093 of the Luxembourg Civil code, the assets of one Compartment are only responsible for all debts, engagements and obligations attributable to this Compartment. In this regard, if the AIFM incurs a liability, which relates to a particular Compartment, the creditor's recourse with respect to such liability shall be limited solely to the assets of the relevant Compartment. For the purposes of relations with the Unitholders, each Class is treated as a single entity. Therefore, the Net Asset Value of its Units fluctuates according to the net assets to which they relate.

Units in any Compartment shall be issued in registered form only, with up to 4 decimals. The inscription of the Unitholder's name in the register of Units evidences his or her right of ownership of such registered Units.

Holder of registered Units shall receive a written confirmation of his or her Unitholding.

Each Compartment is authorized to issue Units in several classes, differing with respect to but not limited to (i) structuration policies, (ii) sales and redemption charge schedules, (iii) management and advisory fee structures, (iv) Unitholder services or other fees, (v) the currency or currency unit in which the class may be quoted and based on the rate of exchange between such currency or currency unit and the reference currency of the relevant Compartment and/or (vi) the use of different hedging techniques in order to protect in the reference currency of the relevant Compartment the assets and returns quoted in the currency unit of the relevant Class of Units against long-term movement of their currency unit, (vii) such other features as may be determined by the AIFM from time to time in compliance with applicable law. The class or classes issues shall be specified in the Compartment Particulars.

Units must be fully paid-up; they are of no par value and carry no preferential or preemptive rights. They will participate in the same proportion in the liquidation proceeds and, if any, the distribution proceeds of the relevant Class.

An application may be made to list Units of the Compartments of the Fund on the Luxembourg Stock Exchange.

Management Regulations

By acquiring Units in the Fund, every Unitholder approves and fully accepts that the AIFM shall govern the relationship between the Unitholders, the AIFM and the Depositary.

Subject to the approval of the Depositary, the Management Regulations may be amended by the AIFM in whole or in part, in which case Unitholders will be informed by mail.

Amendments will become effective on the day of their publication in the Mémorial.

Restrictions On Issue And Transfer Of Units

The AIFM shall comply, with respect to the issuing of Units, with the laws and regulations of the countries of residency of the investors who may subscribe to these Units. Units of the Fund will not be offered or sold to citizens or residents of another country where their offer or sale would constitute a violation of current laws and regulations. In accordance with all applicable selling restrictions in the jurisdiction where the Units may be sold, the AIFM may, at any time, at its discretion, discontinue, cease definitely or limit the issue of Units to corporate bodies resident or established in certain countries or territories. The AIFM may also prohibit certain corporate bodies from acquiring Units, if, inter alia, the prospective investor does not meet the suitability standards set forth in this Prospectus, or if such a measure is necessary for the protection of the Unitholders as a whole and the Fund.

The AIFM may, at its discretion, restrict or prevent the ownership of Units in the Fund by any corporate person, if such holding in its view is detrimental to the Fund, if it may result in a breach of any law or regulation, whether Luxembourg or foreign, or if as a result thereof the Fund may become subject to tax laws other than those of the Grand Duchy of Luxembourg.

The Fund has been organized under the Luxembourg Law of February 13, 2007.

The sale of Units in the Funds is restricted to Well Informed Investors as defined within the article 2 of the Law of February 13, 2007. However, the Units may be marketed to professional investors in other member states of the European Union in accordance with the Law of 12 July 2013.

For the avoid of doubt, Well Informed Investors shall mean an institutional investor, a professional investor, or any other investor who, answer to the following conditions:

(i) who has stated in writing that her/his/its adheres to the status of well-informed investor and

(ii) who (a) invest a minimum of EUR 125,000 in the specialized investment fund, or (b) provide assessment made by a credit institution within the meaning of Directive 2006/48/EC, by an investment company within the meaning of Directive 2006/39/EC or by an asset management company within the meaning of Directive 2001/107/EC certifying his expertise, experience and knowledge in adequately appraising an investment in a specialized investment fund. The here above conditions do not apply to managers or any other persons intervening in the management of a specialized fund.

The AIFM will not issue Units to companies or persons or companies who may not be considered Well Informed Investors. Further, the AIFM will not give effect to any transfer of Units which would result in a non- Well Informed Investors becoming a Unitholder in the Fund. Each Well Informed Investors must make a minimal initial investment in the Fund, equal to the minimum of EUR 125.000 or the minimum investment requirement for each Compartment, as provided under Part B of this Prospectus. With the consent of the AIFM, additional investments in the Fund by existing investors may be accepted and new investors may invest in the fund, on Subscription Day (as defined here below), provided that each additional investment must be at least equal to the minimum of EUR 125.000 or the additional investment requirement for each Compartment, as provided under Part B of this Prospectus, unless the AIFM exercises its discretion to waive or reduce these minimum requirements.

Units may be transferred only if the proposed transferee of the Units obtains the prior written approval of the AIFM which approval will only be withheld in circumstances described below. Each proposed transferee has been and will be required to represent that it understands and agrees that the Units may not be sold or otherwise transferred to a transferee other than an Well Informed Investors, in such a manner as would result in any adverse tax or legal or regulatory consequences to the Fund or its Unitholders.

The Units of the Fund are freely transferable, except in circumstances where, in the AIFM's opinion, there may be taxation, fiscal, legal, pecuniary or material disadvantages to the Funds or its Unitholders as a result of the proposed transfer. No proposed transfer will be recognized until the documents relating to it have been approved by the AIFM. The AIFM need not approve any transfer that is not or may not be consistent with any representation or warranty that the transferor of the Units may have given to the AIFM.

Investors interested in investing in the Fund are required to complete and return to the AIFM a Subscription

Agreement for the Fund, a copy of which will be made available to each prospective investor. Each investor will be required to represent in the Subscription Agreement that it is an Well Informed Investors as defined in the law of its jurisdiction of registration, and that the Units to be acquired are for investment purposes only and not with a view to resale or distribution, as well as other customary representations.

For the avoidance of doubt, affiliates of the AIFM who comply exclusively with the Qualified Investors requirements as set forth in section L. 411-2 of the French Code Monétaire et Financier as modified from time to time, together with section 1 of the French Décret n° 98-880 dated October 1st, 1998 as modified from time to time, i.e. affiliates of the AIFM investing in Units for their own account, may be permitted to purchase Units of the Fund.

The AIFM may:

(a) reject at its discretion any application for purchase of Units;
(b) repurchase, in accordance with the provisions of the Management Regulations, the Units held by Unitholders who are excluded from purchasing or holding Units.

More specifically no Units shall be issued to or transferred and registered in favour of any corporation, partnership, trust or other entity organised or existing in or under the laws of the Unites States of America or any State thereof.

Investors shall invest in Units for their own account.

Investors are informed that the AIFM is entitled to take adequate measure in order to prevent practice known as **"Late Trading"** in relation to investments in the Fund. The AIFM will ensure that the relevant cut-off time for requests for subscription, redemption and conversion are strictly complied with. In the event of recourse to distributors, the AIFM will ensure that the relevant cut-off time is duly complied with by the distributors.
In addition, the AIFM is also authorized to take any further measures deemed appropriate to prevent the above mentioned practice, without prejudice however to the provisions under Luxembourg law.

Issue and Sale of Units

Units will be issued during an initial offering period until the Initial Closing Date at an initial Issue Price as more fully described in Part B of this Prospectus with respect to each Compartment. After the Initial Closing Date, Units will be issued as of any Subscription Day for dealing with issues of Units ("Subscription Day"), determined for such Compartment, defined as the first business day following the relevant Valuation Day. Units are issued on any respective Subscription Day of each Compartment, at a price based on the applicable Net Asset Value of the relevant corresponding Subscription Day.

The Net Asset Value is calculated separately for each Compartment pursuant to procedures adopted by the AIFM under the Management Regulations and the Prospectus.

The Net Asset Value per Unit with respect to each Compartment is determined on the Valuation Day prescribed in Part B of this Prospectus with respect to each Compartment on the basis of the value of the underlying investments for the relevant Compartment and made available to investors at the registered office of the Fund. Unless otherwise specified, the Net Asset Value per Unit is determined taking into account the prices or values of the Compartment assets and liabilities as of the close of business Luxembourg and Paris time on each Valuation Day.

Minimum Investment Requirements

The minimum initial and subsequent investment requirements with respect to each Compartment, if any, are provided under Part B of this Prospectus and may be waived or reduced by the AIFM.

General

Application for Units shall be made to the Fund in Luxembourg, care of European Fund Administration.

The applicable Subscription Price is based on the Net Asset Value per Unit on the relevant Valuation Day provided the order is received by the Fund by the deadline provided for in Part B to the Prospectus. Applications received after such time shall be dealt with on the next Valuation Day, unless the AIFM accepts shorter notice while preserving equity amongst the Unitholders. Investors may be required to complete a purchase application for Units or other documentation satisfactory to the AIFM.

Payment for Units will be required to be made in the currency of the relevant Class within the time period as specified in Part B of the Prospectus after acceptance of a purchase order by the AIFM in accordance with procedures approved by the AIFM.

The AIFM may agree to issue Units as consideration for a contribution in kind of securities, in compliance with the conditions set forth by the AIFM, in particular the obligation to deliver a valuation report from the Auditor of the Fund ("réviseur d'entreprises agréé") which shall be available for inspection, and provided that such securities comply with the investment objectives and policies of the relevant Compartment described in Part B of the Prospectus. Any costs incurred in connection with a contribution in kind of securities shall be borne by the relevant Unitholders.
Fractions of registered Units will be issued to one ten thousandth Unit. Such fractional Units shall be entitled to participate in the Net Assets attributable to the relevant Compartment.

The AIFM reserves the right to reject any application in whole or in part or to suspend at any time and without prior notice the issue of Units in one, several or all the Compartments.

No Units of any Compartment will be issued during any period when the calculation of the Net Asset Value per Unit in such Compartment is suspended by the AIFM (see “Temporary Suspension of the Calculation of the Net Asset Value”, in Chapter VIII below).

For the purpose of determining the gain and loss for tax purpose, the AIFM may authorize, at the end of fiscal period applicable to the investor, a Unitholder’s simultaneous redemption and subscription of the same number of Units on the same Valuation Day which may be recorded by the Fund as a transaction with no cash transfer to or from the investor.

Conversion of Units

Subject to what is otherwise provided in the relevant Compartment Particulars in Part B of the Prospectus, each Unitholder of a Compartment may request to convert all or part of the Units held by such Unitholder in any Compartment on any Conversion Day for dealing with conversion of Units (“Conversion Day”), determined for such Compartment, defined as the first business days following the relevant Valuation Day.

Units, which have been converted into other Units, shall be cancelled.

Unitholders are entitled to convert their investments from one Unit class to another Unit class within the same Compartment, without any commission.

In respect of the provisions laid out in the Compartment Particulars in Part B of the Prospectus, Unitholders are entitled to convert their investments from one Unit class to the same or another Unit class of another Compartment.

A conversion fee of maximum 2% of the Net Asset Value may be charged in favor of the AIFM and/or the Administrative Agent and/or the disinvested Compartment, as described in the

Compartment Particulars in Part B of the Prospectus.

Requests for Unit conversions shall be made to the Fund in Luxembourg, care of the European Fund Administration.

Conversion requests should contain the following information (if applicable): the identity, address and account number of the Unitholder(s) requesting the conversion, the Unit(s) class and number of Units to be converted, the relevant Compartment(s) and the Unit(s) class to which the Unitholder(s) is/are to be transferred.

Unitholders must send an irrevocable letter asking for the conversion of their Units and stating the payment instructions for the payment of the balance of the conversion transaction, where appropriate.

Fractions of Units resulting from the conversion are attributed to the Unitholders.

Conversions will be carried out on the basis of the Net Asset Value determined on the relevant Valuation Day (as described in the relevant Compartment Particulars), taking account as appropriate of the exchange rate in force between the currencies of the two relevant Compartments on the Valuation Day.

The conversion will be effected at the Subscription and Redemption Prices of Units in the relevant Compartments in accordance with the formula below:

$A = (B \times C) \div E$

where:
A the number of Units of the new class to be allotted;
B the number of Units of the original class to be converted;
C the Net Asset Value per Unit of the original class less the conversion fee; and
E the Net Asset Value per Unit for the new class.

Conversions are not possible if the Net Asset Value calculation for at least one of the relevant Compartments is suspended by the Fund (See "Temporary Suspension of the Calculation of the Net Asset Value", in Chapter VIII below).

Further, if on any given date conversion requests relate to more than 10% of the outstanding Units of a specific Compartment, the AIFM may, at its sole discretion, decide that part or all of such requests for conversion will be deferred for a period that the AIFM considers to be in the best interest of the Compartment. On the next Valuation Day following such period, these conversion requests will be met in priority to later requests.

Redemption of Units

Subject to what is otherwise provided in the relevant Compartment Particulars in Part B of the Prospectus, each Unitholder of a Compartment may request the Compartment to redeem all or any of the Units held by such Unitholder in any Compartment on any Redemption Day for dealing with redemption of Units ("Redemption Day"), determined for such Compartment, defined as the first business day following the relevant Valuation Day.

Requests for Unit redemptions shall be made to the Fund in Luxembourg, care of the EFA.

Redemption requests should contain the following information (if applicable): the identity, address and account number of the Unitholder requesting the redemption, the number of Units to be redeemed, the relevant Compartment.

Units of any class will be redeemed at a price per Unit base upon the relevant Net Asset Value of such class as of the Redemption Day; the redemption will also clear the performance fee corresponding to the Units redeemed (crystallization).

The performance fee accounted with respect to the Units redeemed shall become payable and shall be paid to the AIFM at the time of payment of the redemption proceeds.

The redemption price shall be based on the relevant Net Asset Value as determined by the AIFM and specified in the Compartment Particulars, application of a redemption fee of maximum 5% of the Net asset Value.

The Redemption Price shall be paid not later than on the day or during the time period from the relevant Redemption Day provided for by the relevant Compartment in Part B of the Prospectus.

Payment will be made by bank transfer to the Unitholder account, as indicated by such Unitholder, at such Unitholder's expense and without responsibility on the part of the AIFM.

Any redemption proceeds that have not been claimed within five years of redemption shall be forfeited and shall accrue for the benefit of the relevant Compartment.

The Redemption Price will be paid in the currency of the relevant Class as specified in Part B of the Prospectus.

- ⇨ Units in any Compartment will not be redeemed if the calculation of the Net Asset Value per Unit in such Compartment is suspended by the Fund. (See "Temporary Suspension of the Calculation of the Net Asset Value", in Chapter VIII below). Further, if on any given date redemption requests relate to more than 10% of the outstanding Units of a specific Compartment, the AIFM may, at its discretion, decide that part or all of such requests for redemption will be deferred for a period that the AIFM considers to be in the best interest of the Compartment. On the next Valuation Day following such period, these redemption requests will be met in priority to later requests.

Under special circumstances including, but not limited to, default or delay in payments due to the Compartment from banks or other persons, the AIFM may in turn delay a proportionate part of the payment to persons requesting redemption of Units in the Compartment concerned.

The right to obtain redemption is contingent upon the Compartment having sufficient assets to honour redemptions.

The AIFM may, at its discretion, defer payment of the redemption of Units of a Compartment if raising the funds to pay such a redemption would, in its view, be unduly burdensome to such Compartment. The payment will be deferred until the special circumstances have ceased; redemption could be based on the then-prevailing Net Asset Value per Unit.

Distribution Policy - Inducements

The AIFM will provide a specific distribution policy with respect to each Compartment, as more fully described in Part B of the Prospectus.

Subject to the Law of 12 July 2013 and the AIFM Regulation, third parties may be remunerated or compensated in monetary or other form for distribution activities performed in relation to the Compartments on terms the AIFM has agreed with such parties. Such remuneration or compensation, if applicable, is generally expressed as a percentage of the management fee levied on the Compartment calculated on the

investor's average holdings in the Compartment's Units. Subject to reference to his transactions, an investor may receive further details of such arrangements by or shared with such parties on request.

Money Laundering

Measures aimed at the prevention of money laundering may require an applicant for Units to verify his identity to the Fund. Depending on the circumstances of each application, verification may not be required where the applicant makes the payment from an account held in the applicant's name at a recognised financial institution, or the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is established within a country recognised by Luxembourg as having equivalent anti-money laundering regulations.

As a result of such measures, the administrative agent of a Luxembourg collective investment undertakings must ascertain the identity of the applicant unless the subscription order has come through another professional of the financial sector established in a FATF country and that person has already ascertained the identity of the applicant in a manner equivalent to that required by Luxembourg law.

The Registrar and Transfer Agent will notify applicants if documents are required. By way of example, this may require production of a certified copy of the Certificate of Incorporation (and any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of all directors and beneficial owners.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorised persons.

The details given above are by way of example only and the Registrar and Transfer Agent will request such information and documentation as is necessary to verify the identity of an applicant. Units will not be issued until such time as the Registrar and Transfer Agent has received and is satisfied with all the information and documentation requested to verify the identity of the applicant. This may result in Units being issued on a Valuation Day subsequent to the Valuation Day on which an applicant initially wished to have Units issued to him.

Each applicant for Units acknowledges that the Registrar and Transfer Agent shall be held harmless against any loss arising as a result of a failure to process his application for Units if such information and documentation as has been requested by the Registrar and Transfer Agent has not been provided by the applicant.

V. MANAGEMENT OF THE FUND

AIFM

The AIFM qualified as management company pursuant to Chapter 15 of the Law of December 17, 2010 on Undertakings for Collective Investment. The AIFM manages the assets of the Fund in compliance with the Management Regulations in its own name, but for the sole benefit of the Unitholders of the Fund and is responsible for the overall investment management and administration of the Fund and for the overall investment objectives and policies of each Compartment.

Description of the AIFM functions

In accordance with Annex I of the Law of 12 July 2013, the AIFM performs investment management activities (i.e. portfolio and/or risk management). In addition, the AIFM performs administrative duties (including in particular valuation and pricing, the maintenance of the shareholder register and the issue and redemption of units), marketing and other activities related to the assets of the Fund.

The details of the AIFM's rights and duties towards the Fund are governed by the Law of 12 July 2013 and the Management Agreement.

Description of the delegated AIFM functions

In accordance with Law of 13 February 2007 as well as the Law of 12 July 2013 and following the approval by the CSSF, the AIFM delegates, under its responsibility, the central administration duties to BANQUE DE LUXEMBOURG which itself subcontracts part of its duties, but under the responsibility of the BANQUE DE LUXEMBOURG, to EFA.

In addition, the AIFM may delegate, under its responsibility the following aforementioned duties:

- the portfolio management duties to one or more Portfolio Manager(s) named in the relevant Factsheet of the relevant Compartment; and/or
- the distribution of the Fund's units to one or more Distributor(s).

When selecting and appointing a delegate, the AIFM shall exercise all due skill, care and diligence as required by the Law of 12 July 2013 to ensure that it entrusts such functions to counterparties with adequate skills, knowledge and expertise.

Description of the risk management function

The AIFM has established and maintains a permanent risk management function that implements effective risk management policies and procedures in order to identify, measure, manage and monitor on an on-going basis all risks relevant to each Compartment's investment strategy to which each Compartment is or may be exposed.

Furthermore, the risk management process ensures an independent review of the valuation policies and procedures as per Article 70 (3) of AIFM Regulation.

The AIFM applies a comprehensive process based on qualitative and quantitative risk measures to assess the risks of each Compartment, in particular market risks, credit risks, liquidity risks, counterparty risks and operational risks.

The global exposure of the Compartment will be calculated through the commitment methodology taking

into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

According to the commitment methodology, financial derivative instruments are converted into equivalent positions in the underlying asset while taking into consideration any netting and hedging effects. In addition, the commitment methodology considers any other arrangements that are likely to generate incremental exposure to the AIF such as reinvestment of borrowings, repurchase agreements or securities lending.

The AIFM supervises the compliance of these provisions in accordance with the requirements of applicable CSSF circulars or regulations or any other European authority authorized to issue related regulation or technical standards.

Liquidity Management

The AIFM has put in place an appropriate liquidity management system which enables it to monitor the liquidity risk of each Compartment. The AIFM ensures that, for each Compartment it manages, the investment strategy, the liquidity profile and the redemption policy are consistent. The Fund may also use tools and arrangements necessary to handle illiquid assets (such as gates and side pockets).

The Investment Advisor

The AIFM has appointed Crédit Industriel et Commercial as Investment Advisor to the Fund under its overall responsibility and control.

The Investment Advisor is in charge of assisting the AIFM principally in the selection of investment proposals, in accordance with the agreement signed as of July 6, 2004 between the AIFM and the Investment Advisor Agreement as modified from time to time. The AIFM remains entirely free to follow or not, completely or partly, investment proposals given by the Investment Advisor. The AIFM remains responsible of all the investment decisions taken and their suitability to the investment strategies and policies.

This agreement provides for investment proposals, complying with the Funds's investment objectives and policies, to be selected and submitted to the AIFM by the Investment Advisor. The Investment Advisor will only submit investment proposals which it has already invested in for its own account, and will supervise and monitor the results of such investment with the same diligence and endeavours at it will do for the investments booked in its own accounts.

The Investment Adviser may also be used as a broker dealer for account of the Compartment. In such case, the relations between the Investment Advisor and the AIFM will be legally documented under standard market master agreement, negotiated on fair and even terms, and the Investment Advisor will use all reasonable efforts to obtain the best price and execution for the Fund with respect to transaction entered into by the Investment Advisor on behalf of the Fund, without applying any commission or brokerage fee for its broker dealer service.

The Investment Advisor may also, whenever in its discretion it deems it to be in the best interest of the Fund, aggregate orders entered on behalf of the Fund with order entered by the Investment Advisor itself for its own account in order to obtain the best execution and/or price and commission. In such event, the Investment Advisor shall ensure that the allocation of all orders executed in this manner as well as the expenses incurred in connection with such transactions, shall be made by the Investment Advisor prior to the placing of such order on the market, and in the manner it considers to be fair and equitable.

The term of the agreement between the Investment Advisor and the AIFM is fixed for five years and may be prorogued at any time by the two parties in the agreement.

The Investment Advisor, Crédit Industriel et Commercial (CIC) is a public limited company ("société anonyme") incorporated under the laws of the Republic of France and has been engaged in banking activities since its incorporation.

Depositary Bank, Administrative Agent and Registrar and Transfer Agent.

Description of the Depositary Bank

Banque de Luxembourg is acting as depositary of the Fund (the "Depositary") in accordance with a depositary agreement dated June 10, 2015; as amended from time to time (the "Depositary Agreement") and with the relevant provisions of the Law of July 12, 2013 relating to alternative investment fund managers.

Banque de Luxembourg S.A. is a credit institution incorporated as a public limited company under the laws of Luxembourg and licensed to carry its activities under the terms of the amended Luxembourg law of 5 April 1993 relating to the financial sector.

In compliance with the provisions of the Depositary Agreement and the Law of July 12, 2013, the Depository may, under certain conditions, delegate part of its safekeeping obligations to third parties as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the Law of July 12, 2013.

In compliance with the Depositary Agreement and pursuant to specific consent, the Depositary may be discharged of liability for loss of custodiable assets if it can prove that:

all requirements for the delegation of its custody tasks set out in the Law of July 12, 2013, the AIFM Directive and/or the AIFM Regulations are met;

a written contract between the Depositary and the third-party expressly transfers the liability of the Depositary to that third-party and makes it possible for the Fund to make a claim against the third-party in respect of the loss of custodiable asset or for the Depositary to make such a claim on their behalf;

and

a written contract between the Depositary and the Fund, expressly allows a discharge of the Depositary's liability and establishes the objective reason to contract such a discharge.

Further, where the law of a third country requires that certain custodiable assets are held in custody by a local entity and there are no local entities that satisfy the delegation requirements laid down in the Law of July 12, 2013, the AIFM Directive and/or the AIFM Regulations, the Depositary can be discharged itself of liability provided that the following conditions are met:

(a) the investors of the Fund have been duly informed of that discharge and of the circumstances justifying the discharge prior to their investment;

(b) the Fund or the Manager instructed the Depositary to delegate the custody of such custodiable assets to a local entity;

(c) there is a written contract between the Depositary and the Fund or the AIFM acting on behalf of the AIF, which expressly allows such a discharge; and

(d) there is a written contract between the Depositary and the third-party that expressly transfers the liability of the Depositary to that local entity and makes it possible for the Fund to make a claim against that local entity in respect of the loss of custodiable assets or for the Depositary to make such a claim on their behalf.

The Fund and the Depositary may contract from time to time arrangements for such discharge and transfer of liability. Details of such discharges and transfer of liability are available to investors at the registered office of the Fund.

The Depositary has no decision-making discretion nor any advice duty relating to the Fund's investments and is prohibited from meddling in the management of the Fund's investments. The Depositary is a service provider to the Fund and is not responsible for the content of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Fund.

Investors are invited to consult the Depositary Agreement to have a better understanding and knowledge of

the duties and liabilities (and of the limitations thereof) of the Depositary.
The Depository Agreement may be terminated by either party according to the terms and conditions as set out in the Depositary Agreement.

Description of Administrative Agent and Registrar and Transfer Agent

The AIFM has appointed Banque de Luxembourg S.A. as Registrar and Transfer Agent of the Fund pursuant to an agreement which provides for the appointment to continue for an unlimited term. The agreement may be terminated by either party upon 90 days' written notice. As the Registrar and Transfer Agent, Banque de Luxembourg. handles the processing of subscriptions of Units, deals with requests for redemption and exchange and accepts transfers of funds, maintains the register of Unitholders of the Fund, delivers Unit confirmations and maintains other related records of the Fund. The Registrar and Transfer Agent is also responsible as Paying Agent for the payment of distributions, if any, and for the payment of the redemption price by the Fund.

Banque de Luxembourg S.A. may avail itself of the services of European Fund Administration ("EFA), in its capacity as the administrative, registrar and transfer agent, for the purposes of performance of all or part of its duties and obligations. The Central Administration Agent's liability shall not be affected by the fact it has entrusted all or part of its duties and obligations to a third party.

Neither Banque de Luxembourg, nor EFA will act as external valuer as provided under article 17 of the Law of 12 July 2013.

VI. CHARGES AND EXPENSES

The AIFM may pay out of the assets of the relevant Compartment at its sole discretion all expenses payable by the Fund which shall include but not be limited to formation expenses, fees payable to the AIFM, Investment Advisor, Auditors, Depositary, Registrar, Transfer and Administrative Agent, any other agent employed by the Fund, insurance coverage, any fees and expenses involved in registering and maintaining the registration of the Fund with any governmental agency or stock exchange in the Grand Duchy of Luxembourg and in any other country, fees for legal, accounting and auditing services, translation services, reporting and publishing expenses, including the costs of preparing, printing and distributing prospectuses, explanatory memoranda, periodical reports or registration statements, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex. The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or shorter periods in advance, and may accrue the same in equal proportions over any such period.

The costs and expenses incurred in connection with the formation of the Fund and the initial issue of Units by the Fund, including those incurred in the preparation and publication of the Prospectus, all legal and printing costs, certain launch expenses (including advertising costs) and preliminary expenses may be deferred at the AIFM discretion. In case of amortization, such costs and expenses shall be amortized over a period of five years from the date(s) each Compartment of the Fund commenced investment operations in such amounts in each year and in each Compartment as determined by the AIFM on an equitable basis.

The AIFM is entitled to receive from the Fund a Management Fee as described in Part B of this Prospectus with respect to each Compartment.

The AIFM will pay the Investment Advisor such amount as shall be fixed from time to time by mutual agreement between the parties.

The Depositary, Administrative Agent, and the Registrar and Transfer Agent each are entitled to receive out of the assets of each Compartment fees in accordance with normal banking practices.

VII. GENERAL INFORMATION

1) Corporate Information

The Fund was formed on July 6, 2004 and is governed by the Law of February 13, 2007 and qualifies as an AIF in accordance with the Law of 12 July 2013.

The Fund is managed by CIGOGNE Management S.A. , a public limited company ("société anonyme") organized under the laws of the Grand Duchy of Luxembourg. Its share capital amounts to EUR one hundred twenty-five thousand (125,000-) and its capital and reserve amounts to EUR 16,309,814.92. Its shareholder is Crédit Mutuel – CIC Group.

The registered office of the Fund is 14, boulevard Royal, L – 2449 Luxembourg.
The registered office of the AIFM is 9, boulevard Prince Henri, L – 1724 Luxembourg.

The Fund is governed by the Management Regulations effective as of July 6, 2004 which are attached to this Prospectus and published in the Mémorial C, Recueil des Sociétés et Associations on July 16, 2004.

The AIFM was established on July 6, 2004 for an undetermined period. Its Articles of Incorporation are published in the Mémorial of July 16, 2004 for the first time.

The minimum Net Asset Value of the Fund is as provided by law, EUR 1,250,000.- represented by fully paid-up Units of no par value. The minimum Net Asset Value must be reached within six months of the date on which the Fund has been authorized as an investment fund in Luxembourg.

2) Net Asset Value

The AIFM shall calculate the Net Asset Value of Units of each Compartment (referred to as the "Net Asset Value") on such date (referred to as the "Valuation Day") and under such frequency as determined by the AIFM from time to time, but at least once a month. The determined date and frequency shall be specified in the "Compartment Particulars".

The Net Asset Value of each Compartment is equal to the total assets of that Compartment less its liabilities. The Net Asset Value of each Compartment and Units representing each Compartment shall be expressed in the reference currency of the relevant Compartment and Class (the "Reference Currency").

If the Reference Currency of the Class concerned is different from the Reference Currency of the corresponding Compartment, the Net Assets of the Compartment attributed to the Class valued in the Reference Currency of the Compartment shall be converted into the Reference Currency of the Class concerned.

In each Class, the Net Asset Value per Unit shall be determined in respect of any Valuation Day by dividing the Net Assets of the corresponding Class by the number of Units of the relevant Class then outstanding and rounding up or down to the nearest whole unit of the relevant Reference Currency. For the avoidance of doubt, the unit of a Reference Currency is the smallest unit of that currency (e.g. if the Reference Currency is US dollars, the unit is the cent).

If, subsequent to the close of business on the relevant Valuation Day, there has been a material change in the quotations in the markets on which a substantial portion of the investments of the Fund or the Compartment are dealt in or quoted, the AIFM may, in order to safeguard the interests of the Unitholders and/or the Compartment or the Fund, cancel the first valuation and carry out a second valuation. All subscription,

conversion and redemption requests shall be treated on the basis of this second valuation.

The securities instruments and other assets as well as liabilities will be valued at fair market value as determined in good faith pursuant to procedures established by the AIFM assisted by a committee appointed to that effect by the AIFM and the valuation shall be made according to the following guidelines:

1. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof.

2. The value of each security which is quoted or dealt in on a stock exchange will be based on its last traded price on the stock exchange which is normally the principal market for such security known at the relevant Valuation Day.

3. The value of each security dealt in on any other regulated market will be based on its last traded price known at the relevant Valuation Day.

4. In the event that any of the securities held in a Compartment's portfolio on the relevant day are not quoted or dealt in on any stock exchange or dealt in on any other regulated market or if, with respect of securities quoted or dealt in on any stock exchange or dealt in on any regulated market, the price as determined pursuant to sub-paragraphs 2. or 3. is not representative of the relevant securities, the value of such securities will be determined based on a reasonable foreseeable sales price determined prudently and in good faith by the AIFM. Specifically, in case of a security (long position) held against and in hedge of another security (short position), prices of both securities are determined in a coherent basis by using spread quotations or any other method determined prudently and in good faith by the AIFM.

5. The liquidating value of options and any other over the counter (OTC) contracts not traded on exchanges or on other regulated markets shall mean their net liquidating value determined, pursuant to the policies established by the AIFM, on a basis consistently applied for each different variety of contracts.

6. The liquidating value of futures, forward or options contracts traded on exchanges or on other regulated markets shall be based upon the last available settlement prices of these contracts on exchanges and organized markets on which the particular futures, forward or options contracts are traded on behalf of the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the AIFM may deem fair and reasonable. In case of a future, forward or options contract held against and in hedge of another future, forward or options contract, prices of both contracts are determined in a coherent basis by using spread quotations or any other method determined prudently and in good faith by the AIFM.

7. Swaps will be valued on the basis of their market value as determined by a pricing agent under the supervision of the AIFM and pursuant to procedures established by the AIFM. In case of a swap transaction held against and in hedge of another transaction, prices of both contracts are determined in a coherent basis by using spread quotations or any other method determined prudently and in good faith by the AIFM.

8. The AIFM may authorize the use of the amortized cost method of valuation for short-term money market securities with maturity less than 90 days. This method involves valuing a security at its cost and thereafter assuming a constant amortization to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security or other instrument. While this method provides certainty in valuation, it may result in periods

during which value as determined by amortized cost, is higher or lower than the price the Compartment would receive if it sold the securities.

9. Repurchase and reverse repurchase and stock lending and stock borrowing transactions are valued on the basis of their market value pursuant to procedures established by the AIFM. In case of a Repurchase or reverse repurchase or stock lending or stock borrowing transaction held against and in hedge of another transaction, prices of both transactions are determined in a coherent basis by using spread quotations or any other method determined prudently and in good faith by the AIFM. Income on Repurchase and reverse repurchase and stock lending and stock borrowing transactions is valued on the basis of the costs or proceeds with interest accrued daily over the period of the transaction.

10. The value of the interests in Investment Funds shall be based on the last available valuation. Units issued by Investment Funds which are open-ended undertakings for collective investments ("UCI") shall be valued at their last official net asset value, as reported or provided by such UCIs or their agents or, at their latest unofficial net asset values (i.e. estimates of net asset values which are not generally used for the purposes of subscription and redemption or which may be provided by a pricing source – including the investment manager of the target UCI – other than the administrative agent of the target UCI) if more recent than their official net asset values, provided that the AIFM has received reasonable assurance that it will be provided, with an accurate frequency, with reliable estimated net asset values for such target UCI. The Net Asset Value calculated on the basis of unofficial net asset values of target UCIs may differ from the net asset value which would have been calculated, on the relevant Valuation Day, on the basis of the official net asset values determined by the administrative agents of the target UCIs. Subject to the right of the Board provided by the Articles, such Net Asset Value is final and binding notwithstanding any different later determination. Units of quoted Investment Funds which are closed-ended UCIs shall be valued at their last available stock market value.

The liabilities of the Fund shall include:

1. all loans, bills and accounts payable;

2. all accrued interest on loans of the Fund (including accrued fees for commitment for such loans);

3. all accrued or payable expenses (including, without limitation, administrative expenses, management fees, including performance fees, if any, custodian fees, and distributor fees, if any);

4. all known liabilities, present and future, including all matured contractual obligations for payments of money or property, including the amount of any unpaid distributions declared by the Fund;

5. an appropriate provision for future taxes based on capital and income as of the Valuation Day, as determined from time to time by the Fund, and other reserves (if any) authorized and approved by the AIFM, as well as such amount (if any) as the AIFM may consider to be an appropriate allowance in respect of any contingent liabilities of the Fund ;

6. all other liabilities of the Fund of whatsoever kind and nature reflected in accordance with generally accepted accounting principles. In determining the amount of such liabilities, the Fund shall take into account all charges and expenses payable by the Fund which may include but not be limited to formation expenses, fees payable to the AIFM, the Investment Advisor, Auditors, Depositary, Domiciliary and Administrative Agent, Registrar and Transfer Agent, any Paying Agents, any other agent employed by the Fund, insurance coverage, the fees and expenses if any involved in registering and maintaining the registration of the Fund with any governmental agency or stock exchange in the Grand Duchy of Luxembourg and in any other country, fees for legal, accounting and auditing services, translation services, reporting and publishing expenses, including the costs of preparing, printing and distributing prospectuses, explanatory memoranda,

periodical reports or registration statements, all taxes, duties, governmental and similar charges, and all other operating expenses, including the cost of buying and selling assets, interest, bank charges and brokerage, postage, telephone and telex.

The Fund may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance, and may accrue the same in equal proportions over any such period.

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

The valuation of the assets of the Fund is based on information (including without limitation, position reports, confirmation statements, recap ledgers, etc.) which is available at the time of such valuation with respect to all open futures and securities positions and accrued interest income, accrued management, incentive and service fees, and accrued brokerage commissions. Except in case of manifest error, the valuation is conclusive and no adjustments will be made with respect to investors or the Fund. The valuation will not be audited nor adjusted.

The AIFM, in agreement with the Depositary, may permit some other method of valuation to be used, if it considers that such valuation better reflects the fair value of any asset of the Fund.

In the event that extraordinary circumstances render a valuation in accordance with the foregoing guidelines impracticable or inadequate, the AIFM will, prudently and in good faith, use other criteria in order to achieve what it believes to be a fair valuation in the circumstances.

Temporary Suspension of the Calculation of the Net Asset Value

The AIFM may temporarily suspend the determination of the Net Asset Value per Unit within any Compartment and in consequence the issue, redemption and conversion of Units in any of the following events:

- When one or more stock exchanges, which provide the basis for valuing a substantial portion of the assets of a Compartment, or when one or more foreign exchange markets in the currency in which a substantial portion of the assets of the Compartment is denominated, are closed otherwise than for ordinary holidays or if trading thereon is restricted or suspended;

- When, as a result of political, economic, military or monetary events or any circumstances outside the responsibility and the control of the AIFM, disposal of the assets of the Compartment is not reasonably or normally practicable without being seriously detrimental to the interests of the Unitholders;

- In the case of breakdown in the normal means of communication used for the valuation of any investment of the Compartment or if, for any reason, the value of any asset of the Compartment may not be determined as rapidly and accurately as required;

- When the AIFM is unable to repatriate funds for the purpose of making payments on the redemption of Units or during which any transfer of funds involved in the realization or acquisition of investments or payments due on redemption of Units cannot in the opinion of the Board of Directors of the AIFM be effected at normal rates of exchange;

- In order to safeguard the interests of the concerned Unitholders, if there has been, since the close of the business of the relevant date, a material change in the valuation methods used generally for calculating the Net Asset Value.

Any such suspension and the termination thereof shall be notified to those Unitholders who have applied for subscription, redemption or conversion of their Units.

3) Reports to Unitholders

No general meetings of Unitholders shall be held and no voting rights shall be attached to the Units.
If the Management Regulations are amended, such amendments shall be filed with the Chancery of the District Court of Luxembourg and published in the Mémorial.

The Fund publishes annually a detailed report on its activities and on the management of its assets; such report shall include, *inter alia*, the combined accounts relating to all the Compartments, a detailed description of the assets of each Compartment and the report from the Auditor. The annual report is issued as at December 31 of each year. The first annual report shall be issued for the year ended December 31, 2004.

The aforementioned documents reports are sent to the registered unitholders.

The accounting year of the Fund shall commence on the January 1 of each year and shall terminate on December 31 of the same year. The first accounting year shall start on the day of formation of the Fund and shall end on December 31, 2004.

The combined accounts of the Fund shall be expressed in EUR being the currency of the Fund. The financial statements relating to the various Compartments shall be expressed in the Reference Currency of the relevant Compartment.

Any other substantial information concerning the Fund shall be notified to Unitholders and published, if necessary, according to Luxembourg law provisions.

4) Taxation

The following summary is based on the law and practice currently applicable in the Grand Duchy of Luxembourg and is subject to changes therein.

A. Taxation of the Fund in Luxembourg

The Fund is not liable for any Luxembourg tax on profits or income, nor are distributions paid by the Fund subject to any Luxembourg withholding tax.

The Fund is, however, liable in Luxembourg for a tax of 0,01% per annum of its Net Asset Value, unless otherwise provided for a specific Compartment, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Compartment at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issue of Units. No Luxembourg tax is payable on the realized capital appreciation of the assets of the Fund.

The Fund is liable for an initial capital tax of EUR 1,250 which was paid upon formation.

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

B. Luxembourg Taxation of Unitholders

Unitholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance or other tax in Luxembourg with respect to their Units (except Unitholders who are domiciled or have permanent establishment in Luxembourg). In exceptional circumstances, a non-resident Unitholders holding 10% or more of the Units of the Fund may be subject to tax on capital gains in Luxembourg if either a disposal takes place less than 6 months following the acquisition or for some former Luxembourg residents.

C. Foreign Account Tax Compliance Act ("FATCA")

a) General introduction of the FATCA obligations;

The Fund may be subject to regulations imposed by foreign regulators, including the Hiring Incentives to Restore Employment Act (the "Hire Act") which was enacted into U.S. law in March 2010. The Hire Act includes provisions generally known as the Foreign Account Tax Compliance Act ("FATCA").
The objective of FATCA is to combat U.S. tax evasion by certain U.S. Persons and obtain from non-US financial institutions ("Foreign Financial Institutions" or "FFIs") information relating to such U.S. Persons that have direct or indirect accounts with or investments in those FFIs.

In case FFIs choose not to comply with FATCA, FATCA will impose a withholding tax of 30 % on certain U.S. source income and gross sales proceeds. This regime will be implemented in phases from 1 July 2014 to 2017.

To be relieved from this 30% withholding tax, FFIs will need to enter into an agreement with the Internal Revenue Service (the "IRS") except if they are incorporated in a country that entered into an intergovernmental agreement of Model 1 ("Model 1 IGA") with the United States. In this latter case, FFIs will be obliged to comply with the provisions of FATCA under the terms of the relevant Model 1 IGA and of their home country IGA legislation implementing FATCA.

Luxembourg has entered into a Model I IGA with the United States the ("Luxembourg IGA"), which means Luxembourg FFIs must comply with the provisions of FATCA under the terms of the Luxembourg IGA and of the Luxembourg legislation implementing FATCA.

In particular, as of July 2014, Luxembourg FFIs will be required to report indirectly through the Luxembourg authority to the IRS certain holdings by and payments made to (i) Specified U.S. Persons ("Specified U.S. Persons" as such term is defined in the Luxembourg IGA), (ii) certain non-financial foreign entities ("NFFEs") with a significant ownership by Specified U.S. Persons (iii) and FFIs that do not comply with the terms of the FATCA.

b) Applicability to the Fund;

Being established in Luxembourg and subject to the supervision of the Commission de Surveillance du Secteur Financier ("CSSF") in accordance with the law of 13 February 2007, the Fund qualifies as an FFI for FATCA purposes.

This includes the obligation for the Fund to regularly assess the FATCA status of its unitholders. To this extent, the Fund will request to obtain and verify information on all of its unitholders. Upon request of the Fund, each unitholder agrees and commits to provide certain information, including, in case of a NFFE, the direct or indirect owners above a certain threshold of ownership of such NFFE, along with the required supporting documentation. Similarly, each unitholder agrees and commits to actively inform the Fund within thirty days of any change to the information and supporting documentation provided (like for instance a new mailing address or a new residency address) that would affect the unitholder's FATCA status.

Should the Fund fail to obtain the mandatory information or supporting documentation from its unitholders, the Fund is allowed, in its sole discretion unless otherwise mandatory under FATCA, to take any action to comply with its obligations under FATCA. Such action may include the disclosure to the Luxembourg authorities of the name, address and taxpayer identification number (if available) of the relevant registered unitholder as well as information like account balances, income and capital gains of such registered unitholder.

Additionally, the Fund may also, in its sole discretion, forcefully redeem any unitholder it deems may jeopardize its FATCA status.

Under FATCA, US Specified Persons, nonparticipating FFIs and any unitholders that fail to abide by the Fund's FATCA obligations will be reported to the Luxembourg authorities which will in turn pass on the information to the US Department of Treasury.

Any unitholder that fails to provide the Fund with the information and supporting documentation requested by the Fund to comply with its obligations under FATCA, may be charged with any taxes imposed on the Fund attributable to such unitholder's failure to provide the information and supporting documentation requested.

All prospective unitholders are recommended to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Fund.

c) Eligibility criteria of investors in the Fund;

The Fund has elected to qualify as collective investment vehicle with regards to the Luxembourg IGA. This implies certain obligations and restrictions on prospective and existing unitholders of the Fund as detailed hereafter.

To prevent the Fund from incurring any liability or taxation or suffering any other disadvantage or constraint arising from FATCA, units of the Fund, in its own discretion, may only be offered to, sold to, transferred to or held by eligible unitholders. Eligible unitholders are (i) exempt beneficial owners as defined under FATCA or under the applicable Model 1 IGA (ii) Active NFFEs (as defined in the Luxembourg IGA), (iii) U.S. Persons that are not Specified U.S. Persons, (iv) FFI that do not qualify as nonparticipating FFI (a nonparticipating FFI ("NPFFI") means a FFI that is a nonparticipating FFI established in a non-Model I IGA country or a FFI established in a Model I IGA country that is considered by the United States as a NPFFI). For the avoidance of doubt, certain investors will not be accepted by the Fund as unitholders. In particular, individuals and Passive NFFEs (as defined in the Luxembourg IGA) will not be accepted as unitholders. Such investors are invited to subscribe through a FFI that does not qualify as NPFFI.

In case the Fund identifies that a unitholder does not qualify as an eligible unitholder, the Fund will take any action that the Fund deems necessary in order to comply with its obligations under FATCA. Such action also includes the compulsory redemption of the units held by the relevant unitholder.

D. General

It is expected that Unitholders in the Fund, or any Compartment, will be resident for tax purposes in many different countries. Consequently, no attempt is made in this Prospectus to summarize the tax consequences for each investor of subscribing, exchanging, holding or redeeming or otherwise acquiring or disposing of Units in the Fund or a Compartment.

These consequences will vary in accordance with the law and practice currently in force locally or otherwise for the Unitholders.

Investors should inform themselves of, and when appropriate, consult their professional advisers on the possible tax consequences of subscription for, buying, holding, exchanging, redeeming or otherwise disposing of Units under the laws of their country of citizenship or domicile.

5) Duration and Liquidation of the Fund or of any Compartment

A. The Fund

The Fund has been established for an unlimited period and each of its Compartments may be established for a limited or unlimited period. However, the Fund will be dissolved and liquidated at any time by mutual agreement between the Fund and the Depositary Bank, subject to prior notice upon the occurrence of a dissolution event as provided for under the relevant provisions of the Law of February 13, 2007.

In the event of dissolution, the AIFM will realize the assets of the Fund in the best interests of the Unitholders and upon instructions given by the AIFM, the Depositary Bank will distribute the net proceeds from such liquidation, after deducting all expenses relating thereto, among the Unitholders in proportion to

the number of Units of the relevant class held by them. The AIFM may distribute the assets of the Fund wholly or partly in kind in compliance with the conditions set forth by the AIFM (including, without limitation, delivery of an independent valuation report from the Auditor of the Fund) and the principle of equal treatment of Unitholders.

The liquidation or the partition of the Fund may not be requested by a Unitholder, nor by his heirs or beneficiaries.

B. Any Compartment

The AIFM in consultation with the Depositary Bank may decide at any time the dissolution of any Compartment subject to prior notice (i) in case where the value of the net assets of any Compartment has decreased to an amount determined by the AIFM to be the minimum level for such Compartment to be operated in an economically efficient manner, or (ii) in case of a significant change of the economic or political situation or legal and regulatory environment that would adversely affect the Fund. In such event, Unitholders will be promptly notified and may redeem their Units at the current Net Asset Value per Unit without paying the redemption fee.

Registered Unitholders will be notified by letter of the decision to liquidate, prior to the effective date of liquidation of the relevant Compartment. The mail will state the reasons and the liquidation procedure.

In case of dissolution of any Compartment, the AIFM may redeem or convert all or part of the Units of the Unitholders, at their request, at the applicable Net Asset Value per Unit (taking into account actual realization prices of investments as well as realization expenses in connection with such dissolution), as from the date on which the resolution to dissolve the Compartment has been taken and until its effectiveness.

With respect to the Compartments which have been formed for a limited period, the AIFM will automatically redeem the Units of the Compartment on the last day of the period (the “Maturity Date”). The Unitholders will be entitled to receive a sum based on the Net Asset Value determined on the Maturity Date, which will be the Valuation Date in respect of such final redemption of the Units (the "Maturity Valuation Date"). In principle, no redemption fee will be levied in respect of such final redemption.

At the close of liquidation of any Compartment, the proceeds thereof corresponding to Units not surrendered may be kept in safe custody with the Depositary Bank during a period not exceeding six months as from the date of the close of the liquidation; after this period, these proceeds shall be kept in safe custody at the Caisse des Consignations.

Decision of dissolution of a Compartment shall be notified to the Unitholders of such Compartment.

C. Merger of Compartments

In case where the value of the net assets of any such Compartment has decreased to an amount determined by the AIFM to be the minimum level for such Compartment to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation or legal and regulatory environment that would adversely affect the Fund, the AIFM may decide to close any Compartment by way of merger with another Compartment in order to create a new Compartment, provided however that the relevant Compartment shall merge with another Compartment only if, in the AIFM opinion, (i) the investment objectives and policy of the new Compartment are similar to that of the relevant Compartment and (ii) the merger is decided in the best interests of the Unitholders.

In such event, notice shall be given to the Unitholders of the Fund or of the Compartment the Units of which shall be cancelled. Such notice shall be given at least one month before the date on which the resolution of the AIFM shall take effect.

Unitholders of the Fund or of the Compartment the Units of which shall be cancelled shall have the right, during one month from the date of such publication, to request the redemption of all or part of their Units at

the applicable Net Asset Value per Unit, subject to the procedures described under "Redemption of Units" without paying any fee.

6) Sustainable Finance Disclosure Regulation

With respect to the Fund, the investment process of the AIFM is not driven by environmental, social and/or governance ("ESG") considerations.

The AIFM invests in companies / issuers, regardless of potential ESG impacts as the AIFM does not currently consider sustainability risks, nor adverse impacts of investment decisions on sustainability factors in its investment process.

The AIFM considers that applying binding ESG criteria to its investment process reduces the investment universe and thus excludes certain issuers, leading the AIFM to ignore investment possibilities offering attractive risk adjusted return opportunities and impacting adversely investors' performance.

More information about the AIFM's investment process can be found on the AIFM's website: www.cigogne-management.com.

VIII. MANAGEMENT REGULATIONS APPLICABLE LAW AND JURISDICTION

The Management Regulations are governed by the laws of Luxembourg and any dispute arising between the Unitholders, the Fund and the Depositary Bank will be subject to the jurisdiction of the District Court of Luxembourg.

By acquiring Units in the Fund, a Unitholder approves and fully accepts that the Management Regulations shall govern the relationship between the Unitholders, the Fund and the Depositary Bank. With the approval of the Depositary Bank, the AIFM may amend the Management Regulations without Unitholder approval at any time, in whole or in part. Amendments to the Management Regulations will become effective upon their publication in the Mémorial.

Notwithstanding the foregoing, the AIFM and the Depositary Bank may subject themselves and the Fund to the jurisdiction of the courts of the countries of residency of the investors who have subscribed to the Units of the Fund, with respect to claims by investors resident in such countries, and, with respect to matters relating to subscription and repurchase by Unitholders resident in such countries, to the laws of such countries.

English shall be the governing language of the Management Regulations, provided, however, that the Fund and the Depositary Bank may, on behalf of themselves and the Fund, consider as binding the translation into languages of the countries of residency of the investors who may have subscribed to the Units of the Fund.

Any claims of the Unitholders against the Fund or the Depositary Bank shall lapse five years after the date of the event, which gave rise to such claims.

IX. DOCUMENTS AVAILABLE

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

(i) the Management Regulations of the Fund;
(ii) the agreements on services referred to under section "Depositary Bank, Administrative and Registrar and Transfer Agent";
(iii) the reports and accounts referred to under section "Reports to Unitholders".

The Net Asset Value as well as the issue and redemption prices are available to the Unitholders for effect on each Valuation Day at the registered office of the Fund.

Pursuant to Article 21 “Disclosure to investors” of the Law of 12 July 2013, the Fund will make available to Unitholders before they invest in the AIF any Management Regulations amendments which will be published in the Luxembourg *Mémorial*.

Subject to the Law of 12 July 2013 and the AIFM Regulation, third parties may be remunerated or compensated in monetary or other form for distribution activities performed in relation to the Compartments on terms the AIFM has agreed with such parties. Such remuneration or compensation, if applicable, is generally expressed as a percentage of the management fee levied on the Compartment calculated on the investor’s average holdings in the Compartment’s Units. Subject to reference to his transactions, an investor may receive further details of such arrangements by or shared with such parties on request.

Part B: Specific Information – Compartment Particulars – CIGOGNE FUND – M&A Arbitrage

The Compartment CIGOGNE FUND – M&A Arbitrage (the "Compartment") is formed for an unlimited period.

The Compartment is denominated in EUR (the "Reference Currency").

For the purposes of this Compartment, "Business Days" means a day on which banks in Luxembourg are open for business.

1. INVESTMENT OBJECTIVES, STRATEGIES AND POLICIES OF THE COMPARTMENT

The investment objective of CIGOGNE FUND – M&A Arbitrage, is to realize consistently high risk-adjusted appreciation in the value of its assets. The Compartment will seek to achieve its investment objective by primarily using strategies based on merger arbitrage and even driven arbitrage. The investments cover all sectors and all types of market capitalization, subject to the specifications on financial instruments used.

Strategies may be implemented on the following geographical areas:

- Europe,
- North America, and
- Asia, and / or
- Australia.

The Compartment is allowed incidentally investments in other geographical areas (such as non-OECD countries).

In merger arbitrage, the investment strategy is to lock in or otherwise trade in the spread by purchasing (selling) securities of the target or subject of an announced merger, acquisition or contest for control and shorting (buying) the deal consideration. Specifically, in case of tender offers, the investment strategy is built up to lock in the spread by purchasing securities subject to a cash or a mixed tender offer (in this latter case paid out whether per issuance of French CVGs or their equivalent in any applicable law, or per issuance of any puttable securities) and tendering such securities while hedging the resulting long position until the term of the offer.

Event Driven Arbitrage is an equity long/short market-neutral strategy that seeks to capture relative value discrepancies on a global basis by investing in both stocks and options. Investment decisions will generally be based on a fundamental analysis or on opportunities generated by events intervening in the life of the companies such as subsidiarisation, merger. Investment decisions will be based on fundamental comparisons, which will be determined using in house models that help identify earnings direction as well as the fundamental valuation. Stocks that are expected to outperform their peers are held long and stocks expected to under perform their peers are held short. The investment goal is to generate alpha through stock selection regardless of market direction.

The Compartment may invest in equity securities, warrants, bonds and other fixed-income securities. For the purpose of efficient portfolio management and for currency hedging in the context of the management of its assets and liabilities, the Compartment may engage, with

collateral if necessary, in options, futures, swaps, securities lending or borrowing and other derivative instruments or techniques, traded on an exchange or over-the-counter, within the framework set forth in Chapter II 'Investment Instruments and Limits'.

To achieve its investment objectives and implement its investment strategies as described above, the Compartment shall hold both long and short positions on securities and on other financial derivatives, provided that short sale is not permitted for another purpose than hedging positions in equity, convertible bonds, bonds, warrants, options or rights on equities. In addition, substantial leverage will be used in the investment program of the Compartment. Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of borrowings.

In particular, substantial leverage will be used when the Compartment holds a position in a deal which shows a superior risk/reward ratio or for which the potential for a successful conclusion have been evaluated as superior (see "Merger Arbitrage" and "Risk Management" below). Funding of such positions will be achieved either by the lending (respectively borrowing) of the securities which the Compartment has purchased (respectively has sold) or by entering in transactions in derivatives products such as (without limitations) equity swaps, equity options, contracts for difference.

The Compartment may sometimes concentrate its portfolio holdings in some industries or companies which, in light of investment considerations, market risks and other factors, the AIFM believes will provide the best opportunity for high risk-adjusted appreciation in the value of the Compartment's assets.

The risk-adjusted expected return of a merger arbitrage depends on a number of characteristics (see "Merger Arbitrage" below) which are specific to each of the companies involved and to the legal and regulatory process of the merger or acquisition. In most cases, the fundamentals of the industry sector of the companies involved only have an indirect impact on the deal potential for a successful conclusion.

If considered appropriate to the investment strategy or for defensive purpose, the Compartment may invest in government securities, debt instruments securities and money market instruments and hold cash.

Merger Arbitrage

In merger arbitrage, investment strategy is to lock in or otherwise trade in the spread by taking a long (short) position in the securities of the target or subject of an announced merger, acquisition or contest for control and taking a short (long) position in the deal consideration. The consideration to be received by shareholders of the target company upon completion of a transaction is typically greater than the market price of the target company throughout the period prior to a deal closing. This price differential reflects the discount the market has assigned to the deal consideration given the time value of money and the uncertainty as to whether the transaction will ultimately be completed.

In order to capture the spread, the Compartment will take a long position in the shares of the target which, as a result of the merger agreement, have effectively become a proxy for the receipt of the deal consideration upon the completion of the transaction. Deal consideration can come in the form of cash, shares of the bidder, convertible or exchangeable bonds, rights or a combination of. In transactions where all or a portion of the deal consideration includes the shares of the bidder, a short position is often established in these shares. By establishing a short position, the AIFM will seek to protect the Compartment from reductions in the deal consideration resulting from fluctuations in the shares of the bidder. Spreads will be purchased when the AIFM determines that

the market has overestimated in the risks inherent in a deal resulting in an excessively wide spread. Alternatively, spreads will be sold when the AIFM determines that the market has underestimated the risks resulting in an excessively narrow spread.

In transactions where all or a portion of the deal consideration includes a cash or a mixed tender offer (in this latter case paid out whether per issuance of French CVGs or their equivalent in any applicable law, or per issuance of any puttable securities), the AIFM while tendering such securities, will seek to protect the resulting long position until the term of the offer, by using financial derivatives like interest swaps, assets swaps, foreign exchange swaps, or any other hedging derivatives.

The AIFM will employ a research-driven approach to its merger arbitrage activities. In each situation, the AIFM will evaluate the potential obstacles to a successful conclusion of the deal. This analysis will be performed by consideration various legal, tax and regulatory factors which will ultimately effect the transaction.

In addition, a fundamental analysis of the parties to the transaction will be performed by drawing upon various resources, typically including prior company releases and filings, as well as industry and company-specific reports published by the various major brokerage firms.

The analysis with respect to each existing and potential merger arbitrage position will be regularly scrutinized through continued monitoring of the regulatory process, company fundamentals and general movements in the capital markets. The AIFM expects that such ongoing analysis will enable it to identify opportunities where taking profits or attempting to minimize losses by liquidating certain long positions, or covering short positions, if appropriate. The AIFM will use both stock and options in both equities and indices to minimize deal-specific and market risk where and when possible.

Leverage and Correlation

To enhance return, the AIFM may use leverage strategies by entering into repurchase, reverse-repurchase agreements, securities borrowing or lending agreements,, collateralized by the Compartment's assets and by utilizing the futures and options markets. The Compartment may from time to time be highly leveraged. While leverage can enhance the Compartment's expected return, it can also increase portfolio volatility.

If the income and investment gains on securities purchased with borrowed money exceed the interest paid on the borrowing, the Net Asset Value of the Compartment will rise faster than would otherwise be the case.

On the other hand, if the income and investment gains fail to cover the cost, including interest of borrowing, or if there are losses, the Compartment's Net Asset Value will decrease faster than otherwise would be the case.

In order to enable the Compartment to obtain the desired investment exposure in the investment strategies and to construct the investment portfolio in an efficient manner, the AIFM, with respect to the Compartment, has established a permanent credit facility with first class financial institution specialised in this kind of operation. The Compartment will be able to borrow, repay and reborrow amounts under the credit facility, subject to its items. The credit facilitator does have no recourse, for the satisfaction of its credit facility, against the other compartments of the Fund.

The maximum level of leverage which the AIFM is entitled to employ on behalf of the Compartment is 10 times of its Net Assets in accordance with the commitment method and 10 times of its total Net Assets in accordance with the gross method.

In the context of hedging its assets and liabilities, the Compartment may make use of the instruments described under Chapter II "Investment Instruments and Limits" in Part A "General Information".

Risk Management

Risk, while being a part of all investment products, is, to a certain extent, manageable for all investments, including leveraged asset funds. There is a relationship between the return on an asset and the risk of that asset in efficient markets. In order to realize a return in excess of the "risk-free" rate of return, an investor must bear a higher level of risk. The risk in leveraged products is naturally higher than the risk in unleveraged products.

The AIFM focuses on two primary areas of risk-control: proper asset allocation techniques and a sophisticated risk management philosophy. Asset allocation requires broad knowledge of the industry, its strengths and weaknesses, as well as specific allocation techniques. Risk management begins with establishing an internal trading policy for the investment that sets out specific expectations and parameters.

The AIFM will continuously monitor the risk parameters and expected volatility of the individual positions and the Compartment's aggregate portfolio in an effort to maximize risk-adjusted appreciation. The emphasis in the AIFM's trading will be on seeking to identify opportunities that the AIFM analyses as having superior risk/reward parameters. Additionally, the Compartment's overall portfolio will be periodically optimized in an effort to ensure that the inclusion over time of numerous investments which, considered individually, have attractive risk-adjusted expected returns, has not resulted in an over-concentration of the portfolio in any particular country, industry, instrument, strategy or market.

The AIFM will seek to control portfolio risks through selective and dynamic sizing of positions based on a regular evaluation of each investment's risk and reward characteristics and through the anticipation of the maximum risk associated with each investment. Continuous mark-to-market portfolio monitoring will help the AIFM to monitor the investments. Additionally, the AIFM will identify and hedge systemic portfolio risk, as well as individual position specific risk.

In an effort to enhance the Compartment's risk/reward profiles, the AIFM will typically attempt to hedge the risk exposures that are not expected to contribute to incremental performance. Hedging these risks in intended to increase the proportion of the Compartment's return attributable to perceived high value-added risk exposures.

The AIFM will not attempt to hedge all market or other risks inherent in the Compartment's positions. Specifically, the AIFM may choose not to hedge, or may deem it to be economically unattractive to hedge, certain risks including, without limitation, risks related to changes in interest rates, exchange rates, equity prices, volatility, credit spreads and liquidity as well as buy-in risk on short positions, either in respect of particular positions or in respect of the Fund's overall portfolio. There can be no assurance that the AIFM's risk management techniques and strategies will be successful at all times and in all market conditions.

The Compartment's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Compartment will be achieved. (See "Risk Factors").

Margin Arrangements and Counterparties

All transactions in listed futures and options will be subject to variation margin payments which will limit market risk exposure to the initial margin plus a variation margin. There shall be no counterparty risk, since the clearing house relating to the exchange where such instruments are listed shall stand as central counterparty. In addition, the Compartment will enter into OTC derivative transactions only with first ranking professional participants in the OTC derivative markets considered creditworthy by the AIFM ("Trading Counterparties").

OTC derivative transactions will be entered into on the basis of market standard international legal documentation (like ISDA Master Agreements and adequate standard transaction confirmations, or any other market standard documentation as required). OTC derivatives transactions shall be collateralised by use of international legal documentation such as ISDA Credit Support Annexes. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Moreover, repurchase and reverse repurchase transactions, as well as stock lending or borrowing transactions, will be entered into on the basis of standard PSA-ISMA, TBMA/ISMA, OSLA, GMSLA, EMA or any internationally recognised master agreement. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Sustainable finance disclosure regulation

Binding ESG criteria are not applied. Investors are invited to read chapter VII "General Information" for further information on the integration of ESG factors and sustainability risks.

2. GENERALITIES OF THE COMPARTMENT

Units

The Compartment is represented by several Classes of Units and all the Units of each Class have the same right. The Units shall, in principle, accumulate their results. Capital appreciation in the Net Assets existing at the end of the financial year of the Compartment will remain, in principle, invested in the Class; the AIFM at present does not intend to propose any dividend payments to Unitholders.

In addition, a Class of Units denominated Class "A" Units will be issued to a specialized investment fund denominated STORK FUND where a specific Class "A" $_{1...n}$ Units will be issued per sub-fund$_{1...n}$ of STORK FUND.

Going forward, the AIFM may issue different Classes with different set of rights.

Units shall be issued in registered form.

The Units are denominated in EUR.

Valuation Day / Net Asset Value Calculation

The Net Asset Value is calculated monthly, as follows:

(1) for the exclusive purpose of determining the prices of the Compartment's assets and liabilities, Valuation Day shall mean the last Business Day of each month; and

(2) for the purpose of calculating the Net Asset Value (taking into account interests on compartment's assets and liabilities), Valuation Day shall mean the last calendar day of each month.

Offerings

Offering may be decided by the AIFM as of the last Bank Business Day of every month at a Subscription Price based on the relevant Net Asset Value per Unit as of the Subscription Day.
The Subscription Price may be increased by a maximum 5% placement fee for the AIFM. The minimum initial subscription is set at:

- EUR 125.000,- for Class "A" Units;
- EUR 1.000.000,- for Class "O" Units.

With the consent of the AIFM, additional investments in the Compartment by existing investors may be accepted, provided that each additional investment must be at least equal to the minimum of EUR 125.000, unless the AIFM exercises its discretion to waive or reduce these minimum requirements.

Conversion of Class "O" Units

Unitholders may convert all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the " Conversion Day") while respecting the relevant notice period as specified below in the chapter "Notices and Payments".

In respect of each Class "O" Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Conversion of Class "A" Units

Notwithstanding the forgoing, Unitholders of Class "A" Units may convert all or part of their Class "A" Units on the first Business Day of each month (such Business Day to be referred to as the "Conversion Day") while respecting the notice period specified below in the chapter "Notices and Payments".

In respect of each Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Redemption of Class "O" Units

Unitholders may redeem all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the notice period specified below in the chapter "Notices and Payments". In respect of each Class "O" Unit

redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "O" Units.

Redemption of Class "A" Units

Notwithstanding the forgoing, Unitholders of Class "A" Units may redeem all or part of their Class "A" Units on the first Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the notice period specified below in the chapter "Notices and Payments". In respect of each Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "A" Units.

Notices and Payments

With respect to the written notice applicable for the issue, conversion and redemption of Units of the Compartment, the following provisions apply:

- For subscriptions:
  Duly completed and signed subscription forms received by the fund administrator (EUROPEAN FUND ADMINISTRATION, 2 Rue d'Alsace, P.O. Box 1725, L-1017 Luxembourg or by facsimile to +352 48 65 61 8002) in Luxembourg in principle no later than 5 p.m. Luxembourg Time on the third (3rd) Business Day preceding a Subscription Day will, if accepted, be dealt with on the basis of the relevant Net Asset Value established on such Valuation Day immediately preceding the Subscription Day.

- For Class "O" Units conversions :
  In order to be executed against the relevant Net Asset Value per Unit determined each month, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time
  - three (3) Business Days before prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into another Units issued by the same Compartment;
  - three (3) calendar month prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into Units issued or to be issued by another Compartment of the Fund.

  The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of conversion within the same Compartment while respecting equity amongst the Unitholders.

- For Class "A" Units conversions :
  Notwithstanding the forgoing, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day

immediately preceding the Conversion Day in order to be executed against the relevant Net Asset Value per Unit.

- For Class "O" Units redemptions :
  In order to be executed against the Net Asset Value per Unit determined each month, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time one (1) calendar month prior the preferred Redemption Day in order to be executed against the relevant Net Asset Value established on the Valuation Day immediately preceding such Redemption Day.

The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of redemption while respecting equity amongst the Unitholders.

- For Class "A" Units redemptions :
  Notwithstanding the forgoing, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the preferred Redemption Day in order to be executed against the relevant Net Asset Value per Unit established on the Valuation Day immediately preceding such Redemption Day.

With respect to payment for subscriptions, conversions and redemptions of Units, the following provisions apply, subject to what is provided in Chapter IV under *"the Units"*:

- For subscriptions:
  Payments for Units subscribed will be required to be received by the Depositary in EUR not later than 10:00 a.m. Luxembourg time on the last Business Day immediately preceding the relevant Subscription Day.

  If a payment for Units subscribed is not received no later 10 a.m. on the relevant Subscription Day, Units will be not issued and the AIFM can at its sole discretion cancel the subscription without any notification to the subscriber.

- For Class "A" or Class "O" conversions:
  To honor conversion requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of converted Units between the related Compartments will be made in EUR and take place in principle on the last Business Day of the month of the Conversion Day.

- For Class "O" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle on the last Business Day of the month of the Redemption Day.

- For Class "A" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle the last Bank Business Day of the month of the Redemption Day.

Reduced Annual Subscription Tax

The rate of the annual subscription tax is set at one cent per one hundred euros for CIGOGNE FUND – M&A Arbitrage, as regulated by article 68 of Law of February 13, 2007. CIGOGNE FUND – M&A Arbitrage Units are reserved for only one or more Well Informed Investors.

3. MANAGEMENT FEES / PERFORMANCE FEES

Management fee

Within thirty (30) Business Days after the end of each calendar six-month period (June 30 and December 31), the Compartment will disburse to the AIFM a fee equal to maximum 2% (in EURO, annualised using a actual/365 daycount) of the Net Assets valuated at the Valuation Date of such month, accruing every month in proportion to the value of the Net Assets over the month, after adjustment for the new subscriptions.

Performance fee for

The AIFM will be entitled to a performance fee equal to maximum 20% of the increase in the Net Asset Value of the relevant Class in issue in respect of each Performance Period but only to the extent that such increase exceeds the High Water Mark (both as defined below), (the "Performance Fee").

The Performance Fee of the relevant Class is calculated as a maximum of 20% of, if positive of (❶-❷ + ❸) where :

❶ is the aggregate Net Asset Value of the relevant Class at the end of that calendar year;

❷ is the High Water Mark;

❸ is the sum of the monthly net changes in the aggregate Net Asset Value of the relevant Class due to new subscription since the last Performance Fee payment compounded at a rate equal to the Performance Index. Note: an increase in the Net Assets is a positive net change.

The Performance Index is the 1-month Euribor index defined as the arithmetic figure of the 1-month Euribor at 11:00 a.m. (Brussels time) as appears on page : Bloomberg EUR001M Index (or Reuters EURIBOR01) on the first Business Day of each month.

The Performance Fee is calculated on a High Water Mark basis, which means that, if there are net losses in Units during a calculation period, such losses are carried forward in the following calculation period(s), and must be recovered before a further performance fee may be paid, taking into account the gains and losses attributable to subscribed and redeemed Units occurred in previous calculated periods.

The Performance Fee will normally be payable to the Management Company in arrears within 30 days of the end of each Calculation Period.

The Performance Period means the period beginning on the first calendar day of January and ending on the last calendar day of each December.

The High Water Mark means the previous highest aggregate Net Asset Value of the relevant Class at the time of the last performance fee payment (or in the event no prior performance fee has been paid, the initial investment assets) monthly compounded at a rate equal to the Performance Index (annualized using the actual/360 daycount method).

The Management Fee is paid to the AIFM whether or not the Compartment generates a profit. However, the performance fee is payable only on cumulative profits achieved from asset selection and trading.

Any fees paid will not be reimbursed despite net trading losses which might occur in subsequent twelve-month periods but no further performance fees will be payable until the Compartment recoups the trading losses (except trading losses attributable to redeemed Units) and achieves additional trading gains.

When a Compartment invests in funds managed by the same AIFM, these funds will not charge any placement fee on the assets invested by such Compartment. Moreover, the AIFM will not charge twice the performance fee.

In the case of a conversion, units which are acquired pursuant to transfer will be treated as if they were issued on the date of the acquisition for these purposes. In the event that a Unitholder redeems its Units prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Units will be deducted from the repurchase proceeds and paid to the AIFM promptly thereafter. The Performance Fee in respect of such Performance Period will be calculated by reference to the Net Asset Value before the deduction of any accrued Performance Fees.

The Management Company may, from time to time, and in its absolute discretion, decide to rebate all or part of the Management Fee and/or Performance Fee to any Unitholder. Any such rebates may be applied in paying cash to the Unitholder.

If CIGOGNE MANAGEMENT S.A. ceases to be the AIFM of the Fund (either by termination of any related agreement or by termination of the appointment) before 31 December in any year, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant period.

4. RISK FACTORS

An investment in the Compartment involves a high degree of risk, including the risk that the entire amount invested may be lost. The Compartment will invest in and actively trade securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity, fixed-income, commodity and currency markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equities, currencies and OTC derivatives markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment program will be successful, that the various investment strategies utilized will have low correlation with each other or that the Compartment's returns will exhibit low correlation with an investor's traditional securities portfolio. The Compartment may utilize such investment techniques as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Compartment's investment portfolio may be subject. Prospective investors should consider the following additional factors in determining whether an investment in the Compartment is a suitable investment :

GENERAL RISK FACTORS

Performance-Based Fee and Expenses. The annual Performance Fee paid to the AIFM on investment gains may create an incentive for the AIFM to cause the Compartment to make investments that are riskier or more speculative than would be the case if such fees were not paid.

In addition, since the Performance Fee will be calculated on a basis that includes unrealized appreciation of the Compartment's NAV, such fees may be greater than if they were based solely on realized gains.

Business Risk
There can be no assurance that the investment objectives of the Compartment will be achieved. The performance of the Compartment will be reliant on the success of the AIFM, which is an entity with no operating history in such investment management by which to evaluate its current and likely future performance.

Dependence on the Principals of the AIFM
The principals of the AIFM have authority to control the investment management of the Compartment. If, for any reason, the AIFM were to loose the services of these individuals, the Compartment might be adversely affected.

Potential Loss of Invested Capital
A Unitholder could lose all or substantially all of its investment in the Compartment. The Units are only suitable for investors willing to accept this risk. Prospective investors should carefully consider their portfolio objectives and their need to minimize the risk of large losses in evaluating an investment in the Units.

No investor should invest in the Compartment more than such investor can afford to lose. As a non-traditional investment, the Compartment is suitable only for a limited portion of an investor's portfolio. The Compartment does not purport to constitute a complete investment program, but rather only to serve as a diversification alternative intended to complement an investor's core holdings.

Potential Loss of Credit Facility
The Compartment intends using borrowed money to augment its investments in alternative strategies. Unavailability of such credit lines will reduce the potential trading gains sought by the Compartment (and limit the potential losses).

INVESTMENT STRATEGY RISK FACTORS

Merger Arbitrage

The Compartment, with respect to its merger arbitrage investments, generally could incur significant losses when proposed transactions are not consummated. The consummation of mergers, tender offers and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or shareholders of the target company, which often results in litigation to enjoin the proposed transaction; (ii) intervention of government agencies; (iii) efforts by the target company to pursue a defensive strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) an attempt by a third party to acquire the offeror; (v) in the case of a merger, failure to obtain the necessary shareholder approvals; (vi) market conditions resulting in material changes in securities prices; (vii) compliance with any applicable legal requirements; and (viii) inability to obtain adequate financing.

Event Driven Arbitrage

Fundamental Arbitrage. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully

recognized or acquired. While investments in undervalued securities offer the opportunities for high or above market capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

INVESTMENT TECHNIQUE RISK FACTORS

Short-term Market Considerations. The AIFM's trading decisions may be made on the basis of short-term market considerations. Therefore, the portfolio turnover rate could result in significant trading related expenses.

Leverage; Interest rates; Margin. The Compartment may utilize substantial leverage in its investment program, thereby maximizing its investment positions by borrowing funds to the fullest possible extent permitted by its regulations. As a result, the possibilities of profit and loss are increased. Borrowing money to purchase securities provides the Compartment with the advantages of leverage, but exposes it to greater market risks and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Compartment's NAV to increase faster that would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Compartment's NAV to decrease faster than would otherwise be the case.

Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of direct or indirect borrowings. The amount of leverage or borrowings which the Compartment may have outstanding at any time may therefore be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at which the Compartment can borrow in particular, will affect the operating results of the Compartment.

In general, the Compartment's use of short-term margin borrowings results in certain additional risks to the Compartment. For example, should the securities pledged to brokers to secure the Compartment's margin accounts decline in value, the Compartment could subject to a "margin call", pursuant to which the Compartment must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Compartment's assets, the Compartment might not be able to liquidate assets quickly enough to pay off its margin debt.

Short Selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the 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 the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Hedging Transactions. The Compartment may utilize a variety of financial instruments, such as derivatives, options, interest rate swap, caps and floors, futures and forward contracts, both for investment purposes and for risk management purposes. However, the AIFM is not obligated, and will not attempt to hedge all market or other risks inherent in the Compartment's positions. While the Compartment may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Compartment than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to

certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

INVESTMENT INSTRUMENT RISK FACTORS

Highly Volatile Markets. The prices of commodities contracts and all derivative instruments, including futures and options, can be highly volatile. Price movements of forward, futures and other derivative contracts in which the Compartment's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain, markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Compartment also is subject to the risk of failure of any exchange on which its positions trade or of their clearinghouses.

Swap Agreements. The Compartment may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Compartment's exposure to equity securities, long-term or short term interest rates, foreign currency values, corporate borrowing rates, or other factors. Swap agreements can take many different forms and are known by a variety of names.

Counterparty Risk. Some of the markets in which the Compartment may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based markets". To the extent the Compartment invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, the Compartment may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. This exposes the Compartment to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Compartment to suffer a loss. Such "counterparty risk" is accentuated for with longer maturities where events may intervene to prevent settlement, or where the Compartment has concentrated its transactions with a single or small group of counterparties. The Compartment is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Compartment to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Forward Contracts. The Compartment may enter into forward contracts which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forwarded contracts. Banks and other dealers with whom the Compartment may maintain accounts may require the Compartment to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Compartment's counterparties are not required to continue to make markets in such contracts.

There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which would otherwise be optimal, to the possible detriment of the Compartment.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE UNITHOLDERS SHOULD READ THIS ENTIRE CONFIDENTIAL MEMORANDUM AND THE FUND'S MANAGEMENT REGULATIONS AND CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE COMPARTMENT. IN ADDITION, AS THE FUND'S INVESTMENT PROGRAM DEVELOPS AND CHANGES OVER TIME, AN INVESTMENT IN THE FUND MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISK FACTORS.

5. CONFLICTS OF INTEREST

Due to the services which are or may be undertaken by the AIFM, the Administrative Agent, the Depositary, the Investment Advisor, conflicts of interest may arise.

The Investment Advisor, the AIFM, the Administrative Agent, the Depositary, any counterparty may provide similar services to others, provided that the services they provide to the Compartment are not impaired thereby.

The AIFM may undertake specific transactions with or through the Investment Advisor (such as swaps or any other derivatives transactions, repurchase or reverse-repurchase transactions, securities lending or –borrowing transactions), in which cases the Investment Advisor shall act in the best interests of the Fund, and in accordance with the agreement stating the terms and conditions of such advisory or brokerage service.

Part B: Specific Information – Compartment Particulars – CIGOGNE FUND – Fixed Income Arbitrage

The Compartment CIGOGNE FUND – Fixed Income Arbitrage (the "Compartment") is formed for an unlimited period.

The Compartment is denominated in EUR (the "Reference Currency").

For the purposes of this Compartment, "Business Days" means a day on which banks in Luxembourg are open for business.

1. INVESTMENT OBJECTIVES, STRATEGIES AND POLICIES OF THE COMPARTMENT

The investment objective of CIGOGNE FUND – Fixed Income Arbitrage, is to realize consistently high risk-adjusted appreciation in the value of its assets. The Compartment will seek to achieve its investment objective by primarily using fixed income arbitrage strategies on US, European and Japanese listed bonds.

Fixed Income Arbitrage is the investment strategy is designed to profit from identifying mispricings between correlated bonds or OTC products such as swaps, interest rates options.

The Compartment may invest in securities, warrants, bonds and other fixed-income securities. For the purpose of efficient portfolio management and for currency hedging in the context of the management of its assets and liabilities, the Compartment may engage, with collateral if necessary, in options, futures, swaps, securities lending or borrowing and other derivative instruments or techniques, traded on an exchange or over-the-counter, within the framework set forth in Chapter II 'Investment Instruments and Limits'.

To achieve its investment objectives and implement its investment strategies as described above, the Compartment shall hold both long and short positions on securities, provided that short sale is not permitted for another purpose than hedging positions in equity, convertible bonds, bonds, warrants, options or rights on equities. In addition, substantial leverage will be used in the investment program of the Compartment. Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of borrowings.

In particular, substantial leverage will be used when the Compartment holds a position in a deal which shows a superior risk/reward ratio or for which the potential for a successful conclusion have been evaluated as superior (see "Risk Management" below). Funding of such positions will be achieved either by the lending (respectively borrowing) of the securities which the Compartment has purchased (respectively has sold) or by entering in transactions in derivatives products such as (without limitations) equity swaps, equity options, contracts for difference.

The Compartment may sometimes concentrate its portfolio holdings in some industries or companies which, in light of investment considerations, market risks and other factors, the AIFM believes will provide the best opportunity for high risk-adjusted appreciation in the value of the Compartment's assets.

If considered appropriate to the investment strategy or for defensive purpose, the Compartment may invest in government securities, debt instruments securities and money market instruments and hold cash.

Fixed Income Arbitrage

Fixed Income arbitrage strategies are using debts securities issued by eurozone states, G-7 states, other issuer (supranational issuer, sovereign issuer, public issuer, guaranteed issuer, mortgage issuer, corporate issuer) with long term debt ranked at a BB- minimum according to one of the following notation agencies: Moody's, Standard & Poors , Fitch, Japan credit rating agency. These debts may be denominated in any currency.

Emerging sovereign issuers, banking and industrial bonds which do not satisfy the above rating criteria are excluded.

Fixed Income arbitrage strategies are carried out to benefit from mispricing amongst debt securities, amongst debt securities at interest rate swap curve, amongst debt securities and interest rates futures.

Any strategy used shall comply with the following constraints: minimise exposure to variation of the general level of interest rates as well as minimise exposure to deformation of interest rate maturity curve structure.

Fixed Income arbitrage strategies may use the same issuer securities denominated in different currencies or two issuer securities whose pieces are correlated on the same maturity and should go for convergence, or the same issuer securities with quite closed maturities dates.

Arbitrage strategies amongst debt securities and interest rate swap curve (or "swap spread") consist of buying (respectively selling) a debt security and to hedge the interest rate risk by selling (respectfully buying) an interest rate swap on the same maturity. These strategies are carried out to benefit from interest rate spread narrowing (respectively widening) between the debt security and the swap and/or to receive the positive return spread between the debt security and the swap.

Arbitrage strategies amongst debt securities and interest rate futures ("cash and carry") intent to benefit from the mispricing between the present price and the maturity price of the same debt security; since in fact the price of the interest rate futures reflects the maturity price' of the underlying debt security which is deliverable at maturity. Those strategies will be carried out exclusively on interest rates futures listed on regulated derivatives Exchanges, such as EUREX, LIFFE, CBOT, thus enabling the Compartment to benefit from the spread, caused by the deformation of the interest rate maturity curve structure, between the in accordance with the Exchange rules calculated price at maturity of the cheapest bond to deliver amongst the underlying bond portfolio of the futures contract, and the bond futures price.

Leverage and Correlation

To enhance return, the AIFM may use leverage strategies by entering into repurchase, reverse-repurchase agreements, securities borrowing or lending agreements, collateralized by the Compartment's assets and by utilizing the futures and options markets. The Compartment may from time to time be highly leveraged. While leverage can enhance the Compartment's expected return, it can also increase portfolio volatility.

If the income and investment gains on securities purchased with borrowed money exceed the interest paid on the borrowing, the Net Asset Value of the Compartment will rise faster than would otherwise be the case.
On the other hand, if the income and investment gains fail to cover the cost, including interest of borrowing, or if there are losses, the Compartment's Net Asset Value will decrease faster than otherwise would be the case.

In order to enable the Compartment to obtain the desired investment exposure in the investment strategies and to construct the investment portfolio in an efficient manner, the AIFM, with respect to the Compartment, has established a permanent credit facility with first class financial institution specialised in this kind of operations. The Compartment will be able to borrow, repay and reborrow amounts under the credit facility, subject to its items. The credit facilitator does have no recourse, for the satisfaction of its credit facility, against the other compartments of the Fund.

The maximum level of leverage which the AIFM is entitled to employ on behalf of the Compartment is 50 times of its Net Assets in accordance with the commitment method and 100 times of its total Net Assets in accordance with the gross method.

In the context of hedging its assets and liabilities, the Compartment may make use of the instruments described under Chapter II "Investment Instruments and Limits" in Part A "General Information".

Risk Management

Risk, while being a part of all investment products, is, to a certain extent, manageable for all investments, including leveraged asset funds. There is a relationship between the return on an asset and the risk of that asset in efficient markets. In order to realize a return in excess of the "risk-free" rate of return, an investor must bear a higher level of risk. The risk in leveraged products is naturally higher than the risk in unleveraged products.

The AIFM focuses on two primary areas of risk-control: proper asset allocation techniques and a sophisticated risk management philosophy. Asset allocation requires broad knowledge of the industry, its strengths and weaknesses, as well as specific allocation techniques. Risk management begins with establishing an internal trading policy for the investment that sets out specific expectations and parameters.

The AIFM will continuously monitor the risk parameters and expected volatility of the individual positions and the Compartment's aggregate portfolio in an effort to maximize risk-adjusted appreciation. The emphasis in the AIFM's trading will be on seeking to identify opportunities that the AIFM analyses as having superior risk/reward parameters. Additionally, the Compartment's overall portfolio will be periodically optimized in an effort to ensure that the inclusion over time of numerous investments which, considered individually, have attractive risk-adjusted expected returns, has not resulted in an over-concentration of the portfolio in any particular country, industry, instrument, strategy or market.

The AIFM will seek to control portfolio risks through selective and dynamic sizing of positions based on a regular evaluation of each investment's risk and reward characteristics and through the anticipation of the maximum risk associated with each investment. Continuous mark-to-market portfolio monitoring will help the AIFM to monitor the investments. Additionally, the AIFM will identify and hedge systemic portfolio risk, as well as individual position specific risk.

In an effort to enhance the Compartment's risk/reward profiles, the AIFM will typically attempt to hedge the risk exposures that are not expected to contribute to incremental performance. Hedging

these risks in intended to increase the proportion of the Compartment's return attributable to perceived high value-added risk exposures.

The AIFM will not attempt to hedge all market or other risks inherent in the Compartment's positions. Specifically, the AIFM may choose not to hedge, or may deem it to be economically unattractive to hedge, certain risks including, without limitation, risks related to changes in interest rates, exchange rates, equity prices, volatility, credit spreads and liquidity as well as buy-in risk on short positions, either in respect of particular positions or in respect of the Fund's overall portfolio. There can be no assurance that the AIFM's risk management techniques and strategies will be successful at all times and in all market conditions.

The Compartment's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Compartment will be achieved. (See "Risk Factors").

Margin Arrangements and Counterparties

All transactions in listed futures and options will be subject to variation margin payments which will limit market risk exposure to the initial margin plus a variation margin. There shall be no counterparty risk, since the clearing house relating to the exchange where such instruments are listed shall stand as central counterparty. In addition, the Compartment will enter into OTC derivative transactions only with first ranking professional participants in the OTC derivative markets considered creditworthy by the AIFM ("Trading Counterparties").

OTC derivative transactions will be entered into on the basis of market standard international legal documentation (like ISDA Master Agreements and adequate standard transaction confirmations, or any other market standard documentation as required). OTC derivatives transactions shall be collateralised by use of international legal documentation such as ISDA Credit Support Annexes. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Moreover, repurchase and reverse repurchase transactions, as well as stock lending or borrowing transactions, will be entered into on the basis of standard PSA-ISMA, TBMA/ISMA, OSLA, GMSLA, EMA or any internationally recognised master agreement. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Sustainable finance disclosure regulation

Binding ESG criteria are not applied. Investors are invited to read chapter VII "General Information" for further information on the integration of ESG factors and sustainability risks.

2. GENERALITIES OF THE COMPARTMENT

Units

The Compartment is represented by several Classes of Units and all the Units of each that Class have the same rights. The Units shall, in principle, accumulate their results. Capital appreciation in the Net Assets existing at the end of the financial year of the Compartment will remain, in principle, invested in the Class; the AIFM at present does not intend to propose any dividend payments to Unitholders.

In addition, a Class of Units denominated Class "A" Units will be issued to a specialized investment fund denominated STORK FUND where a specific Class "A" $_{1...n}$ Units will be issued per sub-fund$_{1...n}$ of STORK FUND.

Going forward, the AIFM may issue different Classes with different set of rights.

Units shall be issued in registered form.

The Units are denominated in EUR.

Valuation Day / Net Asset Value Calculation

The Net Asset Value is calculated monthly, as follows:

(1) for the exclusive purpose of determining the prices of the Compartment's assets and liabilities, Valuation Day shall mean the last Business Day of each month; and

(2) for the purpose of calculating the Net Asset Value (taking into account interests on compartment's assets and liabilities), Valuation Day shall mean the last calendar day of each month.

Offerings

Offering may be decided by the AIFM as of the last Calendar Business Day of every month at a Subscription Price based on the relevant Net Asset Value per Unit as of the Subscription Day.

The Subscription Price may be increased by a maximum 5% placement fee for the AIFM. The minimum initial subscription is set at:

- EUR 125.000,- for Class "A" Units;
- EUR 1.000.000,- for Class "O" Units.

With the consent of the AIFM, additional investments in the Compartment by existing investors may be accepted, provided that each additional investment must be at least equal to the minimum of EUR 125.000, unless the AIFM exercises its discretion to waive or reduce these minimum requirements.

Conversion of Class "O" Units

Unitholders may convert all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the "Conversion Day") while respecting the relevant notice period as specified below in the chapter "Notices and Payments".

In respect of each Class "O" Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion

fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Conversion of Class "A" Units

Notwithstanding the forgoing, Unitholders of Class "A" Units may convert all or part of their Class "A" Units on the first Business Day (such Business Day to be referred to as the "Conversion Day") while respecting the notice period specified below in the chapter "Notices and Payments".

In respect of each Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Redemption of Class "O" Units

Unitholders may redeem all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the notice period specified below in the chapter "Notices and Payments". In respect of each Class "O" Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "O" Units.

Redemption of Class "A" Units

Notwithstanding the foregoing, unitholders of Class "A" Units may redeem all or part of their Class "A" Units on the first Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the notice period specified below in the chapter "Notices and Payments". In respect of each Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "A" Units.

Notices and Payments

With respect to the written notice applicable for the issue, conversion and redemption of Units of the Compartment, the following provisions apply:

- For subscriptions:

Duly completed and signed subscription forms received by the fund administrator (EUROPEAN FUND ADMINISTRATION, 2 Rue d'Alsace, P.O. Box 1725, L-1017 Luxembourg or by facsimile to +352 48 65 61 8002) in Luxembourg in principle no later than 5 p.m. Luxembourg Time on the third (3rd) Business Day preceding a Subscription Day will, if accepted, be dealt with on the basis of the relevant Net Asset Value established on such Valuation Day immediately preceding.

- For Class "O" Units conversions :
  In order to be executed against the Net Asset Value per Unit determined each month, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time
  - three (3) Business Days before prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into another Units issued by the same Compartment;
  - three (3) calendar months prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into Units issued or to be issued by another Compartment of the Fund.

  The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of conversion within the same Compartment while respecting equity amongst the Unitholders.

- For Class "A" Units conversions :
  Notwithstanding the forgoing, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the Conversion Day in order to be executed against the relevant Net Asset Value per Unit.

- For Class "O" Units redemptions :
  In order to be executed against the Net Asset Value per Unit determined each month, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time three (3) calendar months prior the preferred Redemption Day in order to be executed against the relevant Net Asset Value established on the Valuation Day immediately preceding such Redemption Day.

The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of redemption while respecting equity amongst the Unitholders.

- For Class "A" Units redemptions :
  Notwithstanding the forgoing, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the preferred Redemption Day in order to be executed against the relevant Net Asset Value per Unit established on the Valuation Day immediately preceding such Redemption Day.

With respect to payment for subscriptions, conversions and redemptions of Units, the following provisions apply, subject to what is provided in Chapter IV under *"the Units" :*

- For subscriptions:
  Payments for Units subscribed will be required to be received by the Depositary in EUR not later than 10:00 a.m. Luxembourg time on the Business Day immediately preceding the relevant Subscription Day.

If a payment for Units subscribed is not received no later 10 a.m. on the relevant Subscription Day, Units will be not issued and the AIFM can at its sole discretion cancel the subscription without any notification to the subscriber.

- For Class "A" or Class "O" conversions:
  To honor conversion requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of converted Units will be made in EUR and take place in principle on the last Business Day of the month of the Conversion Day.

- For Class "O" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle on the last Business Day of the month of the Redemption Day.

- For Class "A" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle the last Bank Business Day of the month of the Redemption Day.

Reduced Annual Subscription Tax

The rate of the annual subscription tax is set at one cent per one hundred euros for CIGOGNE FUND – Fixed Income Arbitrage, as regulated by article 68 of Law of February 13, 2007.

CIGOGNE FUND – Fixed Income Arbitrage Units are reserved for only one or more qualified institutional investors.

3. MANAGEMENT FEES / PERFORMANCE FEES

Management fee

Within thirty (30) Business Days after the end of each calendar six-month period (June 30 and December 31), the Compartment will disburse to the AIFM a fee equal to maximum 2% (in EURO, annualised using a actual/365 daycount) of the Net Assets valuated at the Valuation Date of such month, accruing every month in proportion to the value of the Net Assets over the month after adjustment for the new subscriptions.

Performance fee

The AIFM will be entitled to a performance fee equal to maximum 20% of the increase in the Net Asset Value of the relevant Class in issue in respect of each Performance Period but only to the extent that such increase exceeds the High Water Mark (both as defined below), (the "Performance Fee").

The Performance Fee of the relevant Class is calculated as a maximum of 20%, if positive of (❶-❷+❸) where :

❶ is the aggregate Net Asset Value of the relevant Class at the end of that calendar year;

❷ is the High Water Mark;

❸ is the sum of the monthly net changes in the aggregate Net Asset Value of the relevant Class due to new subscription since the last Performance Fee payment compounded at a rate equal to the Performance Index. Note: an increase in the Net Assets is a positive net change.

The Performance Index is the 1-month Euribor index defined as the arithmetic figure of the 1-month Euribor at 11:00 a.m. (Brussels time) as appears on page : Bloomberg EUR001M Index (or Reuters EURIBOR01) on the first Business Day of each month.

The Performance Fee is calculated on a High Water Mark basis, which means that, if there are net losses in Units during a calculation period, such losses are carried forward in the following calculation period(s), and must be recovered before a further performance fee may be paid, taking into account the gains and losses attributable to subscribed and redeemed Units occurred in previous calculated periods.

The Performance Fee will normally be payable to the Management Company in arrears within 30 days of the end of each Calculation Period.

The Performance Period means the period beginning on the first calendar day of January and ending on the last calendar day of each December.

The High Water Mark means the previous highest aggregate Net Asset Value of the relevant Class at the time of the last performance fee payment (or in the event no prior performance fee has been paid, the initial investment assets) monthly compounded at a rate equal to the Performance Index (annualized using the actual/360 daycount method).
The Management Fee is paid to the AIFM whether or not the Compartment generates a profit. However, the performance fee is payable only on cumulative profits achieved from asset selection and trading.

Any fees paid will not be reimbursed despite net trading losses which might occur in subsequent twelve-month periods but no further performance fees will be payable until the Compartment recoups the trading losses (except trading losses attributable to redeemed Units) and achieves additional trading gains.

When a Compartment invests in funds managed by the same AIFM, these funds will not charge any placement fee on the assets invested by such Compartment. Moreover, the AIFM will not charge twice the performance fee.

In the case of a conversion, units which are acquired pursuant to transfer will be treated as if they were issued on the date of the acquisition for these purposes. In the event that a Unitholder redeems its Units prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Units will be deducted from the repurchase proceeds and paid to the AIFM promptly thereafter. The Performance Fee in respect of such Performance Period will be calculated by reference to the Net Asset Value before the deduction of any accrued Performance Fees.

The Management Company may, from time to time, and in its absolute discretion, decide to rebate all or part of the Management Fee and/or Performance Fee to any Unitholder. Any such rebates may be applied in paying cash to the Unitholder.

If CIGOGNE MANAGEMENT S.A. ceases to be the AIFM of the Fund (either by termination of any related agreement or by termination of the appointment) before 31 December in any year, the

Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant period.

4. RISK FACTORS

An investment in the Compartment involves a high degree of risk, including the risk that the entire amount invested may be lost. The Compartment will invest in and actively trade securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the fixed-income, commodity and currency markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equities, currencies and OTC derivatives markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment program will be successful, that the various investment strategies utilized will have low correlation with each other or that the Compartment's returns will exhibit low correlation with an investor's traditional securities portfolio. The Compartment may utilize such investment techniques as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Compartment's investment portfolio may be subject. Prospective investors should consider the following additional factors in determining whether an investment in the Compartment is a suitable investment :

GENERAL RISK FACTORS

Performance-Based Fee and Expenses. The annual Performance Fee paid to the AIFM on investment gains may create an incentive for the AIFM to cause the Compartment to make investments that are riskier or more speculative than would be the case if such fees were not paid. In addition, since the Performance Fee will be calculated on a basis that includes unrealized appreciation of the Compartment's NAV, such fees may be greater than if they were based solely on realized gains.

Business Risk
There can be no assurance that the investment objectives of the Compartment will be achieved. The performance of the Compartment will be reliant on the success of the AIFM, which is an entity with no operating history in such investment management by which to evaluate its current and likely future performance.

Dependence on the Principals of the AIFM
The principals of the AIFM have authority to control the investment management of the Compartment. If, for any reason, the AIFM were to loose the services of these individuals, the Compartment might be adversely affected.

Potential Loss of Invested Capital
A Unitholder could lose all or substantially all of its investment in the Compartment. The Units are only suitable for investors willing to accept this risk. Prospective investors should carefully consider their portfolio objectives and their need to minimize the risk of large losses in evaluating an investment in the Units.

No investor should invest in the Compartment more than such investor can afford to lose. As a non-traditional investment, the Compartment is suitable only for a limited portion of an investor's portfolio. The Compartment does not purport to constitute a complete investment program, but

rather only to serve as a diversification alternative intended to complement an investor's core holdings.

Potential Loss of Credit Facility
The Compartment intends using borrowed money to augment its investments in alternative strategies. Unavailability of such credit lines will reduce the potential trading gains sought by the Compartment (and limit the potential losses).

INVESTMENT STRATEGY RISK FACTORS

Fundamental Arbitrage. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for high or above market capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses.

INVESTMENT TECHNIQUE RISK FACTORS

Short-term Market Considerations. The AIFM's trading decisions may be made on the basis of short-term market considerations. Therefore, the portfolio turnover rate could result in significant trading related expenses.

Leverage; Interest rates; Margin. The Compartment may utilize substantial leverage in its investment program, thereby maximizing its investment positions by borrowing funds to the fullest possible extent permitted by its regulations. As a result, the possibilities of profit and loss are increased. Borrowing money to purchase securities provides the Compartment with the advantages of leverage, but exposes it to greater market risks and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Compartment's NAV to increase faster that would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Compartment's NAV to decrease faster than would otherwise be the case.

Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of direct or indirect borrowings. The amount of leverage or borrowings which the Compartment may have outstanding at any time may therefore be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at which the Compartment can borrow in particular, will affect the operating results of the Compartment.

In general, the Compartment's use of short-term margin borrowings results in certain additional risks to the Compartment. For example, should the securities pledged to brokers to secure the Compartment's margin accounts decline in value, the Compartment could subject to a "margin call", pursuant to which the Compartment must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Compartment's assets, the Compartment might not be able to liquidate assets quickly enough to pay off its margin debt.

Short Selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the 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 the costs of borrowing

the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Hedging Transactions. The Compartment may utilize a variety of financial instruments, such as derivatives, options, interest rate swap, caps and floors, futures and forward contracts, both for investment purposes and for risk management purposes. However, the AIFM is not obligated, and will not attempt to hedge all market or other risks inherent in the Compartment's positions. While the Compartment may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Compartment than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

INVESTMENT INSTRUMENT RISK FACTORS

Highly Volatile Markets. The prices of commodities contracts and all derivative instruments, including futures and options, can be highly volatile. Price movements of forward, futures and other derivative contracts in which the Compartment's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain, markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Compartment also is subject to the risk of failure of any exchange on which its positions trade or of their clearinghouses.

Swap Agreements. The Compartment may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Compartment's exposure to equity securities, long-term or short term interest rates, foreign currency values, corporate borrowing rates, or other factors. Swap agreements can take many different forms and are known by a variety of names.

Counterparty Risk. Some of the markets in which the Compartment may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based markets". To the extent the Compartment invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, the Compartment may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. This exposes the Compartment to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Compartment to suffer a loss. Such "counterparty risk" is accentuated for with longer maturities where events may intervene to prevent settlement, or where the Compartment has concentrated its transactions with a single or

small group of counterparties. The Compartment is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Compartment to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Forward Contracts. The Compartment may enter into forward contracts which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forwarded contracts. Banks and other dealers with whom the Compartment may maintain accounts may require the Compartment to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Compartment's counterparties are not required to continue to make markets in such contracts.

There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which would otherwise be optimal, to the possible detriment of the Compartment.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE UNITHOLDERS SHOULD READ THIS ENTIRE CONFIDENTIAL MEMORANDUM AND THE FUND'S MANAGEMENT REGULATIONS AND CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE COMPARTMENT. IN ADDITION, AS THE FUND'S INVESTMENT PROGRAM DEVELOPS AND CHANGES OVER TIME, AN INVESTMENT IN THE FUND MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISK FACTORS.

5. CONFLICTS OF INTEREST

Due to the services which are or may be undertaken by the AIFM, the Administrative Agent, the Depositary, the Investment Advisor, conflicts of interest may arise.

The Investment Advisor, the AIFM, the Administrative Agent, the Depositary, any counterparty may provide similar services to others, provided that the services they provide to the Compartment are not impaired thereby.

The AIFM may undertake specific transactions with or through the Investment Advisor (such as swaps or any other derivatives transactions, repurchase or reverse-repurchase transactions, securities lending or –borrowing transactions), in which cases the Investment Advisor shall act in the best interests of the Fund, and in accordance with the agreement stating the terms and conditions of such advisory or brokerage service.

CIGOGNE FUND – ABS / MBS Arbitrage

Part B: Specific Information – Compartment Particulars – CIGOGNE FUND –ABS / MBS Arbitrage

The Compartment CIGOGNE FUND – ABS / MBS Arbitrage (the "Compartment") is formed for an unlimited period.

The Compartment is denominated in EUR (the "Reference Currency").

For the purposes of this Compartment, "Business Days" means a day on which banks in Luxembourg are open for business.

1. INVESTMENT OBJECTIVES, STRATEGIES AND POLICIES OF THE COMPARTMENT

The investment objective of CIGOGNE FUND – ABS / MBS Arbitrage, is to realize consistently high risk-adjusted appreciation in the value of its assets. The Compartment will seek to achieve its investment objective by primarily using ABS and MBS arbitrage strategies on US, European and Japanese listed bonds.

ABS and MBS Arbitrage is an investment strategy that is designed to profit from mispricing in spread on these products and consists of constructing a balanced portfolio of Mortgage / Asset Backed Securities and mortgage derivatives with high spreads, and managing interest rate and prepayment risks of these securities in order to extract the spreads they offer.

The portfolio will include mostly mortgage backed securities issued by U.S. federal agencies (GNMA, FNMA and FHLMC) and/or by private issuers rated in the highest investment category by rating agencies, and their derivatives, as well as asset backed securities issued by corporate issuers rated in the high investment category, and their derivatives.

The Compartment may invest in securities, warrants, bonds and other fixed-income securities. For the purpose of efficient portfolio management and for currency hedging in the context of the management of its assets and liabilities, the Compartment may engage, with collateral if necessary, in options, futures, swaps, securities lending or borrowing and other derivative instruments or techniques, traded on an exchange or over-the-counter, within the framework set forth in Chapter II 'Investment Instruments and Limits'.

To achieve its investment objectives and implement its investment strategies as described above, the Compartment shall hold either long or short positions on securities, or both long and short positions on securities, provided that short sale is not permitted for another purpose than hedging positions in equity, convertible bonds, bonds, warrants, options or rights on equities. In addition, substantial leverage will be used in the investment program of the Compartment. Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of borrowings.

In particular, substantial leverage will be used when the Compartment holds a position in a deal which shows a superior risk/reward ratio or for which the potential for a successful conclusion have been evaluated as superior (see "Risk Management" below).

Funding of such positions will be achieved either by the lending (respectively borrowing) of the securities which the Compartment has purchased (respectively has sold) or by entering in

transactions in derivatives products such as (without limitations) equity swaps, equity options, contracts for difference.

The Compartment may sometimes concentrate its portfolio holdings in some industries or companies which, in light of investment considerations, market risks and other factors, the AIFM believes will provide the best opportunity for high risk-adjusted appreciation in the value of the Compartment's assets.

If considered appropriate to the investment strategy or for defensive purpose, the Compartment may invest in government securities, debt instruments securities and money market instruments and hold cash.

Leverage and Correlation

To enhance return, the AIFM may use leverage strategies by entering into repurchase, reverse-repurchase agreements, securities borrowing or lending agreements, collateralized by the Compartment's assets and by utilizing the futures and options markets. The Compartment may from time to time be highly leveraged. While leverage can enhance the Compartment's expected return, it can also increase portfolio volatility.

If the income and investment gains on securities purchased with borrowed money exceed the interest paid on the borrowing, the Net Asset Value of the Compartment will rise faster than would otherwise be the case.

On the other hand, if the income and investment gains fail to cover the cost, including interest of borrowing, or if there are losses, the Compartment's Net Asset Value will decrease faster than otherwise would be the case.

In order to enable the Compartment to obtain the desired investment exposure in the investment strategies and to construct the investment portfolio in an efficient manner, the AIFM, with respect to the Compartment, has established a permanent credit facility with first class financial institution specialised in this kind of operation. The Compartment will be able to borrow, repay and reborrow amounts under the credit facility, subject to its items. The credit facilitator does have no recourse, for the satisfaction of its credit facility, against the other compartments of the Fund.

The maximum level of leverage which the AIFM is entitled to employ on behalf of the Compartment is 30 times of its Net Assets in accordance with the commitment method and 60 times of its total Net Assets in accordance with the gross method.
In the context of hedging its assets and liabilities, the Compartment may make use of the instruments described under Chapter II "Investment Instruments and Limits" in Part A "General Information".

Risk Management

Risk, while being a part of all investment products, is, to a certain extent, manageable for all investments, including leveraged asset funds. There is a relationship between the return on an asset and the risk of that asset in efficient markets. In order to realize a return in excess of the "risk-free" rate of return, an investor must bear a higher level of risk. The risk in leveraged products is naturally higher than the risk in unleveraged products.

The AIFM focuses on two primary areas of risk-control: proper asset allocation techniques and a sophisticated risk management philosophy. Asset allocation requires broad knowledge of the industry, its strengths and weaknesses, as well as specific allocation techniques. Risk management

begins with establishing an internal trading policy for the investment that sets out specific expectations and parameters.

The AIFM will continuously monitor the risk parameters and expected volatility of the individual positions and the Compartment's aggregate portfolio in an effort to maximize risk-adjusted appreciation. The emphasis in the AIFM's trading will be on seeking to identify opportunities that the AIFM analyses as having superior risk/reward parameters. Additionally, the Compartment's overall portfolio will be periodically optimized in an effort to ensure that the inclusion over time of numerous investments which, considered individually, have attractive risk-adjusted expected returns, has not resulted in an over-concentration of the portfolio in any particular country, industry, instrument, strategy or market.

The AIFM will seek to control portfolio risks through selective and dynamic sizing of positions based on a regular evaluation of each investment's risk and reward characteristics and through the anticipation of the maximum risk associated with each investment. Continuous mark-to-market portfolio monitoring will help the AIFM to monitor the investments. Additionally, the AIFM will identify and hedge systemic portfolio risk, as well as individual position specific risk.

In an effort to enhance the Compartment's risk/reward profiles, the AIFM will typically attempt to hedge the risk exposures that are not expected to contribute to incremental performance. Hedging these risks in intended to increase the proportion of the Compartment's return attributable to perceived high value-added risk exposures.

The AIFM will not attempt to hedge all market or other risks inherent in the Compartment's positions. Specifically, the AIFM may choose not to hedge, or may deem it to be economically unattractive to hedge, certain risks including, without limitation, risks related to changes in interest rates, exchange rates, equity prices, volatility, credit spreads and liquidity as well as buy-in risk on short positions, either in respect of particular positions or in respect of the Fund's overall portfolio. There can be no assurance that the AIFM's risk management techniques and strategies will be successful at all times and in all market conditions.

The Compartment's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Compartment will be achieved. (See "Risk Factors").

Margin Arrangements and Counterparties

All transactions in listed futures and options will be subject to variation margin payments which will limit market risk exposure to the initial margin plus a variation margin. There shall be no counterparty risk, since the clearing house relating to the exchange where such instruments are listed shall stand as central counterparty. In addition, the Compartment will enter into OTC derivative transactions only with first ranking professional participants in the OTC derivative markets considered creditworthy by the AIFM ("Trading Counterparties").

OTC derivative transactions will be entered into on the basis of market standard international legal documentation (like ISDA Master Agreements and adequate standard transaction confirmations, or any other market standard documentation as required). OTC derivatives transactions shall be collateralised by use of international legal documentation such as ISDA Credit Support Annexes. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Moreover, repurchase and reverse repurchase transactions, as well as stock lending or borrowing transactions, will be entered into on the basis of standard PSA-ISMA, TBMA/ISMA, OSLA, GMSLA, EMA or any internationally recognised master agreement. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Sustainable finance disclosure regulation

Binding ESG criteria are not applied. Investors are invited to read chapter VII "General Information" for further information on the integration of ESG factors and sustainability risks.

2. GENERALITIES OF THE COMPARTMENT

Units

The Compartment is represented by several Classes of Units and all the Units of each that Class have the same rights. The Units shall, in principle, accumulate their results. Capital appreciation in the Net Assets existing at the end of the financial year of the Compartment will remain, in principle, invested in the Class; the AIFM at present does not intend to propose any dividend payments to Unitholders.

In addition, a Class of Units denominated Class "A" Units will be issued to a specialized investment fund denominated STORK FUND where a specific Class "A" $_{1...n}$ Units will be issued per sub-fund$_{1...n}$ of STORK FUND.

Going forward, the AIFM may issue different Classes with different set of rights.

Units shall be issued in registered form.

The Units are denominated in EUR.

Valuation Day / Net Asset Value Calculation

The Net Asset Value is calculated monthly, as follows:

(1) for the exclusive purpose of determining the prices of the Compartment's assets and liabilities, Valuation Day shall mean the last Business Day of each month; and

(2) for the purpose of calculating the Net Asset Value (taking into account interests on compartment's assets and liabilities), Valuation Day shall mean the last calendar day of each month.

Offerings

Offering may be decided by the AIFM as of the last Bank Business Day of every month at a Subscription Price based on the relevant Net Asset Value per Unit as of the Subscription Day.

The Subscription Price may be increased by a maximum 5% placement fee for the AIFM. The minimum initial subscription is set at:

- EUR 125.000,- for Class "A" Units;
- EUR 1.000.000,- for Class "O" Units.

With the consent of the AIFM, additional investments in the Compartment by existing investors may be accepted, provided that each additional investment must be at least equal to the minimum of EUR 125.000, unless the AIFM exercises its discretion to waive or reduce these minimum requirements.

Conversion of Class "O" Units

Unitholders may convert all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the "Units Conversion Day") while respecting the relevant notice period as specified below in the chapter "Notices and Payments".

In respect of each Class "O" Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Conversion of Class "A" Units

Notwithstanding the forgoing, Unitholders of Class "A" Units may convert all or part of their Class "A" Units on the last Business Day of each month (such Business Day to be referred to as the "Conversion Day") while respecting the relevant notice period as specified below in the chapter "Notices and Payments".

In respect of each Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Redemption of Class "O" Units

Unitholders may redeem all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the relevant notice period specified below in the chapter "Notices and Payments". In respect of each Class "O" Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "O" Units.

Redemption of Class "A" Units

Notwithstanding the foregoing, unitholders of Class "A" Units may redeem all or part of their Class "A" Units on the last Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the relevant notice period specified below in the chapter "Notices and Payments". In respect of each Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition,

the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "A"Units.

Notices and Payments

With respect to the written notice applicable for the issue, conversion and redemption of Units of the Compartment, the following provisions apply:

- For subscriptions:
  Duly completed and signed subscription forms received by the fund administrator (EUROPEAN FUND ADMINISTRATION, 2 Rue d'Alsace, P.O. Box 1725, L-1017 Luxembourg or by facsimile to +352 48 65 61 8002) in Luxembourg in principle no later than 5 p.m. Luxembourg Time on the third (3rd) Business Day preceding a Subscription Day will, if accepted, be dealt with on the basis of the relevant Net Asset Value established on such Valuation Day immediately preceding.

- For Class "O" Units conversions :
  In order to be executed against the Net Asset Value per Unit determined each month, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time
  - three (3) Business Days before prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into another Units issued by the same Compartment;
  - three (3) calendar months prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into Units issued or to be issued by another Compartment of the Fund.

  The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of conversion within the same Compartment while respecting equity amongst the Unitholders.

- For Class "A" Units conversions :
  Notwithstanding the forgoing, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the Conversion Day in order to be executed against the relevant Net Asset Value per Unit.

- For Class "O" Units redemptions :
  In order to be executed against the Net Asset Value per Unit determined each month, any request for redemption must be received in principle not later than 5 p.m. Luxembourg time three (3) calendar months prior the preferred Redemption Day in order to be executed against the relevant Net Asset Value established on the Valuation Day immediately preceding such Redemption Day.

The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of redemption while respecting equity amongst the Unitholders.

- For Class "A" Units redemptions :
  Notwithstanding the forgoing, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the preferred Redemption Day in order to be executed against the relevant Net Asset Value per Unit established on the Valuation Day immediately preceding such Redemption Day.

With respect to payment for subscriptions, conversions and redemptions of Units, the following provisions apply, subject to what is provided in Chapter IV under *"the Units" :*

- For subscriptions:
  Payments for Units subscribed will be required to be received by the Depositary in EUR not later than 10:00 a.m. Luxembourg time on the last Business Day immediately preceding the relevant Subscription Day.

  If a payment for Units subscribed is not received no later 10 a.m. on the relevant Subscription Day, Units will be not issued and the AIFM can at its sole discretion cancel the subscription without any notification to the subscriber.

- For Class "A" or Class "O" conversions:
  To honor conversion requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of converted Units between the related Compartments will be made in EUR and take place in principle on the last Business Day of the month of the Conversion Day.

- For Class "O" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle on the last Business Day of the month of the Redemption Day.

- For Class "A" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle the last Bank Business Day of the month of the Redemption Day.

Reduced Annual Subscription Tax

The rate of the annual subscription tax is set at one cent per one hundred euros for CIGOGNE FUND – ABS / MBS Arbitrage, as regulated by article 68 of Law of February 13, 2007. CIGOGNE FUND – ABS / MBS Arbitrage Units are reserved for only one or more Well Informed Investors.

3. MANAGEMENT FEES / PERFORMANCE FEES

Management fee

Within thirty (30) Business Days after the end of each calendar six-month period (June 30 and December 31), the Compartment will disburse to the AIFM a fee equal to maximum 2% (in EURO, annualised using a actual/365 daycount) of the Net Assets valuated at the Valuation Date of such month, accruing every month in proportion to the value of the Net Assets over the month after adjustment for the new subscriptions.

Performance fee for

The AIFM will be entitled to a performance fee equal to maximum 20% of the increase in the Net Asset Value of the relevant Class in issue in respect of each Performance Period but only to the extent that such increase exceeds the High Water Mark (both as defined below), (the "Performance Fee").

The Performance Fee of the relevant Class is calculated as a maximum of 20%, if positive of (❶- ❷ + ❸) where :

❶ is the aggregate Net Asset Value of the relevant Class at the end of that calendar year;

❷ is the High Water Mark;

❸ is the sum of the monthly net changes in the aggregate Net Asset Value of the relevant Class due to new subscription since the last Performance Fee payment compounded at a rate equal to the Performance Index. Note: an increase in the Net Assets is a positive net change.

The Performance Index is the 1-month Euribor index defined as the arithmetic figure of the 1-month Euribor at 11:00 a.m. (Brussels time) as appears on page : Bloomberg EUR001M Index (or Reuters EURIBOR01) on the first Business Day of each month.

The Performance Fee is calculated on a High Water Mark basis, which means that, if there are net losses in Units during a calculation period, such losses are carried forward in the following calculation period(s), and must be recovered before a further performance fee may be paid, taking into account the gains and losses attributable to subscribed and redeemed Units occurred in previous calculated periods.

The Performance Fee will normally be payable to the Management Company in arrears within 30 days of the end of each Calculation Period.

The Performance Period means the period beginning on the first calendar day of January and ending on the last calendar day of each December.

The High Water Mark means the previous highest aggregate Net Asset Value of the relevant Class at the time of the last performance fee payment (or in the event no prior performance fee has been paid, the initial investment assets) monthly compounded at a rate equal to the Performance Index (annualized using the actual/360 daycount method).
The Management Fee is paid to the AIFM whether or not the Compartment generates a profit. However, the performance fee is payable only on cumulative profits achieved from asset selection and trading.

Any fees paid will not be reimbursed despite net trading losses which might occur in subsequent twelve-month periods but no further performance fees will be payable until the Compartment recoups the trading losses (except trading losses attributable to redeemed Units) and achieves additional trading gains.

When a Compartment invests in funds managed by the same AIFM, these funds will not charge any placement fee on the assets invested by such Compartment. Moreover, the AIFM will not charge twice the performance fee.

In the case of a conversion, units which are acquired pursuant to transfer will be treated as if they were issued on the date of the acquisition for these purposes. In the event that a Unitholder redeems its Units prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Units will be deducted from the repurchase proceeds and paid to the AIFM

promptly thereafter. The Performance Fee in respect of such Performance Period will be calculated by reference to the Net Asset Value before the deduction of any accrued Performance Fees.

The Management Company may, from time to time, and in its absolute discretion, decide to rebate all or part of the Management Fee and/or Performance Fee to any Unitholder. Any such rebates may be applied in paying cash to the Unitholder.

If CIGOGNE MANAGEMENT S.A. ceases to be the AIFM of the Fund (either by termination of any related agreement or by termination of the appointment) before 31 December in any year, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant period.

4. RISK FACTORS

An investment in the Compartment involves a high degree of risk, including the risk that the entire amount invested may be lost. The Compartment will invest in and actively trade securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity, fixed-income, commodity and currency markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equities, currencies and OTC derivatives markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment program will be successful, that the various investment strategies utilized will have low correlation with each other or that the Compartment's returns will exhibit low correlation with an investor's traditional securities portfolio. The Compartment may utilize such investment techniques as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Compartment's investment portfolio may be subject.

Prospective investors should consider the following additional factors in determining whether an investment in the Compartment is a suitable investment :

GENERAL RISK FACTORS

Performance-Based Fee and Expenses. The annual Performance Fee paid to the AIFM on investment gains may create an incentive for the AIFM to cause the Compartment to make investments that are riskier or more speculative than would be the case if such fees were not paid. In addition, since the Performance Fee will be calculated on a basis that includes unrealized appreciation of the Compartment's NAV, such fees may be greater than if they were based solely on realized gains.

Business Risk
There can be no assurance that the investment objectives of the Compartment will be achieved. The performance of the Compartment will be reliant on the success of the AIFM, which is an entity with no operating history in such investment management by which to evaluate its current and likely future performance.

Dependence on the Principals of the AIFM
The principals of the AIFM have authority to control the investment management of the Compartment. If, for any reason, the AIFM were to loose the services of these individuals, the Compartment might be adversely affected.

Potential Loss of Invested Capital
A Unitholder could lose all or substantially all of its investment in the Compartment. The Units are only suitable for investors willing to accept this risk. Prospective investors should carefully consider their portfolio objectives and their need to minimize the risk of large losses in evaluating an investment in the Units.

No investor should invest in the Compartment more than such investor can afford to lose. As a non-traditional investment, the Compartment is suitable only for a limited portion of an investor's portfolio. The Compartment does not purport to constitute a complete investment program, but rather only to serve as a diversification alternative intended to complement an investor's core holdings.

Potential Loss of Credit Facility
The Compartment intends using borrowed money to augment its investments in alternative strategies. Unavailability of such credit lines will reduce the potential trading gains sought by the Compartment (and limit the potential losses).

INVESTMENT STRATEGY RISK FACTORS

ABS / MBS Arbitrage. The success of the Compartment's investment activities will depend on the AIFM ability to identify and exploit price discrepancies in the market, as well as managing interest rate and prepayment rate of the ABS/MBS securities. Identification and exploitation of market opportunities involve uncertainty. No assurance can be given that the AIFM will be able to locate investment opportunities or to correctly exploit price discrepancies. As well, no assurance can be given as to the effectiveness of prepayments of the ABS/MBS securities.

A reduction in the pricing inefficiency of the markets in which the Compartment will seek to invest will reduce the scope for the Compartment's investment strategies. In the event that the perceived mispricings and/or the effectiveness of prepayments underlying the Compartment's positions were to fail to materialize as expected by the AIFM, the Compartment could incur a loss.

INVESTMENT TECHNIQUE RISK FACTORS

Short-term Market Considerations. The AIFM's trading decisions may be made on the basis of short-term market considerations. Therefore, the portfolio turnover rate could result in significant trading related expenses.

Leverage; Interest rates; Margin. The Compartment may utilize substantial leverage in its investment program, thereby maximizing its investment positions by borrowing funds to the fullest possible extent permitted by its regulations. As a result, the possibilities of profit and loss are increased. Borrowing money to purchase securities provides the Compartment with the advantages of leverage, but exposes it to greater market risks and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Compartment's NAV to increase faster that would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Compartment's NAV to decrease faster than would otherwise be the case.

Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of direct or indirect borrowings. The amount of leverage or borrowings which the Compartment may have outstanding at any time may therefore be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at

which the Compartment can borrow in particular, will affect the operating results of the Compartment.

In general, the Compartment's use of short-term margin borrowings results in certain additional risks to the Compartment. For example, should the securities pledged to brokers to secure the Compartment's margin accounts decline in value, the Compartment could subject to a "margin call", pursuant to which the Compartment must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Compartment's assets, the Compartment might not be able to liquidate assets quickly enough to pay off its margin debt.

Short Selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the 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 the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Hedging Transactions. The Compartment may utilize a variety of financial instruments, such as derivatives, options, interest rate swap, caps and floors, futures and forward contracts, both for investment purposes and for risk management purposes. However, the AIFM is not obligated, and will not attempt to hedge all market or other risks inherent in the Compartment's positions. While the Compartment may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Compartment than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

INVESTMENT INSTRUMENT RISK FACTORS

Highly Volatile Markets. The prices of commodities contracts and all derivative instruments, including futures and options, can be highly volatile. Price movements of forward, futures and other derivative contracts in which the Compartment's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain, markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Compartment also is subject to the risk of failure of any exchange on which its positions trade or of their clearinghouses.

Swap Agreements. The Compartment may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Compartment's exposure to equity securities, long-term or short term interest rates, foreign currency values, corporate borrowing rates, or other factors. Swap agreements can take many different forms and are known by a variety of names.

Counterparty Risk. Some of the markets in which the Compartment may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based markets. To the extent the Compartment invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, the Compartment may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. This exposes the Compartment to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Compartment to suffer a loss. Such "counterparty risk" is accentuated for with longer maturities where events may intervene to prevent settlement, or where the Compartment has concentrated its transactions with a single or small group of counterparties. The Compartment is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

The ability of the Compartment to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Forward Contracts. The Compartment may enter into forward contracts which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forwarded contracts. Banks and other dealers with whom the Compartment may maintain accounts may require the Compartment to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Compartment's counterparties are not required to continue to make markets in such contracts.

There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which would otherwise be optimal, to the possible detriment of the Compartment.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE UNITHOLDERS SHOULD READ THIS ENTIRE CONFIDENTIAL MEMORANDUM AND THE FUND'S MANAGEMENT REGULATIONS AND CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE COMPARTMENT. IN ADDITION, AS THE FUND'S INVESTMENT PROGRAM DEVELOPS AND CHANGES OVER TIME, AN INVESTMENT IN THE FUND MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISK FACTORS.

5. CONFLICTS OF INTEREST

Due to the services which are or may be undertaken by the AIFM, the Administrative Agent, the Depositary, the Investment Advisor, conflicts of interest may arise.

The Investment Advisor, the AIFM, the Administrative Agent, the Depositary, any counterparty may provide similar services to others, provided that the services they provide to the Compartment are not impaired thereby.

The AIFM may undertake specific transactions with or through the Investment Advisor (such as swaps or any other derivatives transactions, repurchase or reverse-repurchase transactions, securities lending or –borrowing transactions), in which cases the Investment Advisor shall act in the best interests of the Fund, and in accordance with the agreement stating the terms and conditions of such advisory or brokerage service.

Part B: Specific Information – Compartment Particulars – CIGOGNE FUND –Credit Arbitrage

The Compartment CIGOGNE FUND – Credit Arbitrage (the "Compartment") is formed for an unlimited period.

The Compartment is denominated in EUR (the "Reference Currency").

For the purposes of this Compartment, "Business Days" means a day on which banks in Luxembourg are open for business.

1. INVESTMENT OBJECTIVES, STRATEGIES AND POLICIES OF THE COMPARTMENT

The investment objective of CIGOGNE FUND – Credit Arbitrage, is to realize consistently high risk-adjusted appreciation in the value of its assets. The Compartment will seek to achieve its investment objective by primarily using strategies based on basis trades, credit curves trades, correlation products and on relative value arbitrage.

Strategies may be implemented on the following geographical areas:

- Europe,
- North America, and
- Asia.

The Compartment is allowed incidentally investments in other geographical areas (such as area covered by credit default swaps (CDS) or credit indices and tranche of such indices).

The investment strategy is designed to profit from mispricing in spread on these products and consists of constructing a balanced portfolio of Interest Securities, tradeable CDS or credit indices and Interest derivatives, and managing interest rate and default risks of these securities in order to extract the spreads they offer.

The Compartment may invest in equities, bonds, tradeable credit indices (such as CDX, iTraxx), credit options (such as bond options, options on single-name and portfolio CDS contracts), correlation products (such as first-to-default baskets, CDO tranches **on credit indices or bespoke portfolios**), single name default swaps, any other financial instrument of similar effect and aimed to transfer credit and correlation risks, and any other securities.

For the purpose of efficient portfolio management and for currency hedging, the Compartment shall use credit default swaps, credit spread swaps, cancellable CDS, constant maturity credit default swaps, first-to-default baskets and any other derivatives. The Compartment may engage, with collateral if necessary, in options, futures, swaps, securities lending or borrowing and other derivative instruments or techniques, traded on an exchange or over-the-counter, within the framework set forth in Chapter II 'Investment Instruments and Limits'.

To achieve its investment objectives and implement its investment strategies as described above, the Compartment may hold either long or short positions on securities, or both long and short positions on securities, provided that short sale is not permitted for another purpose than hedging positions in securities and derivatives. In addition, substantial leverage will be used in the investment program of the Compartment. Leverage may take the form of trading on margin,

investing in derivative instruments that are inherently leveraged, and entering into other forms of borrowings.

Funding of such positions will be achieved either by using repurchase, reverse-repurchase agreements or by the lending (respectively borrowing) of the securities which the Compartment has sold (respectively has purchased) or by entering in transactions in derivatives products such as (without limitations) asset swaps, equity swaps, equity options, contracts for difference.

The Compartment may sometimes concentrate its portfolio holdings in some industries or companies or geographical areas, which, in light of investment considerations, market risks and other factors, the AIFM believes will provide the best opportunity for high risk-adjusted appreciation in the value of the Compartment's assets.

If considered appropriate to the investment strategy or for defensive purpose, the Compartment may invest in government securities, debt instruments securities and money market instruments and hold cash.

Leverage and Correlation

To enhance return, the AIFM may use leverage strategies by entering into repurchase reverse-repurchase agreements or by borrowing or lending agreements of securities collateralized by the Compartment's assets and by utilizing futures, options markets, or any other instruments or derivatives. The Compartment may from time to time be highly leveraged. While leverage can enhance the Compartment's expected return, it can also increase portfolio volatility.

In order to enable the Compartment to obtain the desired investment exposure in the investment strategies and to construct the investment portfolio in an efficient manner, the AIFM, with respect to the Compartment, has established a permanent credit facility with first class financial institution specialised in this kind of operations. The Compartment will be able to borrow, repay and reborrow amounts under the credit facility, subject to its items. The credit facilitator does have no recourse, for the satisfaction of its credit facility, against the other compartments of the Fund.

The maximum level of leverage which the AIFM is entitled to employ on behalf of the Compartment is 50 times of its Net Assets in accordance with the commitment method and 100 times of its total Net Assets in accordance with the gross method.

In the context of hedging its assets and liabilities, the Compartment may make use of the instruments described under Chapter II "Investment Instruments and Limits" in Part A "General Information".

Risk Management

Risk, while being a part of all investment products, is, to a certain extent, manageable for all investments, including leveraged asset funds. There is a relationship between the return on an asset and the risk of that asset in efficient markets. In order to realize a return in excess of the "risk-free" rate of return, an investor must bear a higher level of risk. The risk in leveraged products is naturally higher than the risk in unleveraged products.

The AIFM focuses on two primary areas of risk-control: proper asset allocation techniques and a sophisticated risk management philosophy. Asset allocation requires broad knowledge of the industry, its strengths and weaknesses, as well as specific allocation techniques. Risk management begins with establishing an internal trading policy for the investment that sets out specific expectations and parameters.

The AIFM will continuously monitor the risk parameters and expected volatility of the individual positions and the Compartment's aggregate portfolio in an effort to maximize risk-adjusted appreciation. The emphasis in the AIFM's trading will be on seeking to identify opportunities that the AIFM analyses as having superior risk/reward parameters. Additionally, the Compartment's overall portfolio will be periodically optimized in an effort to ensure that the inclusion over time of numerous investments which, considered individually, have attractive risk-adjusted expected returns, has not resulted in an over-concentration of the portfolio in any particular country, industry, instrument, strategy or market.

The AIFM will seek to control portfolio risks through selective and dynamic sizing of positions based on a regular evaluation of each investment's risk and reward characteristics and through the anticipation of the maximum risk associated with each investment. Continuous mark-to-market portfolio monitoring will help the AIFM to monitor the investments. Additionally, the AIFM will identify and hedge systemic portfolio risk, as well as individual position specific risk.

In an effort to enhance the Compartment's risk/reward profiles, the AIFM will typically attempt to hedge the risk exposures that are not expected to contribute to incremental performance; hedging these risks in intended to increase the proportion of the Compartment's return attributable to perceived high value-added risk exposures.

The AIFM will not attempt to hedge all market or other risks inherent in the Compartment's positions. Specifically, the AIFM may choose not to hedge, or may deem it to be economically unattractive to hedge, certain risks including, without limitation, risks related to changes in interest rates, exchange rates, equity prices, volatility, credit spreads and liquidity as well as buy-in risk on short positions, either in respect of particular positions or in respect of the Fund's overall portfolio. There can be no assurance that the AIFM's risk management techniques and strategies will be successful at all times and in all market conditions.

The Compartment's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Compartment will be achieved. (See "Risk Factors").

Margin Arrangements and Counterparties

All transactions in listed futures and options will be subject to variation margin payments which will limit market risk exposure to the initial margin plus a variation margin. There shall be no counterparty risk, since the clearing house relating to the exchange where such instruments are listed shall stand as central counterparty. In addition, the Compartment will enter into OTC derivative transactions only with first ranking professional participants in the OTC derivative markets considered creditworthy by the AIFM ("Trading Counterparties").

OTC derivative transactions will be entered into on the basis of market standard international legal documentation (like ISDA Master Agreements and adequate standard transaction confirmations, or any other market standard documentation as required). OTC derivatives transactions shall be collateralised by use of international legal documentation such as ISDA Credit Support Annexes. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Moreover, repurchase and reverse repurchase transactions, as well as securities or stock lending or borrowing transactions, will be entered into on the basis of standard PSA-ISMA, TBMA/ISMA, OSLA, GMSLA, EMA or any internationally recognised master agreement. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Sustainable finance disclosure regulation

Binding ESG criteria are not applied. Investors are invited to read chapter VII "General Information" for further information on the integration of ESG factors and sustainability risks.

2. GENERALITIES OF THE COMPARTMENT

Units

The Compartment is represented by several Classes of Units and all the Units of each Class have the same rights. The Units shall, in principle, accumulate their results. Capital appreciation in the Net Assets existing at the end of the financial year of the Compartment will remain, in principle, invested in the Class; the AIFM at present does not intend to propose any dividend payments to Unitholders.

In addition, a Class of Units denominated Class "A" Units will be issued to a specialized investment fund denominated STORK FUND where a specific Class "A" $_{1...n}$ Units will be issued per sub-fund$_{1...n}$ of STORK FUND.

Going forward, the AIFM may issue different Classes with different set of rights.

Units shall be issued in registered form.

The Units are denominated in EUR.

Valuation Day / Net Asset Value Calculation

The Net Asset Value is calculated monthly, as follows:

(1) for the exclusive purpose of determining the prices of the Compartment's assets and liabilities, Valuation Day shall mean the last Business Day of each month; and

(2) for the purpose of calculating the Net Asset Value (taking into account interests on compartment's assets and liabilities), Valuation Day shall mean the last calendar day of each month.

Offerings

Offering may be decided by the AIFM as of the last Bank Business Day of every month at a Subscription Price based on the relevant Net Asset Value per Unit as of the Subscription Day.

The Subscription Price may be increased by a maximum 5% placement fee for the AIFM. The minimum initial subscription is set at:

- EUR 125.000,- for Class "A" Units;
- EUR 1.000.000,- for Class "O3 Units.

With the consent of the AIFM, additional investments in the Compartment by existing investors may be accepted, provided that each additional investment must be at least equal to the minimum of EUR 125.000, unless the AIFM exercises its discretion to waive or reduce these minimum

requirements.

Conversion of Class "O" Units

Unitholders may convert all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the "Conversion Day") while respecting the relevant notice period as specified below in the chapter "Notices and Payments".

In respect of each Class "O" Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Conversion of Class "A" Units

Notwithstanding the forgoing, Unitholders of Class "A" Units may convert all or part of their Class "A" Units on the first Business Day of each month (such Business Day to be referred to as the "Conversion Day") while respecting the relevant notice period as specified below in the chapter "Notices and Payments".

In respect of each Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Redemption of Class "O" Units

Unitholders may redeem all or part of their Class "O" Units on the last Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the notice period specified below in the chapter "Notices and Payments". In respect of each Class "O" Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "O" Units.

Redemption of Class "A" Units

Notwithstanding the forgoing, unitholders of Class "A" Units may redeem all or part of their Class "A" Units on the last Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the notice period specified below in the chapter "Notices and Payments". In respect of each Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the

AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "A"Units.

Notices and Payments

With respect to the written notice applicable for the issue, conversion and redemption of Units of the Compartment, the following provisions apply:

- For subscriptions:
  Duly completed and signed subscription forms received by the fund administrator (EUROPEAN FUND ADMINISTRATION, 2 Rue d'Alsace, P.O. Box 1725, L-1017 Luxembourg or by facsimile to +352 48 65 61 8002) in Luxembourg in principle no later than 5 p.m. Luxembourg Time on the third (3rd) Business Day preceding a Subscription Day will, if accepted, be dealt with on the basis of the relevant Net Asset Value established on such Valuation Day immediately preceding.

- For Class "O" Units conversions :
  In order to be executed against the Net Asset Value per Unit determined each month, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time
  - three (3) Business Days before prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into another Units issued by the same Compartment;
  - three (3) calendar months and three (3) Business Days prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into Units issued or to be issued by another Compartment of the Fund.

  The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of conversion within the same Compartment while respecting equity amongst the Unitholders.

- For Class "A" Units conversions :
  Notwithstanding the forgoing, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the Conversion Day in order to be executed against the relevant Net Asset Value per Unit.

- For Class "O" Units redemptions :
  In order to be executed against the Net Asset Value per Unit determined each month, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time three (3) calendar months prior the preferred Redemption Day in order to be executed against the relevant Net Asset Value established on the Valuation Day immediately preceding such Redemption Day.

The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of redemption while respecting equity amongst the Unitholders.

- For Class "A" Units redemptions :
  Notwithstanding the forgoing, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the preferred Redemption Day in order to be executed against the relevant Net Asset Value per Unit established on the Valuation Day immediately preceding such Redemption Day.

With respect to payment for subscriptions, conversions and redemptions of Units, the following provisions apply, subject to what is provided in Chapter IV under *"the Units" :*

- For subscriptions:
  Payments for Units subscribed will be required to be received by the Depositary in EUR not later than 10:00 a.m. Luxembourg time on the last Business Day immediately preceding the relevant Subscription Day.

  If a payment for Units subscribed is not received no later 10 a.m. on the relevant Subscription Day, Units will be not issued and the AIFM can at its sole discretion cancel the subscription without any notification to the subscriber.

- For Class "A" or Class "O" conversions:
  To honor conversion requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of converted Units between the related Compartments will be made in EUR and take place in principle on the last Business Day of the month of the Conversion Day.

- For Class "O" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle on the last Business Day of the month of the Redemption Day.

- For Class "A" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle the last Bank Business Day of the month of the Redemption Day.

Reduced Annual Subscription Tax

The rate of the annual subscription tax is set at one cent per one hundred euros for CIGOGNE FUND – Credit Arbitrage, as regulated by article 68 of Law of February 13, 2007. CIGOGNE FUND – Credit Arbitrage Units are reserved for only one or more Well Informed Investors.

3. MANAGEMENT FEES / PERFORMANCE FEES

Management fee

Within thirty (30) Business Days after the end of each calendar six-month period (June 30 and December 31), the Compartment will disburse to the AIFM a fee equal to maximum 2% (in EURO, annualised using a actual/365 daycount) of the Net Assets valuated at the Valuation Date of such month, accruing every month in proportion to the value of the Net Assets over the month after adjustment for the new subscriptions.

Performance fee for

The AIFM will be entitled to a performance fee equal to maximum 20% of the increase in the Net Asset Value of the relevant Class in issue in respect of each Performance Period but only to the extent that such increase exceeds the High Water Mark (both as defined below), (the "Performance Fee").

The Performance Fee of the relevant Class is calculated as a maximum of 20% of, if positive of (❶-❷ + ❸) where :

❶ is the aggregate Net Asset Value of the relevant Class at the end of that calendar year;

❷ is the High Water Mark;

③ is the sum of the monthly net changes in the aggregate Net Asset Value of the relevant Class due to new subscription since the last Performance Fee payment compounded at a rate equal to the Performance Index. Note: an increase in the Net Assets is a positive net change.

The Performance Index is the 1-month Euribor index defined as the arithmetic figure of the 1-month Euribor at 11:00 a.m. (Brussels time) as appears on page : Bloomberg EUR001M Index (or Reuters EURIBOR01) on the first Business Day of each month.

The Performance Fee is calculated on a High Water Mark basis, which means that, if there are net losses in Units during a calculation period, such losses are carried forward in the following calculation period(s), and must be recovered before a further performance fee may be paid, taking into account the gains and losses attributable to subscribed and redeemed Units occurred in previous calculated periods.

The Performance Fee will normally be payable to the Management Company in arrears within 30 days of the end of each Calculation Period.

The Performance Period means the period beginning on the first calendar day of January and ending on the last calendar day of each December.

The High Water Mark means the previous highest aggregate Net Asset Value of the relevant Class at the time of the last performance fee payment (or in the event no prior performance fee has been paid, the initial investment assets) monthly compounded at a rate equal to the Performance Index (annualized using the actual/360 daycount method).
The Management Fee is paid to the AIFM whether or not the Compartment generates a profit. However, the performance fee is payable only on cumulative profits achieved from asset selection and trading.

Any fees paid will not be reimbursed despite net trading losses which might occur in subsequent twelve-month periods but no further performance fees will be payable until the Compartment recoups the trading losses (except trading losses attributable to redeemed Units) and achieves additional trading gains.

When a Compartment invests in funds managed by the same AIFM, these funds will not charge any placement fee on the assets invested by such Compartment. Moreover, the AIFM will not charge twice the performance fee.

In the case of a conversion, units which are acquired pursuant to transfer will be treated as if they were issued on the date of the acquisition for these purposes. In the event that a Unitholder redeems its Units prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Units will be deducted from the repurchase proceeds and paid to the AIFM

promptly thereafter. The Performance Fee in respect of such Performance Period will be calculated by reference to the Net Asset Value before the deduction of any accrued Performance Fees.

The Management Company may, from time to time, and in its absolute discretion, decide to rebate all or part of the Management Fee and/or Performance Fee to any Unitholder. Any such rebates may be applied in paying cash to the Unitholder.

If CIGOGNE MANAGEMENT S.A. ceases to be the AIFM of the Fund (either by termination of any related agreement or by termination of the appointment) before 31 December in any year, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant period.

4. RISK FACTORS

An investment in the Compartment involves a high degree of risk, including the risk that the entire amount invested may be lost. The Compartment will invest in and actively trade securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity, fixed-income, commodity and currency markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equities, currencies and OTC derivatives markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment program will be successful, that the various investment strategies utilized will have low correlation with each other or that the Compartment's returns will exhibit low correlation with an investor's traditional securities portfolio. The Compartment may utilize such investment techniques as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Compartment's investment portfolio may be subject.

Prospective investors should consider the following additional factors in determining whether an investment in the Compartment is a suitable investment:

GENERAL RISK FACTORS

Performance-Based Fee and Expenses. The annual Performance Fee paid to the AIFM on investment gains may create an incentive for the AIFM to cause the Compartment to make investments that are riskier or more speculative than would be the case if such fees were not paid. In addition, since the Performance Fee will be calculated on a basis that includes unrealized appreciation of the Compartment's NAV, such fees may be greater than if they were based solely on realized gains.

Business Risk
There can be no assurance that the investment objectives of the Compartment will be achieved. The performance of the Compartment will be reliant on the success of the AIFM, which is an entity with no operating history in such investment management by which to evaluate its current and likely future performance.

Dependence on the Principals of the AIFM
The principals of the AIFM have authority to control the investment management of the Compartment. If, for any reason, the AIFM were to loose the services of these individuals, the Compartment might be adversely affected.

Potential Loss of Invested Capital

A Unitholder could lose all or substantially all of its investment in the Compartment. The Units are only suitable for investors willing to accept this risk. Prospective investors should carefully consider their portfolio objectives and their need to minimize the risk of large losses in evaluating an investment in the Shares.

No investor should invest in the Compartment more than such investor can afford to lose. As a non-traditional investment, the Compartment is suitable only for a limited portion of an investor's portfolio. The Compartment does not purport to constitute a complete investment program, but rather only to serve as a diversification alternative intended to complement an investor's core holdings.

Potential Loss of Credit Facility

The Compartment intends using borrowed money to augment its investments in alternative strategies. Unavailability of such credit lines will reduce the potential trading gains sought by the Compartment (and limit the potential losses).

INVESTMENT STRATEGY RISK FACTORS

Debt Securities

The Compartment invests in securities which may be unrated by a recognised credit-rating agency or below investment grade and which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Compartment may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Compartment may invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Compartment will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments.

High Yield Debt Securities

The Compartment invests in high yield debt securities. Investing in high yield securities involves special risks. High yield securities may be regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers of high yield debt securities may be more complex than for issuers of higher quality debt securities. High yield debt securities are generally unsecured and may be subordinated to certain other outstanding obligations of the issuer, which may be secured on substantially all of the issuer's assets. High yield debt securities may be more susceptible to real or perceived adverse economic and competitive industry conditions than higher grade securities. The prices of high yield debt securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic downturns or individual corporate developments. If the issuer of high yield debt securities defaults, the Compartment may incur additional expenses to seek recovery. The secondary markets on which high yield debt securities are traded may be less liquid than the market for higher grade securities. Less liquidity in the secondary trading markets could adversely affect and cause large fluctuation in the net asset value of the units. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield debt securities, especially in a thinly traded market.

INVESTMENT TECHNIQUES RISK FACTORS

Short-term Market Considerations. The AIFM's trading decisions may be made on the basis of short-term market considerations. Therefore, the portfolio turnover rate could result in significant trading related expenses.

Leverage; Interest rates; Margin. The Compartment may utilize substantial leverage in its investment program, thereby maximizing its investment positions by borrowing funds to the fullest possible extent permitted by its regulations. As a result, the possibilities of profit and loss are increased. Borrowing money to purchase securities provides the Compartment with the advantages of leverage, but exposes it to greater market risks and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Compartment's NAV to increase faster that would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Compartment's NAV to decrease faster than would otherwise be the case.

Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of direct or indirect borrowings. The amount of leverage or borrowings which the Compartment may have outstanding at any time may therefore be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at which the Compartment can borrow in particular, will affect the operating results of the Compartment.

In general, the Compartment's use of short-term margin borrowings results in certain additional risks to the Compartment. For example, should the securities pledged to brokers to secure the Compartment's margin accounts decline in value, the Compartment could subject to a "margin call", pursuant to which the Compartment must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Compartment's assets, the Compartment might not be able to liquidate assets quickly enough to pay off its margin debt.

Short Selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the 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 the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Hedging Transactions. The Compartment may utilize a variety of financial instruments, such as derivatives, options, interest rate swap, caps and floors, futures and forward contracts, both for investment purposes and for risk management purposes. However, the AIFM is not obligated, and will not attempt to hedge all market or other risks inherent in the Compartment's positions. While the Compartment may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Compartment than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

INVESTMENT INSTRUMENTS RISK FACTORS

Highly Volatile Markets. Markets can be highly volatile, and the value of securities, future, options contract and other instruments correlated with security or equity markets may fluctuate from day-to-day. This volatility will expose the portfolio to certain risk and may cause the value of an investment in the Compartment to decrease.

Furthermore, prices of securities or commodities contracts and all derivative instruments, including futures and options, can be highly volatile. Price movements of forward, futures and other derivative contracts in which the Compartment's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain, markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Compartment also is subject to the risk of failure of any exchange on which its positions trade or of their clearinghouses.

Swap Agreements. The Compartment may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Compartment's exposure to equity securities, long-term or short term interest rates, foreign currency values, corporate borrowing rates, or other factors. Swap agreements can take many different forms and are known by a variety of names.

Derivatives Risk. Derivatives are financial instruments that have a value which depends upon, or is derived from, the value of other factors, such as, but not exhaustively, one or more underlying securities, pools of securities, options, futures, indexes or currencies. Gains or losses involving derivative instruments may be substantial, because a relatively small price movement in the underlying security(ies), instrument, currency or index may result in a substantial gain or loss for the Compartment. Derivative instruments in which the Compartment invests will typically increase the Compartment's exposure to certain risks, including counterparty credit risk, hedging risk, correlation risk, leverage risk and liquidity risk.

Hedging risk is the risk that derivative instruments used to hedge an opposite position may offset losses, but may also offset gains. Due to market evolution, in certain cases hedging instruments might be incomplete to hedge all market, and/or all inherent risks in the Compartment's positions. The Compartment can also experience losses if the prices of its futures and options positions were not enough correlated with its other investment or if it can not close out a position because of an illiquid market.

Correlation risk. On credit derivatives market, correlation risk is related to the probability of a default of one credit heightening the probability of default of another (default correlation). Default correlation measures whether credit risky assets are more likely to default together or separately. The Compartment may take positions or use strategies based on default correlation of assets or other financial instruments or derivatives. An adverse market movement may decrease the value of an investment in the Compartment.

Leverage risk is the risk that losses from the derivative instrument may be greater than the amount invested in the derivative instrument. Certain derivatives have the potential for unlimited losses, regardless of the size of the initial investment.

Liquidity risk is the risk that the derivative instrument may be difficult or impossible to sell or terminate, which may cause the Compartment to be in a position to do something the investment manager would not otherwise choose, including selling other investments or foregoing another, more appealing investment opportunity

Credit Risk. An issuer or guarantor of debt instruments or counterparty to financial instruments or derivatives may be unable or unwilling to honor a financial obligation, such as, but not exhaustively, payments due on a bond or note and/or repay principal. Changes in an issuer's financial strength or in an issuer's or instrument's credit rating may affect an instrument's value and, thus, have an impact on Fund performance. As described under "Counterparty Risk" below, the Compartment will also be subject to credit risk with respect to the amount that the Compartment expects to receive from counterparties in financial instruments transactions. If a counterparty defaults on its payment obligations to the Compartment, the value of an investment in the Compartment may decline.

Counterparty Risk. Some of the markets in which the Compartment may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based markets. To the extent the Compartment invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, the Compartment may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. This exposes the Compartment to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Compartment to suffer a loss. Such "counterparty risk" is accentuated for with longer maturities where events may intervene to prevent settlement, or where the Compartment has concentrated its transactions with a single or small group of counterparties. The Compartment is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

The ability of the Compartment to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Forward Contracts. The Compartment may enter into forward contracts which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forwarded contracts. Banks and other dealers with whom the Compartment may maintain accounts may require the Compartment to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Compartment's counterparties are not required to continue to make markets in such contracts.

There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties.

The imposition of credit controls by governmental authorities might limit such forward trading to less than that which would otherwise be optimal, to the possible detriment of the Compartment.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE UNITHOLDERS SHOULD READ THIS ENTIRE CONFIDENTIAL MEMORANDUM AND THE FUND'S MANAGEMENT REGULATION AND CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE COMPARTMENT. IN ADDITION, AS THE FUND'S INVESTMENT PROGRAM DEVELOPS AND CHANGES OVER TIME, AN INVESTMENT IN THE FUND MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISK FACTORS.

5. CONFLICTS OF INTEREST

Due to the services which are or may be undertaken by the AIFM, the Administrative Agent, the Depositary, the Investment Advisor, conflicts of interest may arise.

The Investment Advisor, the AIFM, the Administrative Agent, the Depositary, any counterparty may provide similar services to others, provided that the services they provide to the Compartment are not impaired thereby.

The AIFM may undertake specific transactions with or through the Investment Advisor (such as swaps or any other derivatives transactions, repurchase or reverse-repurchase transactions, securities lending or –borrowing transactions), in which cases the Investment Advisor shall act in the best interests of the Fund, and in accordance with the agreement stating the terms and conditions of such advisory or brokerage service.

Part B: Specific Information – Compartment Particulars – CIGOGNE FUND – Convertible Arbitrage

The Compartment CIGOGNE FUND – Convertible Arbitrage (the "Compartment") is formed for an unlimited period.

The Compartment is denominated in EUR (the "Reference Currency").

For the purposes of this Compartment, "Business Days" means a day on which banks in Luxembourg are open for business.

1. INVESTMENT OBJECTIVES, STRATEGIES AND POLICIES OF THE COMPARTMENT

The investment objective of CIGOGNE FUND – Convertible Arbitrage, is to realize consistently high risk-adjusted appreciation in the value of its assets. The Compartment will seek to achieve its investment objective by primarily using convertible arbitrage strategies on US, European and Japanese listed stocks and bonds.

Convertible arbitrage is an investment strategy that is designed to profit from identifying mispricings or expected return differentials that exist between a convertible security and its underlying security.

The Compartment may invest in equity securities, warrants, bonds and other fixed-income securities. For the purpose of efficient portfolio management and for currency hedging in the context of the management of its assets and liabilities, the Compartment may engage, with collateral if necessary, in options, futures, swaps, securities lending or borrowing and other derivative instruments or techniques, traded on an exchange or over-the-counter, within the framework set forth in Chapter II 'Investment Instruments and Limits'.

To achieve its investment objectives and implement its investment strategies as described above, the Compartment shall hold either long or short positions on securities, or both long and short positions on securities, provided that short sale is not permitted for another purpose than hedging positions in equity, convertible bonds, bonds, warrants, options or rights on equities. In addition, substantial leverage will be used in the investment program of the Compartment. Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of borrowings.

In particular, substantial leverage will be used when the Compartment holds a position in a deal which shows a superior risk/reward ratio or for which the potential for a successful conclusion have been evaluated as superior (see "Risk Management" below). Funding of such positions will be achieved either by the lending (respectively borrowing) of the securities which the Compartment has purchased (respectively has sold) or by entering in transactions in derivatives products such as (without limitations) equity swaps, equity options, contracts for difference.

The Compartment may sometimes concentrate its portfolio holdings in some industries or companies which, in light of investment considerations, market risks and other factors, the AIFM believes will provide the best opportunity for high risk-adjusted appreciation in the value of the Compartment's assets.

If considered appropriate to the investment strategy or for defensive purpose, the Compartment may invest in government securities, debt instruments securities and money market instruments and hold cash.

Convertible Arbitrage

The AIFM, through its valuation and hedging models, will employ a screening process to identify areas of inefficiency in the global convertibles market. The Compartment expects to purchase or sell convertible bonds, preferred stock, warrants or options that the AIFM determines are inexpensive or expensive relative to their underlying equity securities. These typically will be hedged by buying or selling the underlying securities or derivative instruments in accordance with predetermined ratios. The Compartment will seek to profit from these positions through receipt of coupon interest or net dividend payments, rebates on short positions and changes in the relative market value of the instruments.

Convertible arbitrage positions may have to be held for a significant period of time to realize the expected profit.

The AIFM will attempt to minimize the negative impact of price movements in the underlying securities and achieve appreciation even in the event of market declines. The investment management process involves identifying and exploiting situations where the opportunity for convergence between theoretical value and the market price exists. The general investment process includes : (i) researching prospective securities and the issuing companies; (ii) selecting convertible securities that offer superior potential returns relative to their underlying securities; and (iii) determining how to hedge risks associated with investments.

The AIFM expects to quickly assess the financial impact of events and adeptly trade using its quantitative and fundamental analysis. After a position is established, the AIFM will manage the position by seeking to identify all variables that affect pricing in order to establish a position's corresponding sensitivities to market change. The AIFM will then attempt to dynamically hedge the variables. Hedging can occur with respect to each security or in the aggregate at the portfolio level. Rate sensitivity associated with this investment strategy will be continuously monitored and the investment grade portion of the portfolio will be hedged systematically against interest rate fluctuations; The AIFM expects to use government securities and futures, among other instruments to hedge against rate sensitivity. The AIFM may employ various credit hedging methods on the investment grade and on-investment grade portions of its portfolio through the use of credit derivative products, including, but not limited, to credit default swaps and asset swaps.

Convertible Arbitrage. The success of the Compartment's investment activities will depend on the AIFM ability to identify and exploit price discrepancies in the market. Identification and exploitation of market opportunities involve uncertainty. No assurance can be given that the AIFM will be able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing inefficiency of the markets in which the Compartment will seek to invest will reduce the scope for the Compartment's investment strategies. In the event that the perceived mispricings underlying the Compartment's positions were to fail to materialize as expected by the AIFM, the Compartment could incur a loss.

Leverage and Correlation

To enhance return, the AIFM may use leverage strategies by entering into repurchase, reverse-repurchase agreements, securities borrowing or lending agreements, collateralized by the Compartment's assets and by utilizing the futures and options markets. The Compartment may

from time to time be highly leveraged. While leverage can enhance the Compartment's expected return, it can also increase portfolio volatility.

If the income and investment gains on securities purchased with borrowed money exceed the interest paid on the borrowing, the Net Asset Value of the Compartment will rise faster than would otherwise be the case.

On the other hand, if the income and investment gains fail to cover the cost, including interest of borrowing, or if there are losses, the Compartment's Net Asset Value will decrease faster than otherwise would be the case.

In order to enable the Compartment to obtain the desired investment exposure in the investment strategies and to construct the investment portfolio in an efficient manner, the AIFM, with respect to the Compartment, has established a permanent credit facility with first class financial institution specialised in this kind of operations. The Compartment will be able to borrow, repay and reborrow amounts under the credit facility, subject to its items. The credit facilitator does have no recourse, for the satisfaction of its credit facility, against the other compartments of the Fund.

The maximum level of leverage which the AIFM is entitled to employ on behalf of the Compartment is 10 times of its Net Assets in accordance with the commitment method and 30 times of its total Net Assets in accordance with the gross method.
In the context of hedging its assets and liabilities, the Compartment may make use of the instruments described under Chapter II "Investment Instruments and Limits" in Part A "General Information".

Risk Management

Risk, while being a part of all investment products, is, to a certain extent, manageable for all investments, including leveraged asset funds. There is a relationship between the return on an asset and the risk of that asset in efficient markets. In order to realize a return in excess of the "risk-free" rate of return, an investor must bear a higher level of risk. The risk in leveraged products is naturally higher than the risk in unleveraged products.

The AIFM focuses on two primary areas of risk-control: proper asset allocation techniques and a sophisticated risk management philosophy. Asset allocation requires broad knowledge of the industry, its strengths and weaknesses, as well as specific allocation techniques. Risk management begins with establishing an internal trading policy for the investment that sets out specific expectations and parameters.

The AIFM will continuously monitor the risk parameters and expected volatility of the individual positions and the Compartment's aggregate portfolio in an effort to maximize risk-adjusted appreciation. The emphasis in the AIFM's trading will be on seeking to identify opportunities that the AIFM analyses as having superior risk/reward parameters. Additionally, the Compartment's overall portfolio will be periodically optimized in an effort to ensure that the inclusion over time of numerous investments which, considered individually, have attractive risk-adjusted expected returns, has not resulted in an over-concentration of the portfolio in any particular country, industry, instrument, strategy or market.

The AIFM will seek to control portfolio risks through selective and dynamic sizing of positions based on a regular evaluation of each investment's risk and reward characteristics and through the anticipation of the maximum risk associated with each investment. Continuous mark-to-market portfolio monitoring will help the AIFM to monitor the investments. Additionally, the AIFM will identify and hedge systemic portfolio risk, as well as individual position specific risk.

In an effort to enhance the Compartment's risk/reward profiles, the AIFM will typically attempt to hedge the risk exposures that are not expected to contribute to incremental performance. Hedging these risks in intended to increase the proportion of the Compartment's return attributable to perceived high value-added risk exposures.

The AIFM will not attempt to hedge all market or other risks inherent in the Compartment's positions. Specifically, the AIFM may choose not to hedge, or may deem it to be economically unattractive to hedge, certain risks including, without limitation, risks related to changes in interest rates, exchange rates, equity prices, volatility, credit spreads and liquidity as well as buy-in risk on short positions, either in respect of particular positions or in respect of the Fund's overall portfolio. There can be no assurance that the AIFM's risk management techniques and strategies will be successful at all times and in all market conditions.

The Compartment's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Compartment will be achieved. (See "Risk Factors").

Margin Arrangements and Counterparties

All transactions in listed futures and options will be subject to variation margin payments which will limit market risk exposure to the initial margin plus a variation margin. There shall be no counterparty risk, since the clearing house relating to the exchange where such instruments are listed shall stand as central counterparty. In addition, the Compartment will enter into OTC derivative transactions only with first ranking professional participants in the OTC derivative markets considered creditworthy by the AIFM ("Trading Counterparties").

OTC derivative transactions will be entered into on the basis of market standard international legal documentation (like ISDA Master Agreements and adequate standard transaction confirmations, or any other market standard documentation as required). OTC derivatives transactions shall be collateralised by use of international legal documentation such as ISDA Credit Support Annexes. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Moreover, repurchase and reverse repurchase transactions, as well as stock lending or borrowing transactions, will be entered into on the basis of standard PSA-ISMA, TBMA/ISMA, OSLA, GMSLA, EMA or any internationally recognised master agreement. All such legal documentation is aimed at minimizing counterparty risk, through usage of periodic margin calls and contractually organised close-out netting and set-off in the event of a counterparty's default. Any variation to the standard documentation will be negotiated by and agreed with the AIFM and copies of executed agreements will be held by the Depositary for safe-keeping.

Sustainable finance disclosure regulation

Binding ESG criteria are not applied. Investors are invited to read chapter VII "General Information" for further information on the integration of ESG factors and sustainability risks.

2. GENERALITIES OF THE COMPARTMENT

Units

The Compartment is represented by several Classes of Units and all the Units of each that Class have the same rights. The Units shall, in principle, accumulate their results. Capital appreciation in the Net Assets existing at the end of the financial year of the Compartment will remain, in principle, invested in the Class; the AIFM at present does not intend to propose any dividend payments to Unitholders.

In addition, a Class of Units denominated Class "A" Units will be issued to a specialized investment fund denominated STORK FUND where a specific Class "A" $_{1...n}$ Units will be issued per sub-fund$_{1...n}$ of STORK FUND.

Going forward, the AIFM may issue different Classes with different set of rights.

Units shall be issued in registered form.

The Units are denominated in EUR.

Valuation Day / Net Asset Value Calculation

The Net Asset Value is calculated monthly, as follows:

(1) for the exclusive purpose of determining the prices of the Compartment's assets and liabilities, Valuation Day shall mean the last Business Day of each month; and

(2) for the purpose of calculating the Net Asset Value (taking into account interests on compartment's assets and liabilities), Valuation Day shall mean the last calendar day of each month.

Offerings

Offering may be decided by the AIFM as of the last Bank Business Day of every month at a Subscription Price based on the relevant Net Asset Value per Unit as of the Subscription Day.

The Subscription Price may be increased by a maximum 5% placement fee for the AIFM. The minimum initial subscription is set at:

- EUR 125.000,- for Class "A" Units
- EUR 1.000.000,- for Class "O" Units.

With the consent of the AIFM, additional investments in the Compartment by existing investors may be accepted, provided that each additional investment must be at least equal to the minimum of EUR 125.000, unless the AIFM exercises its discretion to waive or reduce these minimum requirements.

Conversion of Class "O" Units

Unitholders may convert all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the "Conversion Day") while respecting the relevant notice period as specified below in the chapter "Notices and Payments".

In respect of each Class "O" Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Conversion of Class "A" Units

Notwithstanding the forgoing, Unitholders of Class "A" Units may convert all or part of their Class "A" Units on the first Business Day of each month (such Business Day to be referred to as the "Conversion Day") while respecting the relevant notice period as specified below in the chapter "Notices and Payments".

In respect of each Unit converted, the subscription/redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a conversion fee of maximum 2% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM.

The Subscription and Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount.

Redemption of Class "O" Units

Unitholders may redeem all or part of their Class "O" Units on the first Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the notice period specified below in the chapter "Notices and Payments". In respect of each Class "O" Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "O" Units.

Redemption of Class "A" Units

Notwithstanding the foregoing, unitholders of Class "A" Units may redeem all or part of their Class "A" Units on the first Business Day of each month (such Business Day to be referred to as the "Redemption Day") while respecting the notice period specified below in the chapter "Notices and Payments". In respect of each Unit redeemed, the redemption price will be based on the relevant corresponding Net Asset Value, and may be reduced by application of a redemption fee of maximum 5% of the Net Asset Value while respecting equity amongst the Unitholders, such fee to be disbursed to the AIFM. The Redemption Price may be further reduced by any tax, charges, commissions or fees of any nature that would be withheld from such amount. In addition, the AIFM may decide from time to time, while respecting equity among Unitholders and informing them accordingly, to redeem some of the issued Class "A" Units.

Notices and Payments

With respect to the written notice applicable for the issue, conversion and redemption of Units of the Compartment, the following provisions apply:

- For subscriptions:
  Duly completed and signed subscription forms received by the fund administrator (EUROPEAN FUND ADMINISTRATION, 2 Rue d'Alsace, P.O. Box 1725, L-1017 Luxembourg or by facsimile to +352 48 65 61 8002) in Luxembourg in principle no later than 5 p.m. Luxembourg Time on the third (3rd) Business Day preceding a Subscription Day will, if accepted, be dealt with on the basis of the relevant Net Asset Value established on such Valuation Day immediately preceding.

- For Class "O" Units conversions :
  In order to be executed against the Net Asset Value per Unit determined each month, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time
  - three (3) Business Days before prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into another Units issued by the same Compartment;
  - three (3) calendar months prior the preferred Conversion Day in order to be executed against the relevant Net Asset Value for a conversion into Units issued or to be issued by another Compartment of the Fund.

  The AIFM may at its sole discretion shorten or waive the period notice with respect to any request of conversion within the same Compartment while respecting equity amongst the Unitholders.

- For Class "A" Units conversions :
  Notwithstanding the forgoing, any written request for conversion must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the Conversion Day in order to be executed against the relevant Net Asset Value per Unit.

- For Class "O" Units redemptions :
  In order to be executed against the Net Asset Value per Unit determined each month, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time three (3) calendar months prior the preferred Redemption Day in order to be executed against the relevant Net Asset Value established on the Valuation Day immediately preceding such Redemption Day.

- For Class "A" Units redemptions :
  Notwithstanding the forgoing, any written request for redemption must be received in principle not later than 5 p.m. Luxembourg time on the third (3rd) Business Day immediately preceding the preferred Redemption Day in order to be executed against the relevant Net Asset Value per Unit established on the Valuation Day immediately preceding such Redemption Day.

With respect to payment for subscriptions, conversions and redemptions of Units, the following provisions apply, subject to what is provided in Chapter IV under *"the Units" :*

- For subscriptions:
  Payments for Units subscribed will be required to be received by the Depositary in EUR not later than 10:00 a.m. Luxembourg time on the last Business Day immediately preceding the relevant Subscription Day.

  If a payment for Units subscribed is not received no later 10 a.m. on the relevant Subscription Day, Units will be not issued and the AIFM can at its sole discretion cancel the subscription without any notification to the subscriber.

- For Class "A" or Class "O" conversions:
  To honor conversion requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of converted Units between the related Compartments will be made in EUR and take place in principle on the last Business Day of the month of the Conversion Day.

- For Class "O" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle on the last Business Day of the month of the Redemption Day.

- For Class "A" Units redemptions:
  To honor redemption requests, the Compartment shall generally sell the corresponding amount from the underlying portfolio. Payment of proceeds of redeemed Units will be made in EUR and take place in principle the last Bank Business Day of the month of the Redemption Day.

Reduced Annual Subscription Tax

The rate of the annual subscription tax is set at one cent per one hundred euros for CIGOGNE FUND – Convertible Arbitrage, as regulated by article 68 of Law of February 13, 2007.

CIGOGNE FUND – Convertible Arbitrage Units are reserved for only one or more Well Informed Investors.

3. MANAGEMENT FEES / PERFORMANCE FEES

Management fee

Within thirty (30) Business Days after the end of each calendar six-month period (June 30 and December 31), the Compartment will disburse to the AIFM a fee equal to maximum 2% (in EURO, annualised using a actual/365 daycount) of the Net Assets valuated at the Valuation Date of such month, accruing every month in proportion to the value of the Net Assets over the month after adjustment for the new subscriptions.

Performance fee for

The AIFM will be entitled to a performance fee equal to maximum 20% of the increase in the Net Asset Value of the relevant Class in issue in respect of each Performance Period but only to the extent that such increase exceeds the High Water Mark (both as defined below), (the "Performance Fee").

The Performance Fee of the relevant Class is calculated as a maximum of 20%, if positive of (❶- ❷ + ❸) where :

❶ is the aggregate Net Asset Value of the relevant Class at the end of that calendar year;

❷ is the High Water Mark;

❸ is the sum of the monthly net changes in the aggregate Net Asset Value of the relevant Class due to new subscription since the last Performance Fee payment compounded at a rate equal to the Performance Index. Note: an increase in the Net Assets is a positive net change.

The Performance Index is the 1-month Euribor index defined as the arithmetic figure of the 1-month Euribor at 11:00 a.m. (Brussels time) as appears on page : Bloomberg EUR001M Index (or Reuters EURIBOR01) on the first Business Day of each month.

The Performance Fee is calculated on a High Water Mark basis, which means that, if there are net losses in Units during a calculation period, such losses are carried forward in the following calculation period(s), and must be recovered before a further performance fee may be paid, taking into account the gains and losses attributable to subscribed and redeemed Units occurred in previous calculated periods.

The Performance Fee will normally be payable to the Management Company in arrears within 30 days of the end of each Calculation Period.

The Performance Period means the period beginning on the first calendar day of January and ending on the last calendar day of each December.

The High Water Mark means the previous highest aggregate Net Asset Value of the relevant Class at the time of the last performance fee payment (or in the event no prior performance fee has been paid, the initial investment assets) monthly compounded at a rate equal to the Performance Index (annualized using the actual/360 daycount method).
The Management Fee is paid to the AIFM whether or not the Compartment generates a profit. However, the performance fee is payable only on cumulative profits achieved from asset selection and trading.

Any fees paid will not be reimbursed despite net trading losses which might occur in subsequent twelve-month periods but no further performance fees will be payable until the Compartment recoups the trading losses (except trading losses attributable to redeemed Units) and achieves additional trading gains.

When a Compartment invests in funds managed by the same AIFM, these funds will not charge any placement fee on the assets invested by such Compartment. Moreover, the AIFM will not charge twice the performance fee.

In the case of a conversion, units which are acquired pursuant to transfer will be treated as if they were issued on the date of the acquisition for these purposes. In the event that a Unitholder redeems its Units prior to the end of a Performance Period, any accrued but unpaid Performance Fee in respect of such Units will be deducted from the repurchase proceeds and paid to the AIFM promptly thereafter. The Performance Fee in respect of such Performance Period will be calculated by reference to the Net Asset Value before the deduction of any accrued Performance Fees.

The Management Company may, from time to time, and in its absolute discretion, decide to rebate all or part of the Management Fee and/or Performance Fee to any Unitholder. Any such rebates may be applied in paying cash to the Unitholder.

If CIGOGNE MANAGEMENT S.A. ceases to be the AIFM of the Fund (either by termination of any related agreement or by termination of the appointment) before 31 December in any year, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant period.

4. RISK FACTORS

An investment in the Compartment involves a high degree of risk, including the risk that the entire amount invested may be lost. The Compartment will invest in and actively trade securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity, fixed-income, commodity and currency markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equities, currencies and OTC derivatives markets, the illiquidity of derivative instruments and the risk of loss from counterparty defaults. No guarantee or representation is made that the investment program will be successful, that the various investment strategies utilized will have low correlation with each other or that the Compartment's returns will exhibit low correlation with an investor's traditional securities portfolio. The Compartment may utilize such investment techniques as option transactions, margin transactions, short sales, leverage, derivatives trading and futures and forward contracts, which practices can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Compartment's investment portfolio may be subject. Prospective investors should consider the following additional factors in determining whether an investment in the Compartment is a suitable investment :

GENERAL RISK FACTORS

Performance-Based Fee and Expenses. The annual Performance Fee paid to the AIFM on investment gains may create an incentive for the AIFM to cause the Compartment to make investments that are riskier or more speculative than would be the case if such fees were not paid. In addition, since the Performance Fee will be calculated on a basis that includes unrealized appreciation of the Compartment's NAV, such fees may be greater than if they were based solely on realized gains.

Business Risk
There can be no assurance that the investment objectives of the Compartment will be achieved. The performance of the Compartment will be reliant on the success of the AIFM, which is an entity with no operating history in such investment management by which to evaluate its current and likely future performance.

Dependence on the Principals of the AIFM
The principals of the AIFM have authority to control the investment management of the Compartment. If, for any reason, the AIFM were to loose the services of these individuals, the Compartment might be adversely affected.

Potential Loss of Invested Capital
A Unitholder could lose all or substantially all of its investment in the Compartment. The Units are only suitable for investors willing to accept this risk. Prospective investors should carefully consider their portfolio objectives and their need to minimize the risk of large losses in evaluating an investment in the Units.

No investor should invest in the Compartment more than such investor can afford to lose. As a non-traditional investment, the Compartment is suitable only for a limited portion of an investor's portfolio. The Compartment does not purport to constitute a complete investment program, but rather only to serve as a diversification alternative intended to complement an investor's core holdings.

Potential Loss of Credit Facility
The Compartment intends using borrowed money to augment its investments in alternative strategies. Unavailability of such credit lines will reduce the potential trading gains sought by the Compartment (and limit the potential losses).

INVESTMENT STRATEGY RISK FACTORS

Convertible Arbitrage. The success of the Compartment's investment activities will depend on the AIFM ability to identify and exploit price discrepancies in the market. Identification and exploitation of market opportunities involve uncertainty. No assurance can be given that the AIFM will be able to locate investment opportunities or to correctly exploit price discrepancies. A reduction in the pricing inefficiency of the markets in which the Compartment will seek to invest will reduce the scope for the Compartment's investment strategies. In the event that the perceived mispricings underlying the Compartment's positions were to fail to materialize as expected by the AIFM, the Compartment could incur a loss.

INVESTMENT TECHNIQUE RISK FACTORS

Short-term Market Considerations. The AIFM's trading decisions may be made on the basis of short-term market considerations. Therefore, the portfolio turnover rate could result in significant trading related expenses.

Leverage; Interest rates; Margin. The Compartment may utilize substantial leverage in its investment program, thereby maximizing its investment positions by borrowing funds to the fullest possible extent permitted by its regulations. As a result, the possibilities of profit and loss are increased. Borrowing money to purchase securities provides the Compartment with the advantages of leverage, but exposes it to greater market risks and higher current expenses. Any gain in the value of securities purchased with borrowed money or income earned from these securities that exceeds interest paid on the amount borrowed would cause the Compartment's NAV to increase faster that would otherwise be the case. Conversely, any decline in the value of the securities purchased would cause the Compartment's NAV to decrease faster than would otherwise be the case.

Leverage may take the form of trading on margin, investing in derivative instruments that are inherently leveraged, and entering into other forms of direct or indirect borrowings. The amount of leverage or borrowings which the Compartment may have outstanding at any time may therefore be large in relation to its capital. Consequently, the level of interest rates generally, and the rates at which the Compartment can borrow in particular, will affect the operating results of the Compartment.

In general, the Compartment's use of short-term margin borrowings results in certain additional risks to the Compartment. For example, should the securities pledged to brokers to secure the Compartment's margin accounts decline in value, the Compartment could subject to a "margin call", pursuant to which the Compartment must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the Compartment's assets, the Compartment might not be able to liquidate assets quickly enough to pay off its margin debt.

Short Selling. Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the 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 the costs of borrowing the securities. A short sale creates the risk of an unlimited loss, as the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Hedging Transactions. The Compartment may utilize a variety of financial instruments, such as derivatives, options, interest rate swap, caps and floors, futures and forward contracts, both for investment purposes and for risk management purposes. However, the AIFM is not obligated, and will not attempt to hedge all market or other risks inherent in the Compartment's positions. While the Compartment may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Compartment than if it had not engaged in any such hedging transaction. Moreover, it should be noted that the portfolio will always be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

INVESTMENT INSTRUMENT RISK FACTORS

Highly Volatile Markets. The prices of commodities contracts and all derivative instruments, including futures and options, can be highly volatile. Price movements of forward, futures and other derivative contracts in which the Compartment's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain, markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Compartment also is subject to the risk of failure of any exchange on which its positions trade or of their clearinghouses.

Swap Agreements. The Compartment may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Compartment's exposure to equity securities, long-term or short term interest rates, foreign currency values, corporate borrowing rates, or other factors. Swap agreements can take many different forms and are known by a variety of names.

Counterparty Risk. Some of the markets in which the Compartment may effect its transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based markets. To the extent the Compartment invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, the Compartment may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries.

Transactions entered into directly between two counterparties generally do not benefit from such protections. This exposes the Compartment to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the

Compartment to suffer a loss. Such "counterparty risk" is accentuated for with longer maturities where events may intervene to prevent settlement, or where the Compartment has concentrated its transactions with a single or small group of counterparties. The Compartment is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Compartment to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

Forward Contracts. The Compartment may enter into forward contracts which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forwarded contracts. Banks and other dealers with whom the Compartment may maintain accounts may require the Compartment to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Compartment's counterparties are not required to continue to make markets in such contracts.

There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which would otherwise be optimal, to the possible detriment of the Compartment.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND. PROSPECTIVE UNITHOLDERS SHOULD READ THIS ENTIRE CONFIDENTIAL MEMORANDUM AND THE FUND'S MANAGEMENT REGULATIONS AND CONSULT WITH THEIR OWN ADVISERS BEFORE DECIDING WHETHER TO INVEST IN THE COMPARTMENT. IN ADDITION, AS THE FUND'S INVESTMENT PROGRAM DEVELOPS AND CHANGES OVER TIME, AN INVESTMENT IN THE FUND MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISK FACTORS.

5. CONFLICTS OF INTEREST

Due to the services which are or may be undertaken by the AIFM, the Administrative Agent, the Depositary, the Investment Advisor, conflicts of interest may arise.

The Investment Advisor, the AIFM, the Administrative Agent, the Depositary, any counterparty may provide similar services to others, provided that the services they provide to the Compartment are not impaired thereby.

The AIFM may undertake specific transactions with or through the Investment Advisor (such as swaps or any other derivatives transactions, repurchase or reverse-repurchase transactions, securities lending or –borrowing transactions), in which cases the Investment Advisor shall act in the best interests of the Fund, and in accordance with the agreement stating the terms and conditions of such advisory or brokerage service.