



PROSPECTUS

FONDO ITALIA

1. Important information

As an investor in the Fondo Italia (referred to throughout as the 'Fund') you should be aware that your participation involves financial risks (an investment in the Fund is referred to throughout as a 'Unit'). We strongly advise you to read this prospectus (referred to throughout as the 'Prospectus') and its appendices very carefully, take note of the content in its entirety and, where necessary, obtain independent advice so that you can accurately assess the risks involved.

The minimum amount that can be invested in the Fund is EUR 100,000. As a consequence, pursuant to 4.1 under a of the Exemption Regulations Wft ("*Vrijstellingsregeling Wft*"), the Fund and the manager of the Fund are exempted from the obligation to have a license as foreseen in the Act on financial supervision ("*Wet op het financieel toezicht*") and are not under the supervision of the Autoriteit Financiële Markten and De Nederlandsche Bank N.V.

Investing in the Fund is only suitable for those investors:

- who have considerable experience with investments in securities and derivatives;
- who are willing and able to take the risk that the value of their investments will decrease;
- whose stake in the Fund represents only a limited percentage of their overall investments;
- who do not depend on the income from these investments;
- who accept that their investments involve limited liquidity;
- who have a medium to long-term investment horizon (three to five years).

The value of Units can fluctuate. Past performance is no guarantee of future results.

Neither the delivery of this Prospectus nor the offer, issue or sale of Units will, under any circumstances, constitute a representation that

the information contained in this Prospectus is correct at any time subsequent to the date of this Prospectus.

The Fund has not authorized anyone to supply information or issue statements not contained in this Prospectus. If such information is supplied or any such statement is issued, it should be regarded as unauthorized and, accordingly, should not be relied upon.

This Prospectus does not constitute an offer to sell or an invitation to subscribe or purchase, any Units in any jurisdiction to any person to whom it is unlawful to make such offer or invitation in such jurisdiction. Persons into whose possession this Prospectus comes are required to inform themselves about such restrictions and to observe them.

The Units will not be listed on the Euronext Amsterdam Stock Exchange or any other official stock market.

The Units are, under certain conditions, redeemable by the Fund at the option of the Unit holder. Units cannot be transferred to any other party.

The Prospectus is governed solely by the laws of the Netherlands. It is available only in the English language.

Let op! U belegt buiten AFM-toezicht. Geen vergunning- en prospectusplicht voor deze activiteit.



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2. DEFINITIONS

Administrator

Pavan Associates BV or such other administrator as may be appointed from time to time by the Manager

AFM

the Dutch Authority for the Financial Markets
("Autoriteit Financiële Markten")

Asset Class Manager

an investment manager specialized in a certain asset class, selected by the Manager

Business day

a day on which Euronext Amsterdam is open for trading

Custodian Banks

Ing Bank or their duly appointed successors

Fund

the contractual investment fund ("beleggingsfonds" or "fonds voor gemene rekening") constituted by the arrangements between the Unit holders, the Manager and the Trustee in relation to the participation in, management, custody and administration of the Fund as described in this Prospectus and the Terms and Conditions, also referred to as the "Fondo Italia"

Manager

Pavan Associates BV a company incorporated under Dutch law, whose registered office is in Eindhoven, the Netherlands, the manager (the "beheerder") of the Fund

NAV or Net Asset Value of the Fund

the total value of the Fund's assets less an amount equal to all accrued debts, liabilities and obligations of the Fund

Pool

a contractual investment fund "beleggingsfonds" or "fonds voor gemene rekening" that invests in a specific asset class, of which the Manager is the manager (the "beheerder") and the Trustee the trustee (the "bewaarder")

Prospectus

this document including its appendices

Terms and Conditions

the terms and conditions of management and custody ("voorwaarden van beheer en bewaring") of the Fund attached hereto as Appendix I

Transaction Date

a date on which Units are issued or redeemed, being the first Business day of each calendar month

Trustee

Stichting Pavan Beheer, the trustee (the "bewaarder") of the Fund, or such other trustee as may be appointed from time to time

Unit

a unit representing the rights of the holder of the Unit to a certain percentage of the Net Asset Value

Unit holder

a natural person or legal person that participates in the Fund in accordance with the Terms and Conditions

Unit holders register

the register in which the names, addresses and other data of all Unit holders are recorded and which states the particulars of their Units

Unit NAV

the Net Asset Value of a Unit, being the Net Asset Value of the Fund divided by the number of Units in issue

Website

www.fondoitalia.com or any other site as notified by the Manager to the Unit holders

Wft

Act on financial supervision ("Wet op het financieel toezicht")

3. FONDO ITALIA

Fund profile

The Fund is a contractual investment fund (“*beleggingsfonds*” or “*fonds voor gemene rekening*”). It is not a legal entity but a contractual arrangement sui generis between the Manager, the Trustee and the Unit holders. The Fund was established on 27 December 2017 and shall continue to exist for an indefinite period of time. The Fund’s office address is that of the Manager.

The Fund has a semi open-ended structure, which means that the Fund will on request issue and redeem Units, subject to certain restrictions as described herein. The Fund is governed inter alia by the Terms and Conditions. By subscribing to the Fund, a Unit holder represents and warrants to have reviewed the Terms and Conditions and agrees to be bound thereby. A Unit holder is admitted to the Fund by the issuance of Units.

Unit holders have no proprietary rights with respect to the assets of the Fund but an economic interest in the assets of the Fund. The Trustee is the legal owner of all assets of the Fund. The Trustee will acquire and hold the assets on behalf and for the account of the Unit holders. Such interest of the Unit holders is represented by the Units held by each of them.

Pursuant to the Terms and Conditions, the Trustee will grant a power of attorney to the Manager to manage (“*beheren*”) the assets of the Fund in accordance with the Terms and Conditions.

The base currency of the Fund is euro.

The Fund is a closed fund (“*besloten fonds*”) for tax purposes. This means that it is fiscally transparent and not subject to company tax. Investments and any investment yield are distributed to the Unit holders proportionately. As a consequence, Units cannot be freely transferred but can only be sold to the Fund.

The Fund is not listed on the stock exchange.

Manager

Pavan Associates BV shall act as the Manager. The Manager has the legal status of a private company with limited liability and was established on 27 December 2017. It has its registered office in Eindhoven and is

registered in the Trade Register at the Chamber of Commerce in Amsterdam under number 70401276.

Pavan Associates BV is an independent organisation whose goals are to manage and administer capital for other parties, supply advice in this respect and provide financial services. The Manager is responsible for managing the Fund in accordance with the Fund’s investment policy and the Terms and Conditions.

The current Manager’s board consists of: Pavan Associates BV. The board is responsible for the company’s policy, the day-to-day affairs and the managing of the Fondo Italia investment portfolio.

The Manager may delegate the management of (a part of) the Fund or of the underlying Pools.

Administrator

The financial administration of the Fund, the calculation of the NAV and the Unit NAV, and the updating of the Unit holders register are outsourced by the Manager to the Administrator.

Trustee

Stichting Pavan Beheer, with its registered seat at Eindhoven, The Netherlands, will act as Trustee.

The Fund’s assets will be held by the Trustee in its own name but at the Fund’s risk and expense, separately from its own assets and liabilities.

The other tasks and responsibilities of the Trustee are to check, in the interest of the Unit holders, whether:

- (i) the investment transactions carried out by the Manager accord with the investment policy of the Fund as set out in the Prospectus;
- (ii) the movements listed in the daily bank statements of the Fund are in accordance with the investment transactions, dividends or interest received, issue or redemption of Units or payment of costs and fees in accordance with the Prospectus.

The Trustee may engage the services of other parties.

Meeting of Unit holders

At least annually a meeting of Unit holders will be held, which shall take place after the publication of the audited annual accounts. Such meeting will also be held either if such is deemed to be desirable by the Manager, the Trustee or when a written request stating the issues to be discussed has been made to the Trustee by one or more Unit holders representing at least 25 percent of the total amount of Units issued.

The Unit holders will be notified of a meeting through a notice addressed to each Unit holder and publication on the Website at least fourteen days in advance, the day of publication of the notice and the day of the Meeting not included. The issues to be discussed at the meeting are mentioned in the notice.

All decisions regarding the Fund are to be made by the meeting, unless otherwise prescribed by law or the Terms and Conditions.

Every Unit holder, as well as all other persons who have the right to do so pursuant to the law, have the right to attend the meeting, to speak at the meeting and to vote. A Unit holder may attend by proxy. Each Unit represents one vote.

Custodian Banks

The Custodian Banks provide brokerage, custodial and financing services to the Fund. They are not responsible for the content of this prospectus.

The Manager is entitled, with the consent of the Trustee, to use other financial institutions as custodian.

4. Investment objective and policy

Investment objective

Fondo Italia is a global investment fund. Its objective is to achieve an average annual return of 10% after deduction of fees, costs and expenses, measured over a period of five years at a risk (standard deviation), which is double to the risk of equities. Therefore, the fund is only suitable for investors with a minimum investment horizon of five years.

Investment policy

The philosophy of the fund is to achieve a positive result for the customer in a stock, share, equity market that rises, falls or stabilizes. This is done by taking a share position or taking a long position in options on a share combined with taking a short position in the same fund in options. As collateral for this short position, the shares act as long-term options respectively. This short position can be taken immediately after the purchase of the shares respectively. long-term options but this can also be done later depending on market conditions. In any case, a short position is chosen on the fund with an expiry date that is generally well before the expiration date of the long position. If the price development of the fund gives rise to this or if the underlying fund is ex-dividend and / or the written (open position) short-term options no longer have an expected value and can be assigned, the written position will be moved to a new expiration date and / or a higher exercise price. The same applies to the long-term options that serve as collateral for the written position. If the 'roll-over' of the positions yields a credit balance, this will be used to take a new position in options or long-term shares. Should the position taken no longer have an expected value, then it can also be decided to liquidate the position and take a different position that has more (return) potential.

The manager is at all times free to use the capital in this way.

Investments

The Fund will invest in:

- (i) venture capital
- (ii) buyouts
- (iii) credit Lines | AGIO | Loans
- (iv) assets
- (v) debpt Related | Special Situation
- (vi) securities of any kind;
- (vii) long / short derivatives;
- (viii) products related to an index of an asset class.

Return and Risk

The Fund's investment objective is to achieve an average annual return of 10% measured over a period of five years and a risk (standard deviation). Additionally, the Fund tries to preserve capital by implementing an investment strategy with a yearly absolute return target. However, the Fund can have a year with a negative performance from time to time.

5. Risk profile

Investors are deemed to be acquainted with the risks of investing in the Fund. A careful selection and diversification of investments held by the Fund are no guarantee of a positive return.

Investing in the Fund involves the following main types of risks.

Risks of a general economic and political nature

The Net Asset Value (NAV) of the Fund is subject to change as a result of various factors, such as movements in interest and foreign exchange rates, inflation and deflation, economic, political and business developments (or, in the business sector, bankruptcies and other risks pertaining to trade debtors), the passage of time and sudden sharp changes in supply or demand on the financial markets.

Disaster risks

The NAV can fluctuate as a result of general economic instability, political and geopolitical conflict and terrorism.

Price risks

Investing in Units involves financial risks. Investors need to realize that the listed price of any securities in which the Fund acquires a position can fluctuate. Stock markets have generated favorable returns in the past. However, this is no indication or guarantee of the future. Because of variations in prices the Fund's NAV is also susceptible to fluctuation, which can mean that Unit holders might not receive the full value of their investments when they withdraw from the Fund.

Historical relationships and correlations

The optimization of the Fund's portfolio is based on historical relationships (correlations) that have been shown to exist among various asset classes and indices. These historical relationships can change, as can correlations in times of profound market tension. Larger variations in earnings, both positive and negative, can occur as a result of the above conditions.

Liquidity Risk

The Fund may invest in securities or investment funds that can be illiquid and can apply a lock-up for their investors. This might have a pricing and liquidity effect on the Fund

and might ultimately lead to a slower redemption process for investors in the Fund.

Derivative risk

The Manager can use financial derivatives and other instruments. These products can be exceptionally volatile.

Earnings risks

The Fund is seeking to achieve a return of 10% on an annual basis after the deduction of expenses. However, there is absolutely no guarantee that it will achieve the target yield it seeks.

Track record risks

The Manager has established a ten year track record with the same strategy for managed accounts at another investment manager. However, this track record is no guarantee of future earnings.

Cash flow risks

The Fund offers a limited opportunity for withdrawal. Unit holders can sell some or all of their Units up to five business days before the last day of a calendar month, subject to a deregistration period of one calendar month.

Conflict-of-interest risks

The Manager, the Administrator or the Trustee might encounter a conflict of interest with the Fund in the course of performing their duties. If this happens an effort will be made to find a solution for the Fund as soon as possible without any noteworthy harm as a result of such conflict. The Manager and/or the directors themselves can be involved directly or indirectly in investments of the Fund, or in the management of, or the provision of advice to other funds that trade assets also traded by the Fund. Neither the Manager nor the directors will have a duty to allocate any investment opportunities to the Fund in their entirety but, if the situation arises, they will divide such opportunities between the Fund and their other clients equally.

Foreign exchange risks

The Fund is denominated in euro. Investments in the Fund can also be in other currencies than euro. The Fund can hedge these foreign exchange positions towards the euro. Investments in this fund can therefore cause additional fluctuations, both positive and negative for euro investors.

Risks pertaining to the amendment of legislation or regulations (tax or otherwise)

The manner in which the Fund is treated for tax purposes might change for the worse, or legislation might be enacted that could have a negative impact on the Fund and the Unit holders. Regulations are susceptible to amendment, and any such occurrence could keep the Fund from achieving its investment objective.

Credit risks

The Manager will use the services of other brokers. Holding a non-segregated account with such brokers can lead to the loss of all or part of any investments in the event of bankruptcy.

Counterparty risks

Transactions entered into by the Fund will be settled with counterparties, whether or not they are subject to supervision. In the event that insolvency or similar circumstances prevents one of these parties from executing or settling transactions within the applicable period, this could have a negative impact on the Fund's performance.

Fund structure risks

The Fund is a contractual investment fund. Unlike an investment company, a contractual investment fund is not a legal entity. It is created by a sui generis agreement based on contractual arrangements. The safekeeping and management of the Fund occurs subject to the Terms and Conditions. The latter stipulate that the Fund is not a private, general or limited partnership. Nevertheless, contractual investment funds are regularly considered to be private partnerships in case law and the relevant literature. Whether a contractual investment fund is deemed to be a private partnership or not is particularly important for the purposes of applying the provisions of the law governing such partnerships. One of the most important provisions concerns the several liabilities of the parties in a private partnership for any undertaking entered into in the name of the partnership. If the Fund is deemed to be a partnership, it is not certain that it will be possible to invoke the provisions of Article 7.2 of the Terms and Conditions in relation to any external party. The Trustee is the legally recognized owner of the Fund's assets for the benefit of the Unit holders. Despite the fact that the Trustee will keep the Fund's assets separate from his own capital, there is a limited risk that under the current legislation no distinction will be drawn between the Trustee's assets and those held by the Trustee in his

own name but on behalf of the Unit holders. To limit this risk further, the Trustee will conduct no operations other than his safekeeping duties and other tasks as foreseen in this prospectus. There is an additional limited risk that the Unit holders of a Fund structured in this way might also be held liable for its debts.

Investment management risks

The Fund's performance depends to a significant extent on the achievements of the people who manage it. These people are the directors behind the Manager. The death, invalidity, departure, insolvency or withdrawal of any of these people can have a negative impact on the Fund's performance.

The above risks will be assessed constantly in order to ensure that they accord and continue to accord with the situation prevailing when investment commenced. If the Manager is of the opinion that these risks may prejudice the Unit holders' interests, he will warn each of them in writing.

6. Participation in the Fund, subscription and redemption

SUBSCRIPTION

Minimum Investment

The minimum subscription amount for each Unit holder is EUR 100,000. Persons subscribing for Units on behalf of others (conferring an indirect legal or economic interest in the Units on such others), such as nominees, securities giro's ("beleggersgiro") and special purpose custody vehicles, may only subscribe for Units if the beneficiaries of their participation will individually each (indirectly) participate in the Fund for an amount of EUR 100,000 or more.

Existing Unit holders can make further applications for Units in amounts of EUR 10,000 or more.

Issue

The Fund will issue Units on each Transaction Date at the Unit NAV of the subscription amount on the last Business Day preceding the Transaction Date.

The Manager may at its own discretion suspend the allocation of Units in any of the circumstances referred to in Article 9 of the Terms and Conditions, as well as in any circumstances extraordinary enough to justify this. Such extraordinary circumstances can include but will not be limited to

- (i) a reasonable expectation that the allocation of Units will disproportionately prejudice the interests of the majority of the existing Unit holders; or,
- (ii) the fact that the investment of the amount to be received following the allocation of Units would be imprudent or impossible in view of the prevailing market conditions. The Manager will give notice of a suspension of the allocation of Units within a reasonable period of time.

Subscription amount and number of Units

Units will be issued against payment of the subscription amount.

The number of Units to be issued will be calculated by dividing the subscription amount by the Unit NAV as per the last Business Day preceding the Transaction Date.

Fractions of Units may be issued up to four decimal positions.

Subscription Procedure

Submittance subscription request

Applications for Units should be submitted to the Manager at least five Business Days prior to the desired Transaction Date.

Subscription form on Website

For subscription the subscription form must be used which can be downloaded from the Website.

Payment subscription amount

Payment of the subscription amount must be received in EURO in the account of the Trustee with Ing Bank, account number NL41INGB0007898283 in the name of Stichting Pavan Beheer, Eindhoven with reference: "Fondo Italia" at the latest on the second Business Day prior to the relevant Transaction Date.

Payment of the subscription amount will further need to be made in accordance with instructions in the subscription form. If either

- (i) the relevant completed and signed subscription form; or
- (ii) payment of the subscription amount have not been received timely,

the application shall be held over until the following subscription date, in which case the relevant Units will then be issued at the Unit NAV on the last Business Day prior to that Transaction Date.

Right to reject subscription

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

Subscription irrevocable

Completed applications are irrevocable once received by the Manager. Upon issuance of the Units in satisfaction of an application, the Manager will confirm the number and value of the Units so issued.

Other subscription date

Under exceptional circumstances and only in the interest of the Unit holders, the subscription date may be a different day than a Transaction Date. In that case, the Unit

holders concerned will be notified by mail or facsimile.

Prevention of Money Laundering

Measures aimed at the prevention of money laundering require the Manager to verify the identity of an applicant for Units. The procedure used by the Manager is compliant with the Dutch Anti Money Laundering and Financing of Terrorism Act (“*Wwft*”).

Form of Units

All the Units will be in registered form. Certificates representing Units will not be issued.

Transfer

The Units are redeemable on certain conditions. Units cannot be transferred to anyone other than the Fund and cannot be made subject to any encumbrance.

REDEMPTION

Redemption

On each Transaction Date the Fund will redeem Units at the Unit NAV on the Business Date preceding such Transaction Date if so requested by a Unit holder.

Units so purchased by the Fund will expire.

The Manager reserves the right to restrict redemption of Units on a Transaction Date to Units representing up to 10% of the Fund’s Net Asset Value. In the event redemption requests exceeding that amount are received, the number of Units redeemed per redeeming Unit holder will be pro-rated accordingly. Any remaining Units offered for redemption will receive preferential treatment over subsequent redemption requests at the next following Transaction Dates, in which case redemption will take place against the Unit NAV on the Business day preceding the Transaction Date.

The Manager may suspend redemption of Units if:

- (i) the calculation of the NAV is suspended;
- (ii) the Manager has objections due to facts and circumstances on the markets where the assets of the Fund are traded;
- (iii) the redemption of Units would be prejudicial to the interests of the Unit holders as a whole or individually; or

- (iv) in any of the circumstances referred to in Article 9 of the Terms and Conditions.

Redemption Procedure

Submittance redemption request

Unit holders should send a completed redemption form to be received by the Manager five days before the desired Transaction Date, failing which the redemption request will be held over until the following Transaction Date. The Manager may decide, on a best effort basis, to shorten the period between receiving a redemption form and the actual redemption.

Redemption form on Website

Redemption forms are available on the Website.

Redemption not guaranteed

The Trustee and the Manager will use their best efforts to comply with a request for redemption, but redemption cannot be fully guaranteed given the nature of the Fund’s investments.

Minimum investment after redemption

Redemptions will be rejected if the redemption of Units would result in a Unit holder holding Units with an aggregate value of less than EUR 100,000. In the event a Unit holder wishes to redeem Units that would result in the Unit holder holding Units of EUR 100,000 or less the only option available to the Unit holder is to redeem its entire holding in the Fund.

Redemption request irrevocable

A redemption request (through submission of a Redemption Form), once made, is irrevocable, unless the redemption request is revoked with the consent of the Manager (which consent may be withheld).

Other redemption date

Under exceptional circumstances, in the interest of the Unit holders, the redemption date may be a different day than a Transaction Date. In that case the Unit holders concerned will be notified by mail of the change of the Transaction Date.

Payment redemption amount

Payment of the redemption amount will normally be made within 10 Business Days after the date on which the Net Asset Value has been calculated. Redemption payments will be made to the account of the Unit holder listed in the Unit holder’s register. The Fund

will pay no interest over the period between the Transaction Date and the date on which payment is made.

7. Net Asset Value

Monthly calculation by the Administrator

Per the last Business Day of every month the Administrator will calculate the Net Asset Value of the Fund and the Unit NAV. The calculation can take up to four weeks. The Net Asset Value and the Unit NAV will be published on the Website every month.

Valuation Methods

The assets of the Fund will be valued in accordance with the following policies and principles:

- (i) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Business Day or, if no trades occurred on such day, at the closing bid price if held long by the Fund and at the closing offer price if sold short by the Fund, as at the relevant Business Day, and as adjusted in such manner as the Manager, in its sole discretion, thinks fit, having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for such security or the one which the Manager in its sole discretion determine provides the fairest criteria in ascribing a value to such security;
- (ii) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Manager may determine at its discretion which market shall prevail;
- (iii) any security which is neither listed nor quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be

valued at its probable realisation value as determined by the Manager in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Manager in its sole discretion deems relevant in considering a positive or negative adjustment to the valuation;

- (iv) investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued on the basis of the latest available valuation provided by the relevant counterparty;
- (v) deposits will be valued at their cost plus accrued interest;
- (vi) any value (whether of an investment or cash) otherwise than in Euros will be converted into Euros at the rate (whether official or otherwise) which the Administrator in its absolute discretion deems applicable as at close of business on the relevant Business Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

The Manager and Trustee may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice. The determination of the Net Asset Value of the Fund and the Unit NAV has been delegated to the Administrator. In determining the Net Asset Value of the Fund and the Unit NAV, the Administrator will follow the valuation policies and procedures adopted by the Fund as set out above. If and to the extent that the Manager is responsible for or otherwise involved in the pricing of any of the Fund's portfolio securities or other assets, the Administrator may accept, use and rely on such prices in determining the Net Asset Value of the Fund and shall not be liable to the Fund, any Unit holder in the Fund, the Manager or any other person in so doing. The Administrator shall only be liable to the Fund for damages resulting from its own negligence ("*schuld*") or default ("*opzet*").

Errors in calculation

In case of any errors in the calculation of the Net Asset Value, the Fund Manager will within three Business Days prepare a report on the

errors that were made and which correction will need to be made to the Net Asset Value. If:

- (i) a correction is required of more than 5% of the NAV; and ,
- (ii) the Unit holders or the Fund (i.e. the then present Unit holders) incurred losses by a subscription or redemption against the erroneously calculated NAV, the Manager will provide compensation (in cash or in Units) for the relevant Unit holder and/or the Fund (i.e. the then present Unit holders) for the actual losses incurred, unless the error is not attributable to the Manager, the Administrator or the Trustee taking into account their liabilities as set out herein and in the Terms and Conditions. Any disputes between the Administrator and the Manager in this respect shall not affect the Manager's obligation to provide compensation.

Suspension of Valuation

The Fund Manager may declare a suspension of the determination of the Net Asset Value for the whole or part of any period during which:

- (i) any exchange on which a substantial part of investments owned by the Fund are traded is closed, otherwise than for ordinary holidays, or dealings thereon are restricted or suspended; or,
- (ii) there exists any state of affairs which constitutes a state of emergency in any jurisdiction or region as a result of which the sale of the Fund's investments would, in the sole opinion of the Manager, not be practical or impossible or would negatively affect the rights of Unit holders;
- (iii) if other circumstances prevent (adequate) determination thereof.

Example of Calculation

The NAV calculation is the sum of four parts based on monthly amounts divided by the outstanding participations:

The four parts are:

- (i) the value of the assets;
- (ii) subtract the management fee;
- (iii) add receivables;
- (iv) subtract payables

8. Distribution policy

Unless the Manager decides otherwise, income and gains of the Fund will not be distributed but re-invested. In case of a distribution, the Unit holders will be notified in writing and the distribution will be announced on the Website.

9. Financial reporting

Annual reports

The financial year of the Fund will coincide with the calendar year. The Manager will draw up an annual report every year within four months of the close of the financial year. The annual report will consist of the Manager's report and the annual accounts. The annual accounts will consist of the balance sheet, the profit and loss account, and accompanying notes. At the very least these notes will include a breakdown of any movement in the value of the Fund during the financial year, and a breakdown of the investments at the end of the financial year. The Manager will publish the annual report within four months of the end of a financial year on a protected part of the Website.

Half-yearly reports

The Manager will draw up a half-yearly report every year within nine weeks of the end of the first six months of the financial year. The half-yearly report will consist of an account given by the Manager along with the figures for that half of the year. The half-yearly figures will consist of the balance sheet, the profit and loss account and the accompanying notes. At the very least these notes will include a breakdown of any movement in the value of the Fund during the first half of the financial year and a breakdown of the investments at the end of that half of the year. The Manager will publish the half-yearly report on a protected part of the Website.

Audit of annual accounts

The Manager will instruct a chartered accountant or some other expert referred to in Section 393(1) of the Dutch Civil Code, Vol. 2, to audit the annual accounts. The accountant will present a report of his audit to the Manager and the Trustee, and record the findings of his audit in a statement. The accountant's statement will be added to the annual accounts.

Dispatch on request

The annual and half-yearly reports will be sent free of charge to any Unit holder on request.

10. Fees, costs and expenses

FEES, COSTS AND EXPENSES BORNE BY THE FUND

Costs of incorporation of the Fund

The initial cost of incorporating and introducing the Fund have amounted to EUR 50,000 (inclusive of VAT) and have been paid by the Manager on behalf of the Fund.

The expenses like registration fee AFM, tax consultancy fees, legal assistance, marketing and promotion costs, costs for research and the printing costs for this Prospectus will be borne by the Manager (Pavan Associates B.V.).

Fee Trustee

The Trustee is entitled to receive Euro 5,000 (ex V.A.T.) per annum. This fee will be paid by the manager on behalf of the fund.

Participation Administration Fee

The Administrator is entitled to receive Euro 12,000 (ex V.A.T.) per annum. This fee will be paid by the manager on behalf of the fund.

NAV Calculation Fee

The Administrator is entitled to receive Euro 6,000 (ex V.A.T.) per annum. This fee will be paid by the manager on behalf of the fund.

Other fees and expenses

- administration fees;
- charges, fees and expenses of legal and tax advisors and auditors;
- all taxes and fees payable to governments or agencies;
- all expenses connected with communication with Unit holders and meetings of Unit holders;
- any other organizational and operating expenses and fees.

All these fees will be paid by the manager on behalf of the fund.

The Fund will bear its own operating and other expenses, which will be paid out of the Fund's assets and will therefore influence investment results. These expenses may include, without limitation:

- custody costs;
- investment expenses;

The Manager will endeavor to ensure that the aggregate amount of these other fees and

expenses in a year will not exceed 0.10% of the Fund's average Net Asset Value in that year.

Transaction fees

Any transaction fee charged when securities are bought will be deemed to constitute part of the purchase price. Any transaction fee charged when securities are sold will be deducted from the proceeds of the sale.

Indirect costs

The costs made by the Pools are borne (indirectly) by the Fund. The Manager, the Trustee and the Administrator do not charge any costs or fees to the Pools.

In case a Pool invests in a fund or investment vehicle, the costs and fees of this fund or vehicle (including the management fees of the respective Asset Class Managers) are borne by this Pool and thus (indirectly) by the Fund.

Costs for the account of the Manager

The Manager will be liable for any expenditure not associated with the Fund's investments. This will include the cost of:

- labor;
- marketing;
- data systems;
- a risk management system;
- analysis software;
- research;
- any other expenses needed to ensure the operation of the Manager

Management fee

For managing the Fund, the Manager will receive a fixed annual fee amounting to 1.50% of the Fund's Net Asset Value. The fee will be calculated monthly on the basis of the Net Asset Value as at the last day of the preceding month, and will be paid monthly in arrears.

Total Expense Ratio (TER)

The level of costs of the Fund (exclusive of transaction costs), related to the average NAV of the Fund is estimated to be 1.50% per annum. The Transaction costs are estimated to be 2%-4% per year.

11. Information about the Fund

The information published on the Website shall also be made available free of charge at the offices of the Manager.

Monthly reports

Unit holders will receive summary monthly reports. The reports will contain the following information and data:

- an overview of the monthly performance of the investment portfolio of the Fund;
- a breakdown of the portfolio in asset classes;
- a summary explanation of important events that have had a material impact on the performance of the portfolio over the last month;
- the Net Asset Value of the Fund;

Quarterly statement

The Administrator will provide each Unit holder every quarter with a statement containing the following details:

- the number and value of the Units held;
- details relevant for the Unit holders tax-return.

Annual and half-yearly reports

The annual and half-yearly reports of the Fund will be published on a protected part of the Website.

Website

On the protected part of the Website the following information will be published:

- any notification that must according to the Terms and Conditions be made to the Unit holders;
- the most recent Net Asset Value of the Fund;
- this Prospectus, the Terms and Conditions, the Articles of Association and any (proposed) amendments or supplements thereto;
- the Annual Accounts of the Fund over the past three years;
- the most recent semi-Annual Accounts of the Fund;
- the most recent Monthly Investor Report;
- notifications for meetings of Unit holders;
- the articles of association of the Manager;
- the articles of association of the Trustee.

12. Tax-related matters

General

A general description follows of the tax implications of investing in the Fund. This section on tax is only intended to provide general information and is limited to the matters below. In this respect no attempt has been made to be comprehensive. No conclusions regarding subjects not specifically mentioned can be drawn from the text below. The text does not constitute advice about anyone's personal situation. There is no intent to present all possible tax implications that investing in the Fund may have. Prospective Unit holders are therefore advised to discuss the tax implications for their particular circumstances with their own tax consultant.

The description of aspects of the Dutch tax regime is based on the currently applicable tax legislation in the Netherlands, on other regulations governing taxation and on the case law pertaining to tax-related matters that has been developed in this country to date. This excludes any legislation that might be promulgated after the date of this Prospectus and take effect retroactively.

Tax position of the Fund

Company tax

The Terms and Conditions stipulate that a Unit holder may only alienate proof of joint entitlement to the Fund by offering it to the Manager. In accordance with current Dutch tax law the Fund is consequently deemed to be a 'closed common trust fund'. Such a Fund is transparent for tax purposes, which means that no company tax is levied on it. This implies that all of the Fund's assets and liabilities are deemed to be held by its individual Unit holders in direct proportion to their investments in the Fund.

Tax position of the Unit holders

Unit holders who are natural persons

The main points of the aspects of the Dutch tax regime applicable to private individual Unit holders domiciled in the Netherlands are set out below.

In the case of private individual Unit holders domiciled in the Netherlands who:

- do not (or do not need to) treat their Units as part of their business assets;
- do not receive any 'earnings from other work' where their Units are concerned

the value of these Units is counted as part of their earnings base (assets minus liabilities in so far as they need not be accounted for in Box 1 or 2) for the purpose of calculating income from savings and investments (Box 3). This calculation is based on the average earnings base as assessed at 1 January and 31 December each year. A specific tax-exempt asset threshold applies in the case of each taxpayer. Income from savings and investments is deemed to amount to 4.00% of the earnings base calculated, irrespective of the actual returns achieved. This fixed return is taxed at the income tax rate of 30%-50%, with the result that the effective tax burden amounts to 1.20%-1.50% of the average net invested capital.

For business owners domiciled in the Netherlands, who treat (or are required to do so) their Units as part of their business capital, and for companies having their registered office in this country, the yield on these investments constitutes part of their profit.

Unit holders subject to company tax

Unit holders who are subject to company tax are taxed on all income from tax and capital gains achieved on their Units. Owing to the Fund's transparency for the purposes of Dutch company tax such income and capital gains consist of a certain amount of earnings from and some capital gains achieved with the Fund's underlying investments in direct proportion to the relevant Unit holder's investment in the Fund.

Dividend and withholding tax

Because of its transparency the Fund cannot itself claim any setoff or refund of dividend and/or foreign withholding tax that has been withheld in relation to dividends received by the Fund. Nevertheless, such setoff may be possible or a refund may occur for Unit holders domiciled in the Netherlands and subject to income or company tax.

Unit holders domiciled outside the Netherlands

In general, no income or company tax will be levied on income or capital gains achieved by Unit holders domiciled outside the Netherlands, unless they are specifically associated with the Netherlands. This includes cases where a business or part of a business is run with the aid of a permanent establishment in the Netherlands. The possibility that a permanent establishment will be deemed to exist if a Unit holder holds Units for business purposes cannot be disregarded.

Unit holders domiciled outside the Netherlands are advised to consult their own tax consultant in relation to the possibility of setting off or obtaining a refund of dividend and/or withholding tax withheld in respect of dividends received by the Fund.

Change of tax structure

The Manager reserves the right to change the legal and tax-related structure of the Fund if, for example, legislation (tax-related or otherwise) is amended or if policy relating to investment or common funds is changed and the Manager deems this to be in the Unit holders' interests.

13. Other information

Manager's interests

The Manager's directors, shareholders of the Management Company and related parties may have invested in the Fund.

Personal Data Protection Act ("Wet bescherming persoonsgegevens")

The Manager and Trustee will ensure that any personal data collected and processed in connection with the Fund will be treated confidentially. They will comply with the Dutch Personal Data Protection Act and have reported to the Dutch Data Protection Authority (College Bescherming Persoonsgegevens) that they will be processing personal data.

Personal data will be collected and processed when entering data in the Unit holders register and during the implementation of the Prospectus's provisions. The Manager and Trustee will use personal data to implement the provisions of this Prospectus. Passing on personal data to other parties will not take place unless this is for the purpose of implementing the provisions of the Prospectus or required by law.

Exemption regulation

The Fund qualifies for exemption under section 4.1 under a of the Dutch Exemption regulations Wft ("Vrijstellingsregeling Wft") This means that the Manager does not need to have the license referred to in Article 2:65 of the Wft. The idea behind this exemption is that only competent investors with a high level of professionalism and a full understanding of the risks involved will seek investments of at least EUR 100,000. Such investors are deemed not to be in need of protection by the regulatory authorities. Consequently, the Manager is not subject to regulation by AFM or the Dutch Central Bank ("De Nederlandsche Bank").

Distribution policy

The Manager can use external distribution channels to market the Fund. The distributors will receive a fee from the Manager in the form of a percentage of the funds they raise or a portion of the Manager's annual fee covering these funds. In all cases the fees will be paid by the Manager and not charged to the Fund.

Amendment of Terms and Conditions

The Terms and Conditions can only be amended by the Manager. Any amendment which has the effect of reducing certainty for the Unit holders or of imposing liabilities on

them can only come into effect three months after notice of the proposed amendment has been given to the Unit holders and posted on the Website. During this three-month term the Unit holders can liquidate their investments in the Fund subject to the normal terms and conditions. The Manager will notify the Unit holders in writing of any amendment that has been approved.

Amendment of investment policy

Any amendment of the investment policy will only be introduced three months after notice of the proposed amendment has been given to the Unit holders and posted on the Website. During this three-month term the Unit holders can liquidate their investments in the Fund subject to the normal terms and conditions. The Manager will notify the Unit holders in writing of any amendment that has been approved.

Dissolution and liquidation

General

The Manager will notify the meeting of Unit holders of any proposal to dissolve the Fund. Subject to the provisions of Article 20.2 of the Terms and Conditions, the Fund will be dissolved by a decision taken by the Manager and the Trustee. Liquidation will be effected by the Manager. The Terms and Conditions will remain in effect as far as possible during liquidation.

Liquidation surplus

Any liquidation surplus will be paid to the Unit holders in direct proportion to the number of Units they hold, following which the Units will lapse. The Unit holders will only be paid after the accounts have been presented and everything has been accounted for. The Manager will present the accounts and statement of account accompanied by an accountant's report. The approval of the accounts and statement of account by the meeting of Unit holders will discharge the Manager and the Trustee from any liability to the extent that the meeting does not stipulate any condition in this respect.

14. Declaration of the Manager

Solely the Manager of the Fund is responsible for the contents of this Prospectus. The Manager declares that, to its best knowledge and belief, the information contained in this Prospectus is in accordance with the facts and that nothing is omitted that would be likely to affect the importance of such information.

Fondo Italia, 30 April 2018 Pavan Associates B.V.

15. Address list

Manager

Pavan Associates BV
B.V. Bleekstraat 1
5611 VB Eindhoven
The Netherlands
Telephone: +31 85 4019
469
info@pavanholding.com

Trustee

Stichting Pavan Beheer
Bleekstraat 1
5611 VB Eindhoven
The Netherlands
Telephone: +31 85 4019469

Administrator

Wigepa B.V. Bleekstraat 1
5611 VB Eindhoven
The Netherlands
Telephone: +31 85 4019469
info@wigepa.nl

Appendix 1 Terms and Conditions

Article 1 - Definitions

1.1 The following terms used in this contract have the meanings described below, unless it expressly appears otherwise:

Accountant

The chartered accountant as described in article 15.5 or other expert as described in article 2:393(1) of the Civil Code, to whom the task is given to audit the annual report.

Annual report

The annual report described in article 15.2.

Business day

A day on which Euronext Amsterdam and the banks in The Netherlands are open for the execution of securities transactions.

Custody

The holding and acquisition of goods to be held in custody fund: the assets that include or will include requested or acquired securities, moneys or other goods for collective investment in order that the participants therein shall share in the revenues there from.

Fund

Fondo Italia.

Fund Manager

The party responsible for managing the fund.

Half-yearly report

The report described in article 15.3 on the first six months of the fund's financial year.

Prospectus

The Prospectus dated 30 April 2018 of Fondo Italia, as amended from time to time.

Redemption

Acquisition of Units by the Trustee by way of purchase.

Trustee

The party responsible for custody of the Fund's assets.

Unit holders

Holders of Units.

Units

The proportionate fractions into which financial entitlement to the Fund are divided.

Register of Unit holders

The register described in article 8.2.

Value of a Unit

The value of a Unit expressed in Euro, being the value of the Fund divided by the number of outstanding Units.

Value of the Fund

The sum of the value of the goods belonging to the Fund, less the obligations incumbent upon the Fund, including any taxes and the costs of custody, management and the other

costs incumbent upon the Fund, expressed in Euro.

Website

The Fund Manager's website:

www.pavanholding.com

Wft

Act on financial supervision ("*Wet op het Financieel toezicht*")

1.2 Unless it expressly appears otherwise, a term described in the plural in article 1.1, with appropriate adaptation of the description mentioned therein, has the meaning described in art. 1.1 when expressed in the singular. Unless it expressly appears otherwise, a term described in the singular in article 1.1, with appropriate adaptation of the description mentioned therein, has the meaning described in art. 1.1 when expressed in the plural.

Article 2 – Name and duration

2.1 The Fund bears the name: Fondo Italia and is contractual investment fund ("*beleggingsfonds*" or "*fonds voor gemene rekening*").

2.2 The Fund has been created for a period of unspecified duration.

Article 3 – Nature, purpose and fiscal status

3.1 The Fund is managed and held under the conditions of management and custody as set out in this contract. These conditions and any Acts to implement the same do not constitute a society, general partnership or limited partnership.

3.2 Assets belonging to the Fund are invested collectively in accordance with an investment policy specified by the Fund Manager, for the purpose of enabling the Unit holders to share in the revenues from the investments.

3.3 The Fund is, or aims to be, a closed contractual investment fund ("*beleggingsfonds*" or "*fonds voor gemene rekening*") from the point of view of corporate tax.

Article 4 – Custody

4.1 The Trustee is the legal owner of all the assets that belong to the Fund.

4.2 All assets that are or will be part of the Fund are or will be obtained by the Trustee for the latter to hold on behalf of the Unit holders. The Trustee acts in so doing exclusively in the interests of the Unit holders. The Trustee shall possess the assets belonging to the Fund only together with the Fund Manager. The Trustee

shall only surrender the Fund's assets on receipt of a declaration from the Fund Manager from which it can be seen that the surrender was requested in relation to the regular exercise of the Fund's management.

4.3 Obligations that are or will be incumbent upon the Fund are or will be entered into in the name of the Trustee, whereby it will be expressly mentioned that the Trustee is acting in his capacity of Trustee of the Fund. The Trustee may not represent the Unit holders.

4.4 The Trustee is only liable to the Unit holders for damage suffered by Unit holders if and insofar as that damage is the consequence of his culpable failure to fulfill his obligations, or his inadequate fulfillment thereof. This also applies when the Trustee has entrusted the assets given into his keeping wholly or partly to a third party.

4.5 The Unit holders unconditionally and irrevocably renounce their right to make any claims to assets held by the Trustee on behalf of other funds, under the suspensory condition that the Unit holders of all other funds held or that will be held by the Trustee unconditionally and irrevocably renounce their right to make any claims to assets held by the Fund, as can be seen from the written confirmation.

4.6 The Trustee is entitled to an annual fee from the Fund, as described in the Prospectus.

4.7 The Trustee is authorized to delegate his tasks under these conditions to third parties.

4.8 The Trustee shall confirm subsequently whether:

- (i) the investment transaction carried out by the Fund Manager accord with the investment policy of the Fund as set out in the Prospectus;
- (ii) the movements listed in the daily bank statements of the Fund are in accordance with the investment transactions, dividends or interest received, issue or redemption of Units or payment of costs in accordance with the Prospectus;
- (iii) the investments in the sub-administration of the Fund Manager and the statement of the investment Fund in which the Fund is investing concur with each other; and whether;
- (iv) the Fund Manager's bills have been paid legitimately by the Fund.

4.9 If the Trustee discovers during the exercise of the tasks as mentioned in the previous paragraph that a transaction has not been conducted in accordance with the provisions of the Prospectus, the Trustee shall be entitled to request the Fund Manager to

annul the transaction on a cost-neutral basis for the Fund.

Article 5 - Management and investments

5.1 The Fund Manager is responsible for managing the Fund, including investing the Fund's assets, entering into obligations incumbent upon the Fund, administering the Fund and undertaking all other transactions for the benefit of the Fund, all in accordance with art. 3.2, articles 4.1 up to and including 4.3 and what is moreover specified in these conditions. The Trustee shall hereby grant authority to the Fund Manager to undertake the transactions mentioned in this paragraph, insofar as is applicable. The Fund Manager shall act exclusively in the interests of the Unit holders in this respect.

5.2 The Fund Manager is only liable to the Unit holders for any damage suffered thereby insofar as that damage is the consequence of a deliberate act or serious misconduct by the Fund Manager.

5.3 The Fund Manager is entitled to a fee from the Fund as described in the Prospectus.

Article 6 – The Fund

6.1 The Fund is formed by payments in return for Units, by revenues from assets belonging to the Fund, by setting up and incrementing loans (borrowing) and by setting up, incrementing and applying provisions and reserves, as the case may be.

Article 7 – Rights and obligations of Unit holders

7.1 The Unit holders have financial entitlement to the Fund in proportion to the number of Units they hold. Without prejudice to article 7.2, all the profits and losses associated with the Fund are to the benefit or detriment of the Unit holders proportionately as mentioned in the previous sentence.

7.2 Unit holders are not liable for the obligations of the Fund Manager or the Trustee and shall moreover bear the losses of the Fund no further than up to the amount they paid into the Fund in return for the Units they hold.

7.3 The Unit holders unconditionally and irrevocably renounce their right to make any claims to assets held by the Trustee on behalf of other funds, under the suspensory condition that the Unit holders of all other funds held or that will be held by the Trustee unconditionally and irrevocably renounce their right to make any claims to assets held by the Fund, as can be seen from the written confirmation.

Article 8 - Register of Unit holders

8.1 Units represent the entitlement to the assets managed by the Fund Manager in accordance with a policy as described in the Prospectus. The Units are nominal. The Fund does not issue participation certificates.

8.2 The Fund Manager keeps a register in electronic or other form to be specified by the Fund Manager, in which the names and addresses of the Unit holders are listed, as amended from time to time, mentioning the number of Units they hold and the number of Units redeemed from time to time by the Fund, together with the Unit holders' bank account numbers at credit institutions (as described in the 'Wwft') into which they wish to receive payments from the Fund. The number of Units held by a Unit holder will be accurately calculated up to four decimal points. A Unit holder shall inform the Trustee promptly concerning any changes to the registered information. Payment of money subject to these conditions by the Fund to the bank account listed in the register relieves the Fund of its obligation thereto and the Unit holder discharges the Fund in advance from its obligation thereby.

8.3 The register will be updated by the Fund Manager after each issue and redemption of Units.

8.4 A Unit holder may ask the Fund Manager for a dated copy of the register, though only with regard to his own registration.

Article 9 – Determination of the Net Asset Value

The Fund Manager determines the Net Asset Value of the Fund's Units on the business days as specified in the Prospectus.

9.1 The Fund Manager may decide to suspend determination of the Net Asset Value if the circumstances prevent (adequate) determination thereof, as described in the Prospectus.

9.2 The Fund Manager will not determine the value of the Fund and the value of a Unit if it has been decided to dissolve the Fund.

9.3 The value of the component assets of the Fund and the results will be determined in accordance with the valuation methods mentioned in the Prospectus.

9.4 The number of redeemed Units will not be taken into consideration for determining the value of a Unit.

Article 10 – Allocation of Units

10.1 Units will be allocated by the Fund Manager. Allocation of Units will only take place on business days as specified in the

Prospectus. A request for an allocation of Units must reach the Trustee no later than five business days before the last business day of the month. A request for an allocation of Units must mention the amount in Euro for which such allocation is being requested. Payments must be entered into the Fund Manager's bank account three business days at the latest before issue of the Units.

10.2 The Fund Manager may set further conditions in the Prospectus for allocating Units. Units will only be allocated if the amount for which allocation is being requested is added to the Fund within the period set by the Fund Manager. The number of Units allocated is equal to the amount for which allocation is being requested, divided by the value of the Unit at the end of the business day receding the business day on which allocation takes place, minus the costs to be determined by the Fund Manager. Unless instructed otherwise by the (potential) Unit holder, the transaction will be carried out – if the amount and/or the request for allocation of Units is not received by the requisite deadline – by the next business day on which allocation is possible. The Fund will not pay any interest to (potential) Unit holders for the sums received.

10.3 In the circumstance mentioned in the Prospectus and in the case that, exclusively in the opinion of the Fund Manager, a particular circumstance arises that so justifies, the Fund Manager may suspend the allocation of Units.

10.4 The Fund Manager shall inform the (potential) Unit holders of the decision to suspend allocation as mentioned in the previous paragraph with a reasonable period of time.

10.5 Units will be allocated by inscription in the Unit holders' register by the Fund Manager.

Article 11 – Transfer of Units

11.1 Units are not transferable, except by way of redemption in accordance with article 12.

11.2 If Units belong to a community of property, the joint proprietors may only be represented to the Fund Manager, the Trustee and the other Unit holders by one person appointed by them for this purpose in writing.

Article 12 – Redemption of Units

12.1 Unit holders may have their Units redeemed by the Fund. A request to this end from the Unit holder must reach the Trustee no later than five business days before the last business day of the month prior to the month in which the redemption is possible. A request

for the redemption of Units can be made in Euro or in Units specified up to four decimal places. Units must be redeemed by transfer of the Units to the Trustee, exclusively on business days as specified in the Prospectus.

12.2 The Fund Manager may set further conditions for redemption in the Prospectus. The redemption price for a Unit to be redeemed is equal to the Net Asset Value of the Unit at the end of the business day preceding that on which redemption takes place, minus the costs to be determined by the Fund Manager.

12.3 The Fund Manager shall pay the redemption sum within ten business days to the Unit holder for the Units he receives. Payment of the redemption price takes place by transfer to the bank account mentioned in the register of Unit holders.

12.4 Articles 10.2, 10.3, 10.4 and 10.5 are applicable mutatis mutandis to the redemption of Units.

12.5 The Units expire when they are transferred to the Trustee.

Article 13 – Invitations and announcements

13.1 Invitations and announcements are made to Unit holders, as described in these conditions, by post or e-mail to the addresses listed in the register of Unit holders and on the Fund Manager's website.

13.2 The date of an invitation or announcement will be that on which they are sent by the Fund Manager or Trustee.

Article 14 – Provision of information

14.1 The Fund Manager shall draw up an overview for the benefit of the Unit holder by the end of the calendar year, showing the number of Units and the value of the Units held by the Unit holder. The Fund Manager will send this overview to the (electronic) address of the Unit holder as listed in the register or will inform the Unit holders in another manner of equal validity to be specified in the Prospectus. The Fund Manager may offer the Unit holders the option to provide them with more information if they so wish, and is authorized to charge them with the costs thereof and automatically to settle them with the Unit holder upon redemption of Units as specified in more detail in the Prospectus.

14.2 The Fund Manager shall provide Unit holders with a statement of details relevant for their tax returns.

Article 15 – Financial year and reporting

15.1 The financial year is the same as the calendar year.

15.2 Every year, the Fund Manager shall draw up the annual report within four months of the end of the financial year. This annual report consists of a report from the Fund Manager, together with the annual accounts. The annual accounts consist of the balance sheet, the profit & loss account and the explanation thereof. The explanation will include at least an overview of the evolution of the Fund's value over the financial year, the investments and composition of the investments of the Fund at the end of the financial year concerned. The Fund Manager will publish the annual report in the manner described in the Prospectus.

15.3 Every year, within nine weeks from the end of the first half of the financial year, the Fund Manager will draw up a report on the first half of that financial year – the half-yearly report. The half-yearly report will consist of a report from the Fund Manager together with the half-yearly figures, consisting of the balance sheet, the profit & loss account and the explanation thereof. The explanation will include at least an overview of the evolution of the Fund's value over the first half of the financial year, the investments and composition of the investments of the Fund at the end of the first half of the financial year concerned. The Fund Manager will publish the half-yearly report in the manner described in the Prospectus.

15.4 The annual report and half-yearly report will be made available for the Unit holders at the offices of the Fund Manager and may be requested there from.

15.5 The Fund Manager shall commission a chartered accountant or other expert, as described in article 2:393(1) of the Civil Code, to examine the annual accounts. The accountant will provide the Fund Manager and Trustee with his report thereon and will describe the outcome of his examination in a declaration. The accountant's declaration will be appended to the annual accounts.

15.6 The Fund Manager may entrust tasks to the accountant or to another chartered accountant or expert considered by the law to be of equal standing.

Article 16 – Profits

16.1 The Fund's profits will be added annually to the Fund's reserves unless the Fund Manager specifies otherwise.

16.2 The Fund Manager may make interim payments from the Fund. If the Fund Manager so decides, payments from the profits will be claimable four weeks after confirmation of the annual report, unless the meeting of Unit

holders specifies another date at the proposal of the Fund Manager.

16.3 The payments to Unit holders, the composition of the payments and the manner in which they will be paid out will be announced to the Unit holders.

Article 17 – Meeting of Unit holders

17.1 The annual general meeting of Unit holders will be held within four months of the end of the financial year

17.2 The agenda for this AGM will in any case contain the following items:

a. reports by the Fund Manager and the Trustee on the course of affairs in the past financial year; and,

b. confirmation of the annual report. Moreover, provision will be made at the AGM for any vacancies and items on the agenda will be dealt with in accordance with articles 17.4 and 17.5.

17.3 The directors of the Fund Manager and the Trustee will be invited to attend meetings of Unit holders and have the right to take the floor at such meetings. The accountant may be invited by the Fund Manager or the Trustee to attend Unit holders' meetings.

17.4 The Fund Manager will be responsible for convening Unit holders' meetings and confirming the agenda for the meeting. The invitation to the meeting will be sent no later than on the fifteenth day before that of the meeting.

17.5 One or more Unit holders who alone or jointly hold at least 25% of the total number of Units in the Fund may request the Fund Manager to add matters for discussion to the agenda, provided the request is made in writing and reaches the Fund Manager no later than eight days before the meeting. The Fund Manager will apprise those to whom the invitation was made of these matters no later than five days before the meeting.

17.6 Unit holders' meeting will be held in The Netherlands at a place to be specified by the Fund Manager. If the instructions regarding the invitation and location of the meeting are not followed, decisions can nevertheless be made validly provided all the Unit holders are present or represented at the meeting and voting is unanimous.

17.7 The annual report will be available for the Unit holders at the offices of the Fund Manager on the same date as the invitation to the meeting and they may request a copy from the Fund Manager.

17.8 Confirmation of the annual report by the Unit holders' meeting grants discharge to the Fund Manager and Trustee, provided there is

no objection thereto by that meeting, from their tasks over the financial year concerned.

17.9 If an annual report is confirmed to be amended, the Fund Manager will inform all Unit holders thereof within eight days. This announcement will also mention that the annual report is available for the Unit holders at the offices of the Fund Manager.

17.10 If the Fund Manager considers this desirable in the interests of the Unit holders, the Fund Manager will call an extraordinary meeting of Unit holders. Moreover, the Fund Manager will call an extraordinary meeting of Unit holders whenever one or more Unit holders who alone or jointly hold at least 25% of the total number of Units in the Fund request the Fund Manager in writing to do so, mentioning the matters for discussion.

17.11 Unit holders' meetings will be chaired by a director of the Fund Manager. If several of the Fund Manager's directors are present, they will appoint one amongst them to chair the meeting. If none of the Fund Manager's directors is present the meeting will appoint its chairman. The chairman of the meeting will appoint a secretary. The chairman may also permit third parties to attend the meeting or a part thereof and to take the floor.

17.12 A Unit holder may have himself represented at the meeting, subject to written authorization.

17.13 Unless these conditions specify otherwise, all decisions by the Unit holders' meeting will be taken with an absolute majority of the votes linked to all the Units represented at the meeting, each Unit having one vote. Abstentions and invalid votes will be considered as not having been cast. If the vote is tied, the chairman of the meeting will have the deciding vote.

17.14 The chairman of the meeting shall specify the manner of voting.

Article 18 – Reporting

18.1 Unless the minutes of the meeting are drawn up by a notary, they will be taken by the secretary of the meeting. Minutes will be confirmed and signed by way of confirmation by the chairman and the secretary of the meeting concerned or confirmed by a subsequent meeting of Unit holders; in this last case they will be signed by way of confirmation by the chairman and secretary of that subsequent meeting.

Article 19 – Cessation of function by the Fund Manager or Trustee

19.1 The Fund Manager shall cease to function as such:

- a. when the entity of the Fund Manager is dissolved;
- b. upon the Fund Manager's voluntary resignation, or
- c. because his bankruptcy becomes irrevocable, or because he loses control over his assets in any way, including any payment moratorium granted to him.

19.2 The Trustee shall cease to function as such:

- a. when the entity of the Trustee is dissolved;
- b. upon the Trustee's voluntary resignation; or,
- c. because his bankruptcy becomes irrevocable, or because he loses control over his assets in any way, including any payment moratorium granted to him.

19.3 The Fund Manager and Trustee may resign unilaterally provided they give three months' notice.

Article 20 – Replacement of the Fund Manager or Trustee

20.1 If the Fund Manager or Trustee wishes to or must resign their positions on the grounds of article 19, a meeting of Unit holders will be held within four weeks of such becoming known, in order to appoint a successor to the Fund Manager or Trustee. All Unit holders will be informed of the replacement.

20.2 If no successor to the Fund Manager or Trustee has been appointed within three months of it becoming known that the Fund Manager or Trustee wished to or had to resign, the Fund will be dissolved and liquidated in accordance with article 22, unless the Unit holders' meeting decides to extend the aforementioned period.

Article 21 – Applicability and amendments to the conditions

21.1 By joining the Fund the Unit holder agrees to abide by these conditions.

These conditions may be obtained free of charge from the offices of the Fund Manager.

21.2 Unit holders will be informed of any proposal to amend the conditions, mentioning the nature of the proposed amendment.

21.3 The conditions of management and custody in the Prospectus may be amended by the Fund Manager and the Trustee jointly. If

the amendments mentioned in article 21.2 diminish Unit holders' rights or guarantees or impose burdens upon them, they will only come into force on the first business day after three months have elapsed since the Unit holders were informed of the proposed amendments in the manner described in article 13.1, whereby the day on which that approval was granted is not counted.

Article 22 – Dissolution and liquidation

22.1 A proposal to dissolve the Fund will be announced at the Unit holders' meeting. Without prejudice to article 20.2, the Fund will be dissolved by decision of the Fund Manager and Trustee. The Unit holders concerned will be informed of such a decision.

22.2 If the Fund is to be dissolved, the Fund Manager will be responsible for liquidating the Fund. The conditions of management and custody shall remain in force as far as possible during the liquidation process.

22.3 Upon liquidation, the liquidation balance will be paid out to those Unit holders who are entitled to the Fund in proportion to the number of Units they hold, whereby thereafter the Units expire. Payments to Unit holders can only be made after the account and explanation described in article 22.4 have been drawn up.

22.4 The Fund Manager will draw up an account and explanation, which will be accompanied by a declaration from the accountant. Approval of the account and explanation by the Unit holders' meeting will give discharge to the Fund Manager and Trustee, so long as that meeting has no objection thereto.

Article 23 – Applicable law and authorized court

23.1 The legal relations between the Fund Manager, the Trustee and the Unit holders are exclusively subject to Dutch law.

23.2 If a dispute arises between the Fund Manager and the Trustee, the first party to take action may:

- a. lay that dispute before the meeting of Unit holders; or,
- b. lay it before the court as described in the next paragraph of this article.

23.3 All disputes, including disputes over existence and validity, which arise in relation to these conditions of management and custody, shall be decided on by the authorized court in Amsterdam.

Article 24 – Concluding provisions

24.1 The accounting books of the Fund Manager and the Trustee shall be considered as conclusive proof provided the Unit holders can demonstrate no inaccuracy in the information contained in those books. The books will be made available by the Fund Manager for inspection by the Unit holders upon request.

24.2 In matters not covered by these conditions, the Fund Manager shall decide.

Article 25 – Interim provisions

25.1 The Trustee is Stichting Pavan Beheer

25.2 The Fund Manager is Pavan Heritage Holding BV.

25.3 The first financial year ends on 31 December 2018