

*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

10 May, 2017

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

## **Smeraldo Sub-Fund**

a Sub-Fund of

## **Cerro Torre SICAV p.l.c.**

an 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)

### **Zarattini International Ltd.**

(Depositary)

***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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**Smeraldo Sub-Fund, a sub-fund of Cerro Torre SICAV p.l.c. (the “Company”) is licensed by the Malta Financial Services Authority (“MFSA”) as an Alternative Investment Fund (“AIF”) whose investors may comprise Experienced Investors, and fulfils any additional conditions prescribed by the MFSA in relation to collective investment schemes sold to Experienced Investors. AIFs 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. The Company and the Smeraldo Sub-Fund may only be marketed outside Malta to Professional Investors as defined in the EU Alternative Investment Fund Manager Directive (the “AIFMD”). The marketing of the Company and the Smeraldo Sub-Fund to an investor who is not a Professional Investor as defined in the AIFMD may only be undertaken if allowed by the respective jurisdiction and subject to the national provisions applicable in the respective jurisdiction as prescribed in Article 43 of the AIFMD. The MFSA has made no assessment or value judgement on the soundness of the Company and the Smeraldo Sub-Fund or for the accuracy or completeness of the statements made or opinions expressed with regard to them.**

**Revised and updated version of the Offering Supplement dated 11 August, 2016.**

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## **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 an Experienced Investor and/or Professional Investors as defined in the Offering Memorandum. The Company is not authorised to, and does not intend to, offer Investor Shares to the general public.

## 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 period commencing on the Business Day following the last Subscription Day in March, June, September and December and ending on the last Subscription Day of the following calendar quarter.
<b>FDI</b>	A financial derivative instrument (including an OTC FDI).
<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 Investor Share.
<b>Offering Supplement</b>	This Offering Supplement as the same may be amended, supplemented and/or consolidated from time to time.
<b>OTC FDI</b>	A financial derivative instrument which is dealt in an "over-the-counter" market.
<b>Redemption Day</b>	The last 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>	Smeraldo Sub-Fund.
<b>Subscription Day</b>	The last Business Day of every week and/or such other day or days as the Directors may from time to time determine.

**Valuation Day**

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>	Smeraldo 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>	The Sub-Fund is comprised of one (1) class of Investor Shares denominated in EUR.
<b>Base Currency</b>	EUR.
<b>Tax Status</b>	The Sub-Fund is classified as a <b>Non-Prescribed Fund</b> . Please refer to “ <b>Section 14   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 obtain absolute positive returns, while spreading the risk by adequate diversification of the portfolio over the short to medium term (2 to 5 years).</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>The Sub-Fund will generally invest either directly or through regulated collective investment schemes in a wide range of instruments including but not limited to (i) listed equities; (ii) listed bonds; (iii) cash settled single stock or index linked FDIs, mainly options and futures; and (iv) currencies.</p> <p>It is anticipated that Sub-Fund will not be biased towards any specific country, industry or market capitalization. The selection of the target issuers will be based on a combination of technical and fundamental analysis which also takes into account the macro and micro economic environment. The Sub-Fund may invest in listed Bonds of any credit rating and may also invest in Bonds that do not</p>

have a credit rating.

The Investment Manager may vary the composition of the portfolio of the Sub-Fund to take advantage of trends that might occur over time.

The Sub-Fund may also retain amounts in cash or cash equivalents, pending reinvestment, if this is considered appropriate to the objective of maximising absolute returns.

The Sub-Fund will not invest in real estate.

Uninvested cash which has not been placed as margin 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.

### Investment Restrictions

The Sub-Fund shall be subject to the following investment restrictions:

- i. The Sub-Fund may invest up to 20% of its total assets in securities issued by the same body
- ii. The Sub-Fund may invest up to 30% of its assets in money market instruments issued by the same body
- iii. The 20% / 30% limit set out in (i) and (ii) above may be increased to a maximum of 100% in the case of securities and money market instruments issued or guaranteed by an OECD or EU/ EEA Member State, its local authorities or public international bodies of which one or more such States are members;
- iv. The 20% / 30% limit set out in (i) and (ii) above may be increased to a maximum of 35% in the case of securities and money market instruments guaranteed by a credit institution authorised in the EEA or which is subject to equivalent prudential requirements;
- v. The 20% limit set out in (i) above may be increased up to a maximum of 30% in the case of transferable securities traded in or dealt on a regulated market which operates regularly, is recognised and is open to the public.
- vi. The Sub-Fund may hold up to 35% of its total assets in deposits held with a single body.

- vii. The Sub-Fund is not subject to any investment restrictions with respect to investments in a single collective investment scheme provided that the underlying scheme qualifies as a UCITS scheme in terms of the UCITS Directive (Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)) or other open ended collective investment scheme subject to risk spreading requirements which are at least comparable to those applicable to the Sub-Fund.
- viii. The Sub-Fund may invest up to a maximum of 30% of its total assets in any single collective investment scheme which does not satisfy the conditions indicated in (vii) above.
- ix. Where the Sub-Fund qualifies as a fund of hedge funds it shall invest in at least five hedge funds.
- x. The exposure of the Sub-Fund to a single counterparty in OTC FDI transactions shall not exceed 20% of its total assets. The exposure to one counterparty in an OTC FDI transaction may be reduced where the counterparty provides the Sub-Fund with acceptable collateral in accordance with good market practice to the satisfaction of the Company or the Investment Manager. The exposure per counterparty of an OTC derivative should not be measured on the basis of the notional value of the OTC derivative, but on the maximum potential loss incurred by the Sub-Fund if the counterparty defaults. The Sub-Fund may net the mark-to-market value of its OTC derivative positions with the same counterparty, thus reducing the exposure to its counterparty, provided that the Company entered into, in respect of the Sub-Fund, a contractual netting agreement with its counterparty which creates a single legal obligation such that, in the event of the counterparty's failure to perform owing to default, bankruptcy, liquidation or any similar circumstance, the Sub-Fund would have a claim to receive or an obligation to pay only the net sum of the positive and negative mark-to-market values of included individual transactions.
- xi. The Sub-Fund shall limit its aggregate maximum exposure (through securities, money market instrument, deposits and OTC derivatives

## Borrowing and Leverage Restrictions

transactions) to a single issuer/ counterparty to 40% of its total assets.

- xii. Where the Sub-Fund qualifies as a feeder fund, the underlying fund shall satisfy the leverage restrictions applicable to the Sub-Fund.
- xiii. Investment by the Sub-Fund in FDIs as part of its investment policy shall be without prejudice to the investment limits set out above. The exposure to the underlying assets should be calculated using the commitment approach as indicated in the MFSA Rules.

The Sub-Fund shall comply with the investment restrictions set out above within six months from the Closing Date or upon reaching a value equivalent to EUR 2,500,000 whichever is sooner. Notwithstanding the above, the Company shall, in respect of the Sub-Fund, observe the principle of risk spreading.

Direct borrowing for investment purposes and leverage via the use of FDIs is restricted to 100% of NAV.

Leverage shall be assessed on the basis of the Absolute VaR approach in accordance with the MFSA Rules. In this respect, the VaR of the Sub-Fund shall not exceed 20% of the NAV of the Sub-Fund. The VaR calculations shall be undertaken in accordance with the following parameters:

- a. one-tailed confidence interval of 99%;
- b. holding period equivalent to 1 month (20 business days);
- c. effective observation period (history) of risk factors of at least 1 year (250 business days) unless a shorter observation period is justified by a significant increase in price volatility (for instance extreme market conditions);
- d. quarterly data set updates, or more frequent when market prices are subject to material changes; and
- e. at least daily calculation.

## The Initial Offering

**Initial Offering Period**

From the 2<sup>nd</sup> May, 2013 until the Closing Date.

**Closing Date**

30<sup>th</sup> September, 2013.

<b>Initial Offering Price</b>	EUR100
<b>Number of Investor Shares on Offer</b>	100,000,000 Investor Shares

### **Fees and Charges**

<b>Investment Management Fee</b>	1.75% per annum, calculated on the NAV on each Valuation Day and will be payable quarterly in arrears.
<b>Performance Fee</b>	The Performance Fee is calculated on a “high water mark” basis and will be payable quarterly in arrears. For each Calculation Period, a Performance Fee shall be payable in the amount of 20% on the appreciation of the Sub-Fund’s GAV over the previous HWM.
<b>Subscription Charge</b>	Up to 2.5% of the subscription amount.
<b>Redemption Charge</b>	None.
<b>Switching Charge</b>	None.

### **Minimum Subscription, Holding and Redemption Requirements**

<b>Minimum Initial Subscription</b>	EUR10,000 or its equivalent in any other currency.
<b>Minimum Additional Subscription</b>	EUR5,000 or its equivalent in any other currency.
<b>Minimum Holding</b>	EUR10,000 or its equivalent in any other currency.
<b>Minimum Redemption</b>	EUR5,000 or its equivalent in any other currency.

### **Notice Periods**

<b>Subscription Notice Period</b>	10 a.m. CET, three (3) Business Days prior to the relevant Subscription Day.
<b>Redemption Notice Period</b>	10 a.m. CET, ten (10) Business Days prior to the relevant Redemption Day.

## Section 3 | THE OFFERING

### Share Offer

Up to 100,000,000 Investor Shares with no nominal value are on offer. The offering of the Investor Shares at the Initial Offering Price opened on 2 May, 2013 and closed on the Closing Date.

During the Offering Period, which shall commence from 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 Experienced 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 10 | Acquisition of Investor Shares**” of the Offering Memorandum.

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

### Redemption of Investor Shares

Investors are directed to “**Section 11 | 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 thirty (30) Business Days from the relevant Redemption Day.

## **Exchange of Shares**

Exchanges of Investor Shares in the Sub-Fund with any other Class of Investor Shares in issue are not 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.

## **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.

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. THE USE OF SPECIALIST INVESTMENT SECURITIES SUCH AS EXCHANGE TRADED EQUITY OPTIONS ON FUTURES CONTRACTS AND FUTURES CONTRACTS ARE CONSIDERED HIGH RISK AND IN SOME CASES HAVE UNLIMITED RISK. 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 4 | FEES, CHARGES AND EXPENSES

### Investment Management Fee

The Company will pay the Investment Manager an Investment Management Fee of 1.75% per annum of NAV. The Investment Management Fee will accrue on every Valuation Day and shall be payable quarterly in arrears.

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

### Performance Fee

The Investment Manager shall also receive from the Company in respect of the Sub-Fund a Performance Fee on the appreciation in the Gross Asset Value ("**GAV**") of the Sub-Fund over the previous High Watermark ("**HWM**") multiplied by the average number of Investor Shares in issue in the related class of Investor Shares from the end of the previous Calculation Period on which a Performance Fee was paid.

The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value ("**NAV**") before deduction for any accrued Performance Fee.

For each Calculation Period, a Performance Fee shall be payable in the amount of 20% on the appreciation of the Sub-Fund's GAV over the previous HWM.

Once a Performance Fee has been paid, additional Performance Fees will be payable only once the Sub-Fund's GAV exceeds the new HWM. The HWM is the higher of: (a) the Initial Offering Price and (b) the highest NAV per Share on which a Performance Fee was paid.

The Performance Fee will be deemed to accrue as at each Valuation Day and shall be payable quarterly in arrears and normally within fourteen (14) calendar days of the end of each Calculation Period.

The Company will not adopt an equalisation methodology for the calculation of the Performance Fee due to the Investment Manager. Shareholders may according underpay/over pay any performance fee due to the Investment Manager when subscribing and/or redeeming their Investor Shares.

### 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.

## Depository Fee

The Company pays to the Depository a Depository Fee of 0.06% per annum based on the Net Asset Value of the Sub-Fund subject to a minimum Depository Fee of EUR12,000 per annum. The Depository is also entitled to charge transaction, processing and postage fees in accordance with the Fee Schedule to the Depository Agreement details of which will be made available to investors upon demand.

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

## 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 Depository, 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).

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.

Unless otherwise specified in this Offering Supplement any fees and expenses payable by the Company are not subject to a maximum amount or cap.

## Subscription Charge

There is a Subscription Charge of up to 2.5% of the subscription amount.

## Redemption Charge

There is no Redemption Charge.

## Section 5 | 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. Enzo L. Filippini  
Mr. Eros Lombardo  
Mr. Nicholas Calamatta

**Registered Office**

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**Administrator**

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**Depository**

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**Company Secretary**

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**Legal Advisors (Malta)**

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