

*The Directors of the Company whose names appear on the last page of this Offering Supplement accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Offering Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information as of the date hereof. The Directors accept responsibility accordingly.*

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# Offering Supplement

12 June, 2017

relating to the offering of Class A  
non-voting participating Investor Shares in the

## **Algo Risk Performance Sub-Fund**

a Sub-Fund of

**Pilatus SICAV p.l.c.**

A self-managed open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the laws of Malta

**Gamma Capital Markets Limited**  
(Investment Manager)

**Calamatta Cuschieri Fund Services Limited**  
(Administrator)

**Trade Station Prime Services**  
(Executing Broker)

***Important Notice:** This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the Offering Memorandum issued by the Company.*

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**Algo Risk Performance Sub-Fund, a sub-fund of Pilatus SICAV p.l.c. (the “Company”) is licensed by the Malta Financial Services Authority (“MFSA”) as a Professional Investor Fund (“PIF”) which is available to Qualifying Investors. PIFs are non-retail collective investment schemes, therefore, the protection normally arising as a result of the imposition of the MFSA’s investment and borrowing restrictions and other requirements for retail collective investment schemes do not apply. Investors in PIFs are not protected by any statutory compensation arrangements in the event of the fund’s failure. The MFSA has made no assessment or value judgement on the soundness of the Company and its Sub-Funds or for the accuracy or completeness of the statements made or opinions expressed with regard to them.**

**This Offering Supplement is an updated version of the Offering Supplement dated 16 June, 2015.**

## IMPORTANT INFORMATION

This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the latest Offering Memorandum issued by the Company. The attention of investors is also drawn, in particular, to the section entitled “**Important Notices**” in the Offering Memorandum which also applies to this Offering Supplement and the offering of Investor Shares made thereby.

This offer is an offer only to the person to whom a copy of this document has been furnished by the Company and/or its authorised agents and this on the basis that the person falls within the definition of a Qualifying Investor as defined in the Offering Memorandum. The Company is not authorised to, and does not intend to, offer Investor Shares to the general public.

Since the Company operates as a Self-Managed Professional Investor Fund in terms of the MFSA Rules, the management of its business and activities will be carried out internally through an Investment Committee appointed by the Board of Directors of the Company. The Directors are also generally responsible for the safekeeping of the assets of the Company and the proper administration of the Company. The Company has however delegated various functions, including safekeeping, administration, registrar services and the day to day portfolio and risk management. The Board has in this regard engaged the Executing Broker, the Administrator and the Investment Manager.

## Section 1 | DEFINITIONS

Terms used in this Offering Supplement shall, unless otherwise defined or the context otherwise requires, have the same meaning as those defined in the Offering Memorandum.

In this Offering Supplement, the following words shall have the meanings set opposite them:

<b>Calculation Period</b>	A three (3) month period commencing on the first Valuation Day in one calendar quarter and ending on the last Valuation Day of that calendar quarter.
<b>Investor Shares</b>	Non-voting participating shares (which may include fractions of a whole share) of no par value in the Sub-Fund.
<b>Offering Period</b>	The period during which Investor Shares will be made available at the Offering Price. The Offering Period shall commence on the first Business Day after the Closing Date, and shall remain open until such time as the Directors determine otherwise.
<b>Offering Price</b>	The NAV per Share, rounded down to four (4) decimal places, calculated at the close of business on the last Valuation Day prior to the relevant Subscription Day and/or Redemption Day.  If on any Valuation Day no Investor Shares are in issue then the Offering Price for Investor Shares on the relevant Subscription Day shall, however, be EUR100 per Class A Investor Share.
<b>Offering Supplement</b>	This Offering Supplement as the same may be amended, supplemented and/or consolidated from time to time.
<b>Redemption Day</b>	The first Business Day of every week and/or such other day or days as the Directors may from time to time determine.
<b>Redemption Price</b>	The price at which Investor Shares shall be redeemed, which shall be equivalent to the Offering Price.
<b>Redemption Proceeds</b>	The Redemption Price multiplied by the number of Investor Shares being redeemed less the applicable Redemption Charge.
<b>Sub-Fund</b>	Algo Risk Performance Sub-Fund.
<b>Subscription Day</b>	The first Business Day of every week and/or such other day or days as the Directors may from time to time determine.
<b>Valuation Day</b>	The Business Day immediately preceding a Subscription Day and/or a Redemption Day and such other Business Day as the Directors may from time to time determine.

This Offering Supplement shall, in addition, be subject to the same rules of interpretation as those set out in the Offering Memorandum. Please see “**Section 1 | Interpretation**” of the Offering Memorandum for further details.

## Section 2 | KEY FEATURES

### The Sub-Fund and the Investor Shares

<b>Name of the Sub-Fund</b>	Algo Risk Performance Sub-Fund.
<b>Segregation</b>	The Sub-Fund is a segregated portfolio whose assets and liabilities are to be treated as a patrimony separate from the assets and liabilities of each other sub-fund and of the Company. Please refer to the Offering Memorandum for further details.
<b>Classes of Investor Shares</b>	Class A Investor Shares.
<b>Base Currency</b>	Class A Investor Shares – EUR.
<b>ISIN</b>	MT7000010526.
<b>Tax Status</b>	The Sub-Fund is classified as a <b>Non-Prescribed Fund</b> . Please refer to “ <b>Section 13   Taxation</b> ” of the Offering Memorandum for further details on the tax treatment of Non-Prescribed Funds and shareholdings in such funds.

### Investment Objective, Policies and Restrictions

<b>Investment Objective</b>	<p>The Investment Objective of the Sub-Fund is to achieve absolute returns in the medium to long-term (over a 5 to 7 year period) under all market conditions.</p> <p><b>There is no guarantee that the investment objective of the Sub-Fund will be achieved and investment results may vary substantially over time.</b></p>
<b>Investment Policies</b>	<p>In order to achieve its objective the Sub-Fund has maximum flexibility to invest its assets in a wide range of (i) listed securities (mainly equities and bonds), (ii) money market instruments, (iii) currencies and (iv) financial derivative instruments including options and futures linked to: (a) commodities (mainly agricultural, livestock, energy, precious metals and industrial metals), (b) currencies, (c) securities and (d) indices (mainly equity and commodity based indices).</p> <p>The Sub-Fund may invest in derivatives linked to commodities however such holding will never lead to the physical delivery of the relevant commodity.</p> <p>The Sub-Fund may invest in the major currency pairs including but not limited to GBP/ USD, AUD/ USD, EUR/ USD, USD/ CHF, USD/ JPY and USD/ CAD.</p>

### Investment, Borrowing and Leverage Restrictions

Securities and money market instruments will be selected by country, industry and market capitalization of the issuer. The Sub-Fund will not have any bias towards any specific issuer, country, industry or market capitalization

The Sub-Fund will follow an automated, systemic trading strategy that follows management techniques aimed at maintaining a stable portfolio.

The Investment Manager will utilise multiple algorithms with different time horizons which have a very short-term approach to investments. As a result, it is anticipated that the Sub-Fund will not be very sensitive to trends in the market. The algorithms take into account the market environment and consequent behaviour of investors in specific circumstances and the time and the price level at which transactions should be executed.

The investment strategy will be subject to a comprehensive risk management style including the use of stop-losses.

The Sub-Fund will not have any bias towards any country, industry or market capitalization.

The Sub-Fund is expected to employ conservative levels of leverage.

The Investment Manager is also expected to invest in FDIs for hedging purposes and the reduction of risk.

The Sub-Fund may invest in short-term fixed income instruments, money market funds, cash and cash equivalents. The Sub-Fund may also retain amounts in cash or cash equivalents, pending re-investment and to meet operating expenses and redemption requests, if this is considered appropriate to the objective of maximising absolute returns.

Uninvested cash may subject to investment restrictions, be held on deposit in a bank account in the name of the Sub-Fund. When appropriate the Sub-Fund may also employ leverage through borrowing.

The Sub-Fund shall not make any direct investments in real estate.

The Sub-Fund will not be subject to any restrictions on borrowing for investment purposes.

It is anticipated that the Sub-Fund will be leveraged up to 10 times

## The Initial Offering

Initial Offering Period	From the 18 <sup>th</sup> June, 2014 until the Closing Date.
Closing Date	30 <sup>th</sup> June, 2014 .
Initial Offering Price	Class A Investor Shares – EUR100.
Number of Investor Shares on Offer	100,000,000 Class A Investor Shares.

## Fees and Charges

Investment Management Fee	<u>Class A Investor Shares</u> The Sub-Fund will not be subject to an Investment Management Fee.
Performance Fee	<u>Class A Investor Shares</u> Where the Net Trading Gain is less than or equal to 7.5% per Calculation Period, the Performance Fee shall be equal to 30% of the Net Trading Gain multiplied by the average number of Investor Shares in issue in the related class of Investor Shares (" <b>Tier 1 Performance Fee</b> ").  Where the Net Trading Gain exceeds 7.5% per Calculation Period, the Performance Fee shall be equal to the Tier 1 Performance Fee plus 50% of the Net Trading Gain in excess of 7.5% multiplied by the average number of Investor Shares in issue in the related class of Investor Shares.  The Performance Fee is calculated on a "high water mark" basis and will be payable quarterly in arrears.
Subscription Charge	<u>Class A Investor Shares</u> None.
Redemption Charge	<u>Class A Investor Shares</u> None.
Switching Charge	<u>Class A Investor Shares</u> None.

## Minimum Subscription, Holding and Redemption Requirements

Minimum Initial Subscription	Class A Investor Shares – EUR75,000.
Minimum Additional Subscription	Class A Investor Shares – EUR10,000.
Minimum Holding	Class A Investor Shares – EUR75,000.

**Minimum Redemption**

Class A Investor Shares – EUR10,000.

**Notice Periods****Subscription Notice Period**

10 a.m. CET, five (5) Business Days prior to the relevant Subscription Day.

**Redemption Notice Period**

10 a.m. CET, five (5) Business Days prior to the relevant Redemption Day.

## Section 3 | THE OFFERING

### Share Offer

Up to 100,000,000 Class A Investor Shares with no nominal value are on offer. The offering of the Investor Shares at the Initial Offering Price opened on the 18<sup>th</sup> June, 2014 and closed on the Closing Date.

During the Offering Period, which shall commence on the first Business Day after the close of the Initial Offering Period, the offer will be for Investor Shares at the Offering Price applicable on the relevant Subscription Day. The Offering Period shall remain open until such time as the Directors determine otherwise.

### Acquisition of Investor Shares

Purchases of Investor Shares can be made at the Initial Offering Price during the Initial Offering Period and thereafter at the prevailing Offering Price, by:

- i. submission to the Company at the office of the Administrator of a properly executed Subscription Agreement including the Qualifying Investor Declaration Form, the Bank Transfer Instruction Letter and those documents required in the AML Supplement; and
- ii. remitting the related subscription monies.

In respect of each subscription for Investor Shares during the Offering Period, the Subscription Notice Period shall run as from the first Business Day following receipt by the Company at the office of the Administrator of both:

- a. the documents listed under (i) above; and
- b. confirmation that the full amount subscribed for the Investor Shares has been received in cleared funds.

The Investor Shares will be issued on the first Subscription Day following the expiration of the said Subscription Notice Period.

Full details of the application and subscription process appear in “**Section 9 | Acquisition of Investor Shares**” of the Offering Memorandum.

A specimen Subscription Agreement and Qualifying Investor Declaration Form may be obtained from the Administrator.

### Redemption of Investor Shares

Investors are directed to “**Section 10 | Redemption of Investor Shares**” of the Offering Memorandum where the procedures relating to the redemption of Investor Shares and the conditions applicable thereto are outlined. In terms of the Memorandum and Articles, redemption requests are, once made, irrevocable.



In respect of each redemption request, the Redemption Notice Period shall commence to run following receipt by the Company at the office of the Administrator of a valid Redemption Form. The Investor Shares will be redeemed on the first Redemption Day following the expiration of the said Redemption Notice Period.

A specimen Redemption Notice may be obtained from the Administrator.

Net Redemption Proceeds due will typically be paid out within ten (10) Business Days from the relevant Redemption Day.

## **Exchange of Shares**

Investor Shares in the Sub-Fund may be exchanged with any other Class of Investor Shares in issue in any other sub-fund established by the Company which allows for such exchange to take place.

Exchanges of Investor Shares in the Sub-Fund with any other Class of Investor Shares in issue in the Sub-Fund is also permitted.

## **Deferral of Redemption**

The Directors may in their exclusive discretion limit the total amount of redemptions effected on any Redemption Day to 10% of the outstanding Investor Shares in the Sub-Fund on that day (in each case before processing requests for the issue of the Investor Shares or requests for redemptions of such Investor Shares for such Redemption Day). In such circumstances the Company or its authorised agent may scale down pro rata the number of the Investor Shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded, and shall carry forward the balance for redemption as at the next Redemption Day and so on to each succeeding Redemption Day until each request has been complied with in full. Requests for redemption carried forward from an earlier Redemption Day shall have priority over later requests.

## **Investment Restrictions**

Other than what is stated above, there are no restrictions in the manner and extent to which the Company may deploy, pledge or otherwise give as security, the assets of the Sub-Fund, or assume liabilities, in pursuit of the specific investment objective, approach and strategies of the Sub-Fund.

Please see the subsection below entitled “**Borrowing Powers**” for further details.

## **Borrowing Powers**

The Company may borrow funds to pursue the investment objective, approach and strategies of the Sub-Fund. The Company may also borrow money to meet requests for the redemption of Shares.

Please also refer to the above subsection entitled “**Investment Restrictions**” for information on the possibility for the Sub-Fund to use leverage.

## **Risk Factors**

Investors are directed to the Offering Memorandum where the risk factors applicable to investment in shares of the Company, including in Investor Shares, are explained.

## Commodities Risk

Commodity prices generally relate to the overall level of economic activity and industrial production. Historically, during periods of economic or financial instability, commodities and the securities of producers have been subject to extreme fluctuations in market price. The earnings and general financial conditions of producers are highly dependent on the market price of the underlying resources which, historically, have been extremely volatile. Natural disasters, such as earthquakes, droughts and floods, can lead to severe supply disruptions. These events may significantly influence prices of commodities and prices of natural resource equities.

Similarly, supply interruptions as a result of social factors such as strikes and civil unrest can have a material impact on commodity prices. The production of some commodities can be concentrated in geographic regions or specific countries, and as such the impact of natural, political or social factors can have a significant effect. Commodity prices can be influenced, often unpredictably, by co-operative or co-ordinated actions, by producers or sovereign nations (e.g. OPEC members). The discovery of a significant mineral deposit could have a major adverse impact on the price of the commodity due to the prospect of increased supply. New technology could lead to substitution of a commodity or commodities, thereby reducing demand. Similarly, new technology could lower production costs and increase supply of a commodity, influencing its price.

## Foreign Exchange Trading Risks

Currency trading is volatile, highly leveraged and may be illiquid. Currency spot, forward and option prices are highly volatile. Such prices are influenced by, among other things: changing supply and demand relationships; government trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. In addition, governments, from time to time, intervene directly and by regulation in these markets with the specific intention of influencing such prices.

Furthermore, as an added risk in these volatile and highly leveraged markets, it is not always possible to liquidate positions to prevent further losses or recognize unrealized gains. Principals in the interbank currency markets have no obligation to continue to make markets in the currencies traded. There have been periods during which certain banks and dealers have refused to quote prices for currencies or have quoted prices with an unusually wide spread between the price at which they are prepared to buy and that at which they are prepared to sell. The inability to liquidate currency positions creates the possibility of the Fund being unable to control its losses.

## OTC Derivatives

The Sub-Fund may enter into over the counter agreements ("**OTC Derivative Agreements**"). These agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. Depending on their structure, OTC Derivative Agreements may increase or decrease the Sub-Fund's exposure to, for example, equity securities. OTC Derivative Agreements can take many different forms and are known by a variety of names. The Sub-Fund is not limited to any particular form of OTC Derivative Agreements if consistent with the Sub-Fund's investment objective and policy. Whether the Sub-Fund's use of OTC Derivative Agreements will be successful will depend on the Investment Manager's ability to select appropriate transactions for the Sub-Fund. Derivative transactions may be highly illiquid and may increase or decrease the volatility of the Sub-Fund's portfolio. Moreover, the Sub-Fund bears the risk of loss of the amount expected to be received under a OTC Derivative Agreements in the event of the default or insolvency of its counterparty. The Sub-Fund will also bear the risk of loss related to OTC Derivative Agreements, for example, for breaches of such agreements or the failure of the Sub-

Fund to post or maintain required collateral. Many derivative markets are relatively new and still developing. It is possible that developments in the derivative markets, including potential government regulation, could adversely affect the Sub-Fund's ability to terminate existing derivative transactions or to realise amounts to be received under such transactions.

### **Use of Prime Brokers to Hold Assets**

Some or all of the assets of the Sub-Fund may be held in one or more margin accounts with the prime brokers. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime brokers may also lend, pledge or hypothecate the assets of the Sub-Fund in such accounts, which may result in a potential loss of such assets. As a result, the assets of the Sub-Fund could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, the Sub-Fund may experience losses due to insufficient assets of the prime broker to satisfy the claims of its creditors and adverse market movements while its positions cannot be traded which would adversely affect the total return to the Sub-Fund.

### **Reliance on Computer Programs**

The Sub-Fund's investment strategies and trading systems make extensive use of computers. The Investment Manager will direct the purchase or sale of financial instruments for the Sub-Fund in accordance with computer-generated trading trades. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method. A computer is merely an aid in compiling and organizing information and in executing algorithms developed by human beings. Accordingly, no assurance is given that the trading decisions based on computer-generated information will produce profits for the Sub-Fund.

### **Reliance on Statistical Models**

Trading decisions made by the Investment Manager will be based on a variety of statistical models, including forecast models, risk models, cost models and beta models. The profitability of the Sub-Fund relies on the accuracy of the underlying forecast and cost models; the risk control of the Sub-Fund relies on the accuracy of the risk models; the market neutrality of the Sub-Fund relies on the accuracy of the beta models. These models have been developed over many years of research and trading but no assurance can be given of their accuracy. Flaws in these models could prevent the Company from achieving its investment objectives.

THE SUB-FUND'S INVESTMENT PROGRAM IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. MARKET RISKS ARE INHERENT IN ALL INVESTMENTS TO VARYING DEGREES. THE PRACTICES OF LEVERAGE AND ENGAGING IN FINANCE TRANSACTIONS, CAN, IN CERTAIN CIRCUMSTANCES, INCREASE THE ADVERSE IMPACT TO WHICH THE FUND'S INVESTMENT PORTFOLIO MAY BE SUBJECT. NO ASSURANCE CAN BE GIVEN THAT THE SUB-FUND'S INVESTMENT OBJECTIVE WILL BE REALISED. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.

### **Pricing**

The calculation of the NAV of the Sub-Fund shall be effected by the Administrator at such intervals and on each Valuation Day and in such manner as is stated in the Offering Memorandum.

## Section 5 | THE EXECUTING BROKER

### Trade Station Prime Services

In terms of an agreement dated on or about the date hereof (the “**TS Agreement**”) between the Company and **TradeStation Securities, Inc.** (“**TSS**”) the Company has appointed the latter as the executing broker of the Sub-Fund. TSS is a member of the New York Stock Exchange and is regulated by the US Financial Industry Regulation Authority (FINRA), the Securities Investor Protection Corporation (SIPC), the National Futures Association (NFA), the National Securities Clearing Corporation (NSCC) the Depository Trust Company (DTC) and the Options Clearing Corporation (OCC) and also a member of the Boston Options Exchange, Chicago Board Options Exchange, Chicago Stock Exchange, International Securities Exchange and NASDAQ OMX. Further details regarding TSS as well as a sample copy of the terms of the TS Agreement is available on the TSS’s website ([www.tradestation.com](http://www.tradestation.com)).

In terms of the TS Agreement, TSS will provide safekeeping, execution, settlement and carrying services to the Sub-Fund.

TSS will be granted a lien over all the Sub-Fund’s property held by or under its control in TSS’s favour in order to secure performance of obligation and liabilities to TSS. TSS will also be granted a valid and first priority, perfected, continuing security interest in the following: (i) all property, including all investment property, held, carried or controlled by or through, or on TSS’s behalf, by the TSS and (ii) any and all rights, claims, causes of action the Sub-Fund may have against TSS, its affiliates, employees or agents, and (iii) all other assets and property, tangible or intangible, fixed, contingent or mixed, of any kind or nature owned by the Sub-Fund that are held, carried or controlled by or through, or on the Sub-Fund’s behalf, by -TSS or any of its affiliates, or which TSS or any of its affiliates has the power to access, possess or control, and (iv) all proceeds of, or distributions on, any of the foregoing.

TSS is entitled to terminate the TS Agreement or its services to the Sub-Fund at any time.

TSS’s liability is limited to damages arising from its own gross negligence or wilful misconduct and such damages are limited to actual (as distinguished from consequential) damages suffered by the Sub-Fund.

The TS Agreement is governed by the laws of the State of Florida, and subject to the jurisdiction of the tribunal of Southern District of Florida. Disputes in connection with the IB Agreement are to be subjected to arbitration in accordance with the IB Agreement.

The present fees and charges of TSS are set out in “**Section 6 | Fees, Charges and Expenses**” hereunder however these are subject to variation from time to time by publication on TSS’s website.

## SECTION 6 | FEES, CHARGES AND EXPENSES

### Investment Management Fee

The Sub-Fund will not be subject to an Investment Management Fee.

The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

### Performance Fee

The Investment Manager shall receive from the Company in respect of the Sub-Fund a performance fee based on the amount by which the NAV per Share exceeds the Base Net Asset Value per Share ("**Net Trading Gain**").

Where the Net Trading Gain is less than or equal to 7.5% per Calculation Period, the Performance Fee shall be equal to 30% of the Net Trading Gain multiplied by the average number of Investor Shares in issue in the related class of Investor Shares ("**Tier 1 Performance Fee**").

Where the Net Trading Gain exceeds 7.5% per Calculation Period, the Performance Fee shall be equal to the Tier 1 Performance Fee plus 50% of the Net Trading Gain in excess of 7.5% multiplied by the average number of Investor Shares in issue in the related class of Investor Shares ("**Tier 2 Performance Fee**").

The Base Net Asset Value per Share is the greater of the Initial Offering Price and the highest Net Asset Value per Share achieved as at the end of any previous Calculation Period. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

The Performance Fee will be deemed to accrue as at each Valuation Day and shall be payable quarterly in arrears and normally within 14 calendar days of the end of each Calculation Period. The redemption of Investor Shares will not trigger the payment of a Performance Fee. Similarly any suspension in the calculation of the NAV of the Sub-Fund will suspend the payment of the Performance Fee.

The Performance Fee will be calculated in respect of each Calculation Period,

If the Management Agreement is terminated during a Calculation Period the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

### Equalisation Adjustments

If an investor subscribes for Investor Shares at a time when the Net Asset Value per Share is other than the Peak Net Asset Value per Share, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager.

The Peak Net Asset Value per Share ("**Peak Net Asset Value per Share**") is the greater of (i) EUR100 (being the price at which Investor Shares were issued on the first Business Day following the Closing Date) and (ii) the highest Net Asset Value per Share in effect immediately after the end

of the previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged.

- (A) If Investor Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Investor Shares. With respect to any appreciation in the value of those Investor Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee will be charged at the end of each Calculation Period by the automatic forfeiture by the Shareholder in favour of the Sub-Fund of such number of the investor's Investor Shares as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 30% and/or 50% (as applicable) of any such appreciation (a "**Performance Fee Redemption**"). An amount equal to the aggregate Net Asset Value of the Investor Shares so redeemed will be paid to the Investment Manager as a Performance Fee. The Sub-Fund will not be required to pay to the investor the redemption proceeds of the relevant Investor Shares. Performance Fee Redemptions are employed to ensure that the Investor Fund maintains a uniform Net Asset Value per Share. As regards the investor's remaining Shares, any appreciation in the Net Asset Value per Share of those Investor Shares above the Peak Net Asset Value per Share will be charged a Performance Fee in the normal manner described above.
- (B) If Investor Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share equal to 30% and/or 50% (as applicable) of the difference between the then current Net Asset Value per Share (before accrual for the Performance Fee) and the Peak Net Asset Value per Share (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Investor Shares in the Sub-Fund (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Investor Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Investor Shares have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the Sub-Fund subsequent to the issue of the relevant Investor Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share, the Equalisation Credit will also be reduced by an amount equal to 30% and/or 50% (as applicable) of the difference between the Net Asset Value per Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share, that portion of the Equalisation Credit equal to 30% and/or 50% (as applicable) of the excess, multiplied by the number of Investor Shares subscribed for by the Shareholder, will be applied to subscribe for additional Investor Shares for the Shareholder. Additional Investor Shares will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for

Investor Shares was made, has been fully applied.

If the Shareholder redeems its Investor Shares before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Investor Shares being redeemed and the denominator of which is the number of Investor Shares held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

### **Administration Fee**

The Company pays to the Administrator an Administration Fee of 0.135% per annum based on the Net Asset Value of the Sub-Fund subject to a minimum Administration Fee of EUR17,500 per annum. Such fee shall accrue at each Valuation Day and be payable monthly in arrears.

The Administrator is reimbursed for any reasonable out-of-pocket expenses necessarily incurred in the performance of its duties.

### **Executing Brokerage Fee**

The Sub-Fund pays the Executing Broker a fee based on current market rates.

### **Other Expenses**

The Sub-Fund shall bear the costs incurred for the establishment and regulatory licensing of the Sub-Fund and the offering of the Investor Shares. In particular it shall incur a fee of EUR1,000 payable to the MFSA in respect of the application for licensing of the Sub-Fund and an annual supervisory fee of EUR600 payable to the MFSA upon licensing and, thereafter, on each anniversary of the licensing of the Sub-Fund.

The Sub-Fund will bear its own operating expenses, including, but not limited to, fees payable to the Executing Broker, Administrator, Investment Manager, organisational and investment expenses (reasonably determined to be related to the investment of the Sub-Fund's assets), administrative expenses, marketing expenses, legal and licensing expenses, government fees, audit, interest and shareholder communication expenses and other expenses associated with the operation of the Sub-Fund. The Sub-Fund may reimburse the Investment Manager for some of the investment expenses incurred in connection with its rendering investment advice and other services to the Sub-Fund (including, without limitation, compensation for ongoing operational, systems, research and due diligence). The Investment Manager and the Administrator will be responsible to track the expenses of the Sub-Fund. Preliminary and ongoing legal, printing and continuous offering documentation expenses, subject to a maximum of EUR100,000, borne by the Sub-Fund in connection with the continuous offering of Investor Shares, will be capitalized and then amortised by writing off equal instalments on each Valuation Day over five (5) years (and thereafter as incurred).

Whilst the Investment Manager considers that such a valuation methodology is appropriate such policy may conflict with International Financial Reporting Standards.

The Sub-Fund will also be subject to other fees including, its pro-rata share of the operating expenses of the Company as set out in the Offering Memorandum.

**Subscription Charge**

Investors will not be subject to a Subscription Charge.

**Redemption Charge**

Investors will not be subject to a Redemption Charge.



## Section 7 | GENERAL INFORMATION

### The Rights of Shareholders

The rights of Shareholders are stated in the Memorandum and Articles of the Company and in the Companies Act. The Investor Shares entitle Shareholders to participate in the movements, both positive and negative, in value of the assets of the Sub-Fund. It is not expected that the Company will declare any dividends and for a Shareholder to receive the benefits of any growth in the capital value of the Investor Shares, the Shareholder is entitled to request the redemption of the Investor Shares held by him at any time and the Investor Shares will, subject to the relevant Redemption Notice Period, be repurchased by the Company on the next Redemption Day following such request. **The Investor Shares are non-voting.** On winding up of the Sub-Fund the holders of the Investor Shares shall be entitled to their share of the value of the assets of the Sub-Fund.

### Share Capital and Accounts

All amounts received by the Company on the issue of Investor Shares, initially and subsequently, will be credited as share capital of the Company and will form part of the net assets of the Sub-Fund. Separate accounts are kept for the assets of the Sub-Fund.

### Fractional Shares

Fractional Shares will be issued up to four (4) decimal places.

### Duration of the Sub-Fund

The Sub-Fund has been constituted for an indefinite period.

### Sub-Fund Income

The income of the Sub-Fund will generally be accumulated. The Directors reserve the right to pay dividends at any time if they consider that a payment of a dividend is appropriate.

# DIRECTORY

**Directors of the Company**

Mr. Nicholas Calamatta  
Mr. Claudio Tonolla  
Mr. Marcello Sertoni

**Registered Office**

**Pilatus SICAV p.l.c.**  
259, St. Paul Street,  
Valletta VLT1213,  
Malta

**Investment Committee**

Mr. Nicholas Calamatta  
Mr. Enzo Filippini  
Mr. Anthony V. Xuereb

**Investment Manager**

**Gamma Capital Markets Limited**  
259, St. Paul Street,  
Valletta VLT1213,  
Malta

**Administrator**

**Calamatta Cuschieri Fund Services Limited**  
Ewropa Business Centre,  
Dun Karm Street,  
B'Kara BKR 9034,  
Malta

**Executing Broker**

**TradeStation Prime Services, a division of  
TradeStation Securities, Inc.**  
400 Madison Avenue Suite 12A,  
New York, NY 10017,  
United States of America

**Company Secretary**

**E2S Monitoring Ltd.**  
259, St. Paul Street,  
Valletta VLT1213,  
Malta

**Auditors**

**PricewaterhouseCoopers**  
78, Mill Street,  
Qormi QRM 3101,  
Malta

**Legal Advisors (Malta)**

**GANADO Advocates**  
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Valletta, VLT 1455,  
Malta