

DATED: [28] November 2013

## TRE INTERNATIONAL S.A.

(a public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 26-28 Rives de Clausen, L-2165 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés*) under number B 146.276)  
(the “**Issuer**”)

## PROSPECTUS

**EUR 20,000,000 Fund-linked Notes due 2018 (consisting of an existing issue of EUR 1,300,000 Fund-linked Notes due 2018, a first further issue of EUR 2,500,000 Fund-linked Notes due 2018, a second further issue of EUR 2,600,000 Fund-linked Notes due 2018 a third further issue of EUR 700,000 Fund-linked Notes due 2018 and a fourth further issue of EUR 12,900,000 Fund-linked Notes due 2018 to be consolidated and to form a single series therewith)**  
**Issue Price: 100 per cent.**

This prospectus (the “**Prospectus**”) has been issued by Tre International S.A. (the “**Issuer**”) in the context of the issue of, on or about 31 July 2013, the EUR 1,300,000 Fund-linked Notes due 2018 (the “**Existing Notes**”), in the context of the issue of, on or about 9 August 2013, a further EUR 2,500,000 Fund-linked Notes due 2018 (the “**Further Notes 1**”), in the context of the issue of, on or about the 1 October 2013, a further issue of EUR 2,600,000 Fund-linked Notes due 2018 (the “**Further Notes 2**”), in the context of the issue of, on or about the 24 October 2013, a further issue of EUR 700,000 Fund-linked Notes due 2018 (the “**Further Notes 3**”) and in the context of the issue of, on or about 29 November 2013, a further EUR 12,900,000 Fund-linked Notes due 2018 (the “**Further Notes 4**”), and, together with the Further Notes 1, the Further Notes 2, the Further Notes 3 and the Existing Notes, the “**Notes**”).

**The terms and conditions of the Notes are complex. An investment in the Notes is suitable only for experienced and financially sophisticated investors who are in a position to evaluate the risks and who have sufficient resources to be able to bear any losses which may result from such investment.**

**Prospective purchasers of the Notes should ensure that they understand fully the nature of the Notes, as well as the extent of their exposure to risks associated with an investment in the Notes and should consider the suitability of an investment in the Notes in the light of their own particular financial, fiscal and other circumstances. Prospective purchasers of the Notes should refer to the section headed “Investment Considerations and Risk Factors” on pages 5 to 9 of this Prospectus.**

**Arc Asset Management S.A.**  
**as Arranger**

## TABLE OF CONTENTS

GENERAL.....	4
INVESTMENT CONSIDERATIONS AND RISK FACTORS.....	6
DOCUMENTS INCORPORATED BY REFERENCE.....	11
TERMS AND CONDITIONS OF THE NOTES.....	12
SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM.....	27
INFORMATION CONCERNING THE ISSUER.....	30
INFORMATION CONCERNING THE FUND.....	32
USE OF PROCEEDS.....	36
FORM OF THE NOTES.....	36
SUBSCRIPTION AND SALES AND SELLING RESTRICTIONS.....	37
TAXATION.....	42
GENERAL INFORMATION.....	48

## GENERAL

This Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank only approves this Prospectus as meeting requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange (the “**Irish Stock Exchange**”) for the Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Notes which are admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

This Prospectus comprises a Prospectus for the purposes of the Prospectus Directive.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Prospectus in any jurisdiction where such action is required.

This Prospectus does not constitute an invitation to the public within the meaning of the Irish Companies Acts 1963 to 2009 to subscribe for the Notes.

The Notes will be governed by and construed in accordance with English law. The Terms and Conditions of the Notes are set out at pages 11 to 24 of this Prospectus.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information in the section headed “Information concerning the Fund” has been accurately reproduced from the Fund Information Memorandum (*Regolamento di Gestione*) dated 13 May 2013 written in plain Italian provided by the Fund Manager (the “**Fund Information Memorandum**”). So far as the Issuer is aware and is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Restrictions have been imposed on offers and sales of the Notes and on distribution of documents relating thereto in certain jurisdictions (see the section headed “Selling Restrictions”). The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account of, U.S. persons.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions are restricted by law. Persons into whose possession this Prospectus may come are required by the Issuer to inform themselves about and to observe such restrictions. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

No person has been authorised to give any information or to make representations other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Arranger or either of them. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

## INVESTMENT CONSIDERATIONS AND RISK FACTORS

### Investment Considerations

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the Collateral and the obligor(s) in respect thereof, the security arrangements, the Notes and all other relevant persons and market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. The Arranger disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time thereafter. However, as part of such independent investigation and analysis, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives all the information set forth in this Prospectus, including but not limited to the considerations set forth below. The considerations set out below in respect of the Notes are not, and are not intended to be, a comprehensive list of all considerations relevant to a decision to purchase or hold the Notes.

Investment in the Notes is only suitable for investors who:

- (1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Prospectus and the merits and risks of an investment in the Issuer in the context of such investors' financial position and circumstances;
- (2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time;
- (3) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all; and
- (4) are banks, investment banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international or supranational organisations or other entities, including, inter alia, treasuries and finance companies of large enterprises that are active on a regular and professional basis in the financial markets for their own account.

Further, each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines, regulatory requirements and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. None of the Issuer, the Arranger or any other person has or will make any representation or statement as to the suitability of the Notes for investors. Investors should obtain all required independent professional advice before purchasing the Notes.

Neither the Arranger nor the Fiscal Agent has separately verified the information contained herein and accordingly neither the Arranger nor the Fiscal Agent makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes or their distribution and neither of them accepts any responsibility or liability therefor. Neither the Arranger nor the Fiscal Agent undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or

potential investor in the Notes of any information coming to the attention of either the Arranger or the Fiscal Agent.

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes like assessment or charges that may be applicable to any payment to it in respect of the Notes. The Issuer will not pay any additional amounts to Noteholders to reimburse them for any tax, assessment, or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer.

## **Risks in relation to the Issuer**

### ***Solvency of the Issuer***

Noteholders are taking the credit risk of the Issuer. The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations. The insolvency or financial distress of the Issuer could lead to a partial or total loss of the capital invested by the Noteholders, irrespective of increases in the net asset value of the Fund.

### ***No Regulation of the Issuer by any Regulatory Authority***

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by any such regulatory authority could have an adverse impact on the Issuer or the holders of Notes.

### ***Certain Luxembourg law aspects***

The rights of Noteholders and the responsibilities of the Issuer to the Noteholders under Luxembourg law may be materially different from those with regard to equivalent instruments under the laws of the jurisdiction in which the Notes are offered.

## **Risks in relation to the Notes**

### ***Nature of the Investment***

An investment in the Notes effectively provides Noteholders with a return calculated by reference to the change in the net asset value of the Fund from the Issue Date. Information concerning the Fund and its investment objectives is set out in the section headed "Information relating to the Fund". Prospective purchasers of Notes should be aware that the Fund is involved in speculative investment which involves significant risk and that the risks inherent in investing in the Fund directly will be inherent in an investment in the Notes. The Issuer makes no representation, warranty or guarantee (express or implied) regarding the condition (financial or otherwise) or the performance of the Fund.

The Notes do not represent Fund Interests in the Fund. A Noteholder does not have any direct investment in, nor any rights to, Fund Interests in the Fund and a Note does not represent a claim against the Fund. In the event of any loss, a Noteholder will not have any recourse under a Note to the Fund.

The Issuer makes no representation as to the credit of the Fund or its performance.

## ***Taxation***

The Noteholders will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. The Issuer will not pay any additional amounts to the Noteholders to compensate them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or any Paying Agents.

Purchasers of Notes should conduct such independent investigation and analysis regarding the tax treatment of the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments or deliveries in respect of the Notes.

## ***Fund Termination Events***

The Notes may be redeemed early as a result of the occurrence of a Fund Termination Event as set out in Condition 5 of the Notes. In such circumstances, the amount available to Noteholders may be significantly less than their initial investment in the Notes.

## ***Corporate Events***

Upon the occurrence of certain Corporate Events relating to the Fund, the Calculation Agent has a wide discretion in determining what action to take in relation to the Notes in such circumstances. For further information see “Terms and Conditions of the Notes” below.

## ***Legality of purchase***

The Issuer neither has nor assumes any responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of incorporation of such a prospective purchaser or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

## ***No Secondary Market***

Currently no secondary market exists for the Notes. The Arranger is not under any obligation to make a market in the Notes and it is highly unlikely that any secondary market for the Notes will develop. In the unlikely event that a secondary market in the Notes does develop, there can be no assurance that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Notes. Accordingly, the purchase of the Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. Investors must be prepared to hold the Notes until maturity.

In addition, the Notes are subject to significant transfer restrictions as described under “Subscription and Sale and Transfer Restrictions” in the Prospectus which further limit the liquidity of the Notes.

## ***Market Risk***

The Notes may be volatile instruments and subject to considerable fluctuations in value and other risks inherent in investing in securities. The value of a Notes may rapidly decrease or increase due to numerous factors, including, but not limited to, systemic risks, variations in the frequency and magnitude of changes in interest rates, inflation outlook and the price/level of the Fund Interests.



## ***Conflicts of Interest***

From time to time, the Arranger, the Fiscal Agent, the Calculation Agent or the Paying Agents and their respective affiliates may be engaged by the Fund as an underwriter or placement agent, in an advisory capacity or in other business arrangements. Each Noteholder will be deemed to have acknowledged and agreed that the Arranger, the Fiscal Agent, the Calculation Agent or the Paying Agents and their respective affiliates may engage in any kind of business with, or have an investment in, the Fund. In connection with the foregoing activities and their other activities the Arranger, the Fiscal Agent, the Calculation Agent or the Paying Agents and their respective affiliates may obtain or be in possession of material non-public information regarding the Fund which may not have been made available to the Noteholders (whether as a result of confidentiality obligations or otherwise). None of such persons is under any obligation to make such information available to Noteholders.

## ***Modification and waivers***

The Fiscal Agency Agreement contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

## ***Change of law***

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

## ***Lack of information following issue***

Following the issue of the Notes, the Issuer will not provide any information on the current market value of the Notes. The Issuer does not intend to provide any post-issuance information in relation to the Notes, except if required by any applicable laws and regulations.

## ***Further Notes***

The Issuer may issue further Notes. Such further Notes will have the same terms and conditions (including as to the ranking of payments) as the Notes in all respects (or in all respects except for the issue price, issue date and first payment of interest) and will be consolidated and form a single series with the existing Notes.

## ***General risks***

### ***Regulatory Change***

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes. In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the structured securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the incentives for certain investors to hold structured securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arranger, the Fiscal Agent, the Calculation Agent or the Paying Agents makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Issue Date or at any time in the future.

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES.**

## DOCUMENTS INCORPORATED BY REFERENCE

### General

The following documents which have previously been published or are published simultaneously with this Prospectus shall be incorporated in, and form part of, this Prospectus in its entirety for information purposes only:

- (a) the audited annual financial statements of the Issuer as at and for the year ended 31 December 2011;
- (b) the audited annual financial statements of the Issuer as at and for the year ended 31 December 2012; and
- (c) the articles of incorporation of the Issuer,

Any statement contained in this Prospectus or in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document subsequently incorporated by reference, by way of supplement prepared in accordance with Article 16 of the Prospectus Directive, modifies or supersedes such statement.

### Cross-reference lists

The following information from the audited annual financial statements of the Issuer is incorporated by reference in this Prospectus, and the following cross-reference lists are provided to enable investors to identify specific items of information so incorporated.

#### ***[To be included]***

Any information contained in any of the documents specified above, including any documents incorporated by reference therein, which are not listed in the cross reference list are not incorporated by reference in this Prospectus and are not relevant to investors (pursuant to Article 28(4) of Regulation (EC) No. 809/2004 implementing the Prospectus Directive).

Copies of the documents specified above as containing information incorporated by reference in this Prospectus have been filed with the Irish Stock Exchange and may be inspected, free of charge, at the specified offices of the Principal Paying Agent during normal business hours or, on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

Any websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Terms and Conditions of the Notes substantially in the form in which they will be endorsed on each Note in definitive form, if issued:*

### SCHEDULE 1: CONDITIONS OF THE NOTES

The issue of the EUR 20,000,000 Fund-linked Notes due 2018, consisting of an existing issue of EUR 1,300,000 Fund-linked Notes due 2018 (the “**Existing Notes**”), a first further issue of EUR 2,500,000 Fund-linked Notes due 2018 to be consolidated and to form a single series therewith (the “**Further Notes 1**”), a second further issue of EUR 2,600,000 Fund-linked Notes due 2018 to be consolidated and to form a single series therewith (the “**Further Notes 2**”), a third further issue of EUR 700,000 Fund-linked Notes due 2018 to be consolidated and to form a single series therewith (the “**Further Notes 3**”) and a fourth further issue of EUR 12,900,000 Fund-linked Notes due 2018 to be consolidated and to form a single series therewith (the “**Further Notes 4**”) and together with the Existing Notes, the Further Notes 1, the Further Notes 2 and the Further Notes 3, the “**Notes**”, which expression includes any further Notes issued pursuant to Condition 13 and forming a single series therewith) was duly authorised by a resolution of the Board of Directors of Tre International S.A. (the “**Issuer**”).

The Notes are the subject of (a) a fiscal agency agreement dated 30 July 2013 as amended and restated on 7 August 2013, on 30 September 2013, on 23 October 2013 and on 28 November 2013 (and as further amended or supplemented from time to time, the “**Fiscal Agency Agreement**”) between the Issuer, Citibank, N.A. London Branch as fiscal agent (in such capacity, the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and as principal paying agent (in such capacity, the “**Principal Paying Agent**”), Citibank Europe plc as Irish paying agent (in such capacity, the “**Irish Paying Agent**” and together with the Principal Paying Agent, the “**Paying Agents**” which expression shall include any successor or additional paying agents appointed from time to time in connection with the Notes) and Arc Advisory Company S.A. as calculation agent (in such capacity the “**Calculation Agent**” which expression shall include any successor calculation agent appointed from time to time in connection with the Notes), and (b) a deed of covenant dated 30 July 2013 as amended and restated on 7 August 2013, on 30 September 2013, on 23 October 2013 and on 28 November 2013 (and as further amended or supplemented from time to time, the “**Deed of Covenant**”) executed by the Issuer in relation to the Notes.

The holders of the Notes and the holders of the Coupons (whether or not attached to the relevant Notes) are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection at the specified office of the Fiscal Agent.

#### 1. Form, Denomination and Title

- (a) **Form and denomination:** The Notes are serially numbered and in bearer form in the denominations of EUR 100,000 (the “**Specified Denomination**”), each with Coupons attached on issue.
- (b) **Title:** Title to the Notes and Coupons passes by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it or its theft or loss) and no person will be liable for so treating the holder. In these Conditions, “**Noteholder**” (in relation to a Note), “**Couponholder**” (in relation to a Coupon) and “**holder**” (in relation to a Note or Coupon) means the bearer of any Note or Coupon (as the case may be).

#### 2. Status

The Notes and Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.

### 3. **Interest**

- (a) **Interest Payment Dates:** The Notes bear interest from and including the relevant Issue Date to and including the Maturity Date at the rate of 3.00 per cent. per annum (the “**Rate of Interest**”), payable annually in arrear on 31 July in each year (each an “**Interest Payment Date**”). If any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day.
- (b) **Calculation of Interest:** When interest is to be calculated in respect of a period of less than a full year it shall be calculated on the basis of the Day Count Fraction.
- (c) **Interest Payments:** Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 3 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).
- (d) **Interest Amount:** The Fiscal Agent will calculate the amount of interest (the “**Interest Amount**”) payable in respect of each Note for the relevant Interest Period. The Interest Amount shall be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note, multiplying the product by the Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), provided that an amount equal to such Note’s pro rata share of the Transaction Administration Costs shall be deducted from the final Interest Amount payable on the Maturity Date. The Interest Amount (less the part of the Transaction Administration Costs to be deducted from the Interest Amount in relation to such Note) payable on the Maturity Date will be calculated by the Calculation Agent and notified to the Issuer and the Fiscal Agent no later than 5 Business Days prior to the due date for payment of the final Interest Amount.

For these purposes, “**Transaction Administration Costs**” means an amount calculated by the Calculation Agent equal to the fees, costs, expenses or disbursements properly incurred by the Issuer in connection with the issue of the Notes, including, but not limited to:

- (i) any fees payable to the Arranger, Fiscal Agent, Paying Agent or Calculation Agent;
- (ii) any fees payable to any stock exchange in respect of the listing of the Programme on such stock exchange, including legal fees in connection therewith;
- (iii) any legal fees and disbursements payable to the Issuer’s legal advisors;
- (iv) any other documented administrative fee duly incurred in connection with the issue of the Notes.

- (e) **Calculation Agent:** The Issuer will procure that, so long as any Note is outstanding, there shall at all times be an Calculation Agent for the purposes of the Notes. If any such bank (acting through its relevant office) is unable or unwilling to continue to act as the Calculation Agent or if the Calculation Agent fails duly to calculate such amounts required by it in accordance with these Terms and Conditions, the Issuer shall appoint some other leading bank engaged in the London interbank market (acting through its principal London office) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.
- (f) **Notifications etc:** All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Fiscal Agent, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (g) **Interpretation:** For the purposes of these Conditions:

**“Business Day”** means a day on which commercial banks and foreign exchange markets settle payments in Milan and London and which is a TARGET2 Settlement Day;

**“Day Count Fraction”** means the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 (twelve) 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30 day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

**“Interest Accrual Date”** means 31 July of each year, provided that the first Interest Accrual Date will fall on 31 July 2014, up to and including 31 July 2018 or if the Maturity Date has been postponed to the Postponed Maturity Date, 31 July of each year from the Scheduled Maturity Date up to and including to the Postponed Maturity Date, 31 July 2023;

**“Initial Interest Period”** means:

- (a) with respect to the Existing Notes, from and including 31 July 2013 to but excluding the first Interest Accrual Date;
- (b) with respect to the Further Notes 1, from and including 9 August 2013 to but excluding the first Interest Accrual Date;
- (c) with respect to the Further Notes 2, from and including 1 October 2013 to but excluding the first Interest Accrual Date;
- (d) with respect to the Further Notes 3, from and including 24 October 2013 to but excluding the first Interest Accrual Date;
- (e) with respect to the Further Notes 4, from and including 29 November 2013 to but excluding the first Interest Accrual Date.

**“Interest Period”** means the relevant Initial Interest Period and thereafter, each successive period beginning on (and including) an Interest Accrual Date and ending on (but excluding) the next succeeding Interest Accrual Date. For the avoidance of doubt since the Accrual Dates in respect of Interest Periods are not subject to postponement in the event that they fall on a day which is not a Business Day, Interest Periods are not adjusted.

**“Issue Date”** means:

- (a) with respect to the Existing Notes, 31 July 2013;
- (b) with respect to the Further Notes 1, 9 August 2013;
- (c) with respect to the Further Notes 2, 1 October 2013;
- (d) with respect to the Further Notes 3, 24 October 2013;
- (e) with respect to the Further Notes 4, 29 November 2013.

**“TARGET2 Settlement Day”** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **“TARGET System”**) is open.

#### 4. **Redemption and Purchase**

- (a) **Final redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on 31 July 2018 (the **“Scheduled Maturity Date”**) or the Postponed Maturity Date as provided in Condition 4(b) in an amount determined by the Calculation Agent in accordance with the following:

For the purposes of these Conditions:

**“Final Redemption Amount”** means, in respect of each Note, an amount in euro calculated by the Calculation Agent in its sole and absolute discretion and notified to the Issuer and the Fiscal Agent no later than 5 Business Days prior to the due date for payment which shall be the greater of:

- (A) the Specified Denomination; and
- (B) an amount calculated as follows:
  - (i) the Specified Denomination; **plus**
  - (ii) (a) the Specified Denomination; multiplied by (b) Performance of Underlying,

where:

**“Aggregate Interest Amounts”** means an amount equal to the aggregate of all amounts of interest paid with respect to the Notes on each Interest Payment Date (including, for the avoidance of doubt, the Maturity Date);

**“Disrupted Day”** means any Fund Business Day on which a Market Disruption Event has occurred;

**“Final Price”** means, on the Final Valuation Date or the Early Redemption Date, as the case may be, the price of one Fund Interest which shall be equal to the available official net asset value of the Fund per Fund Interest for that Final Valuation Date or the Early Redemption Date, as the case may be, as either notified to the Calculation Agent by the relevant Fund Manager or published by or on behalf of such Fund, less any applicable costs, expenses or taxes that would be incurred by a holder of a Fund Interest in redeeming such Fund Interest, determined by the Calculation Agent; provided that if an Investing Entity either makes an investment in, or redeems, Fund Interests as of the Final Valuation Date or the Early Redemption Date, as the case may be, at a price per Fund

Interest that is different from the one so notified or published, the net price per Fund Interest at which such investment or redemption is effected shall be treated as the Final Price;

**“Final Reference Level”** means 80 per cent. of the Final Price on the Final Valuation Date;

**“Final Valuation Date”** means the day that is 30 days prior to the Maturity Date, or if such day is not a Fund Business Day, the next following Fund Business Day, provided that if the Calculation Agent determines that the Final Valuation Date is a Disrupted Day, then the Final Valuation Date shall be the first succeeding Fund Business Day that is not a Disrupted Day, unless each of the eight Fund Business Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Final Valuation Date is a Disrupted Day, in which case that eighth Fund Business Day shall be deemed to be the Final Valuation Date, notwithstanding the fact that such day is a Disrupted Day and the Calculation Agent shall determine the Final Price as its good faith estimate of the relevant Final Price that would have prevailed, but for the occurrence of a Disrupted Day, on that eighth Fund Business Day;

**“Fund”** means Fondo Sofia Reloaded Real Estate;

**“Fund Business Day”** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Milan and Luxembourg;

**“Fund Interest”** means a EUR-denominated unit of the Fund;

**“Fund Manager”** means Sofia SGR S.p.A.;

**“Initial Price”** means, on the Initial Valuation Date, the price of one Fund Interest which shall be equal to the available official net asset value of the Fund per Fund Interest for that Initial Valuation Date, as either notified to the Calculation Agent by the relevant Fund Manager or published by or on behalf of such Fund; provided that if an Investing Entity either makes an investment in Fund Interests as of the Initial Valuation Date at a price per Fund Interest that is different from the one so notified or published, the net price per Fund Interest at which such investment is effected shall be treated as the Initial Price;

**“Initial Reference Level”** is 100 per cent. of the Initial Price on the Initial Valuation Date;

**“Initial Valuation Date”** means 31 January 2013;

**“Investing Entity”** means the Issuer holds, redeems or subscribes Fund Interests;

**“Market Disruption Event”** means the occurrence or continuation, as determined by the Calculation Agent, of:

- (1) a failure or postponement that is, in the determination of the Calculation Agent, material by the Fund Manager to publish the official net asset value of the Fund per Fund Interest in respect of a Fund Business Day (provided that such Fund Business Day is a day for which such official net asset value is scheduled to be published); or
- (2) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on a Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible (in accordance with the rules relating to the Fund)); or



- (3) a postponement or failure of a Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the rules relating to the Fund).

“**Maturity Date**” means the Scheduled Maturity Date, or, if applicable, the Postponed Maturity Date; and

“**Performance of Underlying**” means:

$$\left[ \frac{\text{Final Reference Level}}{\text{Initial Reference Level}} \right] - 1$$

- (b) **Maturity Date Extension:** The Issuer may, by sending an irrevocable notice to the Noteholders in accordance with Condition 14 by no later than the day that is 30 Business Days prior to the Scheduled Maturity Date, postpone the Maturity Date to 31 July 2023 (the “**Postponed Maturity Date**”).
- (c) **Purchase:** The Issuer may at any time purchase Notes in the open market or otherwise at any price (provided that all unmatured Coupons relating to them are purchased at the same time). The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 8 and 12.
- (d) **Cancellation:** All Notes so redeemed or purchased and any unmatured Coupons attached to or surrendered with them may be cancelled and if surrendered for cancellation such Notes may not be re-issued or resold.

## 5. **Corporate Events and Fund Termination Events**

- (a) **Fund Termination Events:** If at any time the Calculation Agent determines that an applicable Fund Termination Event has occurred or is continuing with respect to a Fund (the “**Original Fund**”), the Calculation Agent may:
- (1) waive such Fund Termination Event; or
  - (2) replace the Original Fund for the purposes of the Notes with an appropriate alternative fund (a “**Replacement Fund**”), as determined by the Calculation Agent and following any such replacement, the Calculation Agent may make any adjustments to any one or more of the Initial Reference Level, the Final Redemption Amount and/or any of the other terms and conditions of the Notes as it deems appropriate to reflect such replacement; or
  - (3) redeem the Notes at their fair market value; provided that if the Notes are so redeemed, the fair market value will take into account the Substitution Event, less the cost to the Issuer and/or any of its affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements); or
  - (4) determine that the effect of the Fund Termination Event can be compensated by an adjustment to any one or more of the Initial Reference Level, the Final Redemption Amount and/or any of the other terms and conditions of the Notes and following any such determination, the Calculation Agent may make any such adjustments as it deems appropriate to reflect such compensation.

For these purposes:

**“Fund Termination Event”** means the occurrence or continuation, as determined by the Calculation Agent, of any of the following events:

- (1) **“Audit Event”** means the making of any reservation in an audit report of the Fund by the auditor of the Fund that is, in the determination of the Calculation Agent, material;
- (2) **“Charging Change”** means the increase of, or introduction by the Fund of (a) a bid/offer spread or (b) charges for subscription or redemption orders made by an Investing Entity, for Fund Interests in addition to any such spread or charge specified in the rules of the Fund as applicable on the Issue Date;
- (3) **“Cross-contamination”** means any cross-contamination or other failure by the Fund to effectively segregate assets between the different classes of Fund Interests and different classes, series or compartments of the Fund;
- (4) **“Currency Change”** means the currency in which (a) Fund Interests are denominated or (b) the net asset value of the Fund is calculated, is no longer the currency specified in the rules of the Fund;
- (5) **“Distribution Inkind”** means a redemption of Fund Interests in the form of a distribution of non-cash assets;
- (6) **“Fund Accounting Event”** means any changes in the accounting principles or policies applicable to the Fund and/or the Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (7) **“Fund Constitution Breach”** means any failure to observe any of the objects, constitution, conditions, nature, or rules of the Fund that is, in the determination of the Calculation Agent, material;
- (8) **“Fund Constitution Change”** means any modification of the objects, constitution, conditions, nature, or rules of the Fund that is, in the determination of the Calculation Agent, material;
- (9) **“Fund Regulatory Event”** means any changes in the regulatory treatment applicable to the Fund and/or the Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;
- (10) **“Fund Rules Breach”** means any failure of the Fund Manager of the Fund to comply with any terms set out in the rules of the Fund;
- (10) **“Fund Strategy Breach”** means any failure to observe any of the investment objectives, policies or strategy of the Fund that is, in the determination of the Calculation Agent, material;
- (12) **“Fund Strategy Change”** means any modification of the investment objectives, policies or strategy of the Fund that is, in the determination of the Calculation Agent, material;
- (13) **“Fund Tax Event”** means any changes in the tax treatment applicable to the Fund and/or the Fund Manager and/or any Investing Entity which might reasonably be expected to have an economic, legal or regulatory impact for the Issuer;

- (14) **“Hedging Event”** means the Issuer is unable, or would incur an increased cost (compared with that on the Issue Date), to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of, in such size and upon such timing as it determines appropriate, any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) upon such timing and in such form as it determines appropriate, whether or not in accordance with the rules of the Fund;
- (15) **“Investor Tax Event”** means any changes in the regulatory, tax, accounting and/or any other treatment applicable to the holder of Fund Interests, which could have an economic or legal or regulatory impact for such holder;
- (16) **“Litigation Event”** means the commencement or continuation of litigation involving the Fund, the Fund Manager or other service provider of the Fund that is, in the determination of the Calculation Agent, material;
- (17) **“Management Change”** means the occurrence of any event or the making of any changes affecting the structure of the Fund, its management, its material service providers, its reputation or solvency and/or the structure of, or rights attaching to, any shares in the capital of the Fund, which, in the reasonable opinion of the Calculation Agent is likely to have a significant impact on the value of the Fund Interests of the Fund, whether immediately or later;
- (18) **“Mandatory Disposal”** means any event or circumstance (whether or not imposed by the Fund, or in accordance with rules of the Fund) that obliges the holder of Fund Interests to sell or otherwise dispose of such Fund Interests;
- (19) **“Market Event”** means any crisis in the major financial markets such that the holding, trading or managing of an investment in the Fund is impracticable, inadvisable or materially altered;
- (20) **“NAV Suspension”** means suspension of the calculation or publication of the net asset value of the Fund, or failure by the Fund Manager, its administrator or any relevant entity duly appointed in that respect to deliver when due any relevant report detailing the net asset value of the Fund;
- (21) **“Performance Failure”** means any failure of the Fund Manager, administrator and/or the custodian (and/or other relevant service provider, as determined by the Calculation Agent) of the Fund to perform any of its material obligations under rules of the Fund or the liquidation, termination of appointment or resignation of the Fund Manager, administrator, custodian and/or a relevant service provider of the Fund;
- (22) **“Potential Regulatory Event”** means an investigation into the activities of the Fund, the Fund Manager, its custodian and/or its administrator being launched, or such activities being placed under review, in each case by their respective regulatory authorities or other competent body, for reason of alleged wrong-doing, alleged breach of any rule or regulation, or other similar reason;
- (23) **“Redemption Failure”** means a holder of Fund Interests would be unable to receive redemption payments in respect of such Fund Interests;
- (24) **“Regulatory Event”** means the winding-up, the closure or the termination of the Fund or the cancellation of the approval or registration of the Fund or the Fund Manager (or any successor thereto) by any relevant regulatory authority;

- (25) **“Subscription/Redemption Alteration”** means any subscription or redemption orders with respect to Fund Interests are not executed as described in the rules of the Fund;
- (26) **“Subscription/Redemption Restriction”** means any suspension of, or any restriction on, the acceptance of subscriptions or redemptions for Fund Interests or any limitation imposed on such subscription or redemptions (whether or not in accordance with rules of the Fund); or
- (27) **“Transfer Restriction”** means suspension of, or any restriction on, the ability of a holder of Fund Interests to transfer any such Fund Interests, other than in accordance with rules of the Fund.

- (b) **Corporate Events:** If the Calculation Agent determines that, in respect of the Fund, a Corporate Event has occurred or is continuing, the Calculation Agent will (1) make the corresponding adjustment(s), if any, to any one or more of the Initial Reference Level, the Final Redemption Amount, the Early Redemption Amount and/or any of the other terms and conditions of the Notes as the Calculation Agent in its sole and absolute discretion determines appropriate to account for the dilutive or concentrative effect on the value of Fund Interests and (2) determine the effective date(s) of the adjustment(s). The Issuer shall give notice of such adjustment to Noteholders in accordance with Condition 14.

For these purposes, a **“Corporate Event”** means a declaration by or on behalf of the Fund of:

- (1) a subdivision, consolidation, reclassification or distribution of the relevant Fund Interests which has a diluting or concentrative effect on the theoretical value of such Fund Interests;
- (2) a (i) dividend (including cash, and whether ordinary or extraordinary), (ii) distribution or (iii) issue of the relevant Fund Interests, capital, securities, rights or other assets or interests to existing holders of the relevant Fund Interests that has or is likely to have an effect on the value of such Fund Interest; or
- (3) a call by a Fund in respect of the relevant Fund Interests that are not fully paid.

- (b) **Early Redemption Amount:** For the purposes of these Conditions:

**“Early Redemption Amount”** means, in respect of each Note, an amount in euro calculated by the Calculation Agent in its sole and absolute discretion and notified to the Issuer and the Fiscal Agent no later than 5 Business Days prior to the due date for payment which shall be the greater of:

- (A) the Specified Denomination; and
- (B) an amount calculated as follows:
  - (i) the Specified Denomination; **plus**
  - (ii) (a) the Specified Denomination; multiplied by (b) Performance of Underlying; plus
- (C) accrued interest,

where:

**“Performance of Underlying”** means:

$$\left( \frac{\text{Final Reference Level}}{\text{Initial Reference Level}} \right) - 1$$

“**Final Reference Level**” means 80 per cent. of the Final Price on the Early Redemption Valuation Date;

“**Initial Reference Level**” is 100 per cent. of the Initial Price on the Initial Valuation Date;

“**Early Redemption Date**” means the date for redemption specified in the relevant notice to Noteholders from the Issuer, being not less than 30 and not more than 60 days following the occurrence of the relevant event; and

“**Early Redemption Valuation Date**” means the day that is 30 days prior to the Early Redemption Date, or if such day is not a Fund Business Day, the next following Fund Business Day, provided that if the Calculation Agent determines that the Early Redemption Valuation Date is a Disrupted Day, then the Early Redemption Valuation Date shall be the first succeeding Fund Business Day that is not a Disrupted Day, unless each of the eight Fund Business Days immediately following the original date that, but for the determination by the Calculation Agent of the occurrence of a Disrupted Day, would have been the Early Redemption Valuation Date is a Disrupted Day, in which case that eighth Fund Business Day shall be deemed to be the Early Redemption Valuation Date, notwithstanding the fact that such day is a Disrupted Day and the Calculation Agent shall determine the Final Price as its good faith estimate of the relevant Final Price that would have prevailed, but for the occurrence of a Disrupted Day, on that eighth Fund Business Day.

## 6. Payments

- (a) **Method of Payment:** Save as provided in paragraph (b) below, payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Notes or the appropriate Coupons at the specified office of any Paying Agent by euro cheque drawn on, or by transfer to euro account maintained by the payee with, a bank in a city in which banks have access to the TARGET System. Payments of interest due in respect of any Note other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Note.
- (b) **Payments subject to fiscal law:** All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (c) **Unmatured Coupons:** Upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Note is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (d) **Payments on business days:** A Note or Coupon may only be presented for payment on a day which is a Business Day in the place of presentation (and, in the case of payment by transfer to a euro account, a TARGET2 Settlement Day). No further interest or other payment will be made as a consequence of the day on which the relevant Note or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition 6, “**Business Day**” means a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency.

## 7. Taxation

All payments in respect of the Notes or Coupons (if any) will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Paying Agent is required by applicable law to make any such payment in respect of the Notes or Coupons (if any) subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever or pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof). In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to the Noteholders or Couponholders in respect of such withholding or deduction.

## 8. Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing at the option of and upon written demand to the Fiscal Agent by the holder of any Note, the Issuer shall, on the date such written demand is received by the Fiscal Agent, unless prior to such date the Issuer shall have cured the Event of Default in respect of such Notes, be bound to redeem such Note at the Early Redemption Amount, plus interest accrued but unpaid to the date of redemption:

- (a) **Non Payment:** the Issuer fails to pay any principal of or interest on any of the Notes, when due and payable and such failure continues for a period of 30 days; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Fiscal Agency Agreement and such default continues for more than 30 days after written notice requiring such default to be remedied shall have been given to the Issuer by any Noteholder; or
- (c) **Insolvency:** if (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer (including, without limitation, the appointment of any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), *juge délégué* or *juge commissaire*) or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the Issuer, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 14 days; or
- (d) **Winding-up:** if any order shall be made by any competent court and such order has not been dismissed or discharged or any resolution shall be passed for the winding-up or dissolution of the Issuer (including, without limitation, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), stay of payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio paulienne*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) save for the purposes of

amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved by an Extraordinary Resolution of the Noteholders; or

- (e) **Proceedings initiated by the Issuer:** if the Issuer (or its respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, without limitation, the obtaining of a moratorium, the opening of any bankruptcy (*faillite*), insolvency, voluntary or judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement*), controlled management (*gestion contrôlée*), fraudulent conveyance (*actio paulienne*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

## 9. **Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 5 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

In these Conditions, “**Relevant Date**” means whichever is the later of (i) the date on which such payment first becomes due and payable and (ii) if the full amount payable has not been received in London by the Fiscal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 14.

## 10. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent in London subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 11. **Agents**

In acting under the Fiscal Agency Agreement and in connection with the Notes and the Coupons, the Fiscal Agent, the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Fiscal Agent and Paying Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent or the Calculation Agent and to appoint a successor thereto provided that the Issuer shall at all times maintain:

- (a) a Fiscal Agent outside the United States;
- (b) a Calculation Agent;
- (c) a Paying Agent with a specified office in London and, in addition for so long as the Notes are admitted to trading on the Irish Stock Exchange) in Ireland; and

- (e) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any change in the Fiscal Agent, any Paying Agent or the Calculation Agent or in the specified office of the Fiscal Agent, any Paying Agent or the Calculation Agent shall promptly be given to the Noteholders in accordance with Condition 14.

## 12. **Meetings of Noteholders, Modification, Waiver and Substitution**

- (a) **Meetings of Noteholders:** The Fiscal Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Fiscal Agency Agreement. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, or to vary the method of calculating the rate of interest on the Notes, (iii) to change the currency of payment of the Notes or the Coupons or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.
- (b) **Modification and Waiver:** The parties to the Fiscal Agency Agreement may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Fiscal Agency Agreement which is of a formal, minor or technical nature or which is made to correct a manifest error and (ii) any other modification and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Fiscal Agency Agreement which is in the sole opinion of the Issuer not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 14 as soon as practicable.

## 13. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes or upon such terms as the Issuer may determine at the time of their issue.

## 14. **Notices**

Notices to Noteholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) and so long as the Notes are listed on



the Irish Stock Exchange and the rules of that exchange so require, notices shall be published in a leading newspaper having general circulation in the Republic of Ireland or published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this Condition 14.

15. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any rights to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

16. **Governing Law**

(a) **Governing Law:** The Fiscal Agency Agreement, the Notes, the Coupons and any non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:**

(1) Subject to Condition 16(b)(2), the Issuer irrevocably agrees that the English courts shall have exclusive jurisdiction in relation to any legal action or proceedings arising out of or in connection with the Fiscal Agency Agreement, the Notes or the Coupons ("**Proceedings**") and waives any objection to Proceedings in such courts on the grounds of venue or on the grounds that Proceedings have been brought in an inappropriate forum.

(2) Condition 16(b)(1) operates for the benefit of the Noteholders and the Couponholders and accordingly the Noteholders and the Couponholders shall be entitled to take Proceedings in any other court or courts having jurisdiction.

(c) **Service of Process:**

(1) The Issuer irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its process agent to receive on its behalf service of process of any Proceedings in England. Service upon the process agent shall be good service upon the Issuer whether or not it is forwarded to and received by the Issuer. If, for any reason, the process agent ceases to be able to act as process agent, or no longer has an address in England the Issuer irrevocably agrees to appoint a substitute process agent with an address in England and deliver to the Fiscal Agent a copy of the substitute process agent's acceptance of that appointment within 30 days. In the event that the Issuer fails to appoint a substitute process agent, it shall be effective service for the Fiscal Agent to serve the process upon the last address in England known to the Fiscal Agent of the last known process agent for the Issuer notified to the Fiscal Agent notwithstanding that such process agent is no longer found at such address or has ceased to act provided that a copy of the proceedings is also sent to the Issuer's current registered office or principal place of business wherever situated. As used in this Condition 16(c), the expression "process agent" includes, where the context so admits, a substitute process agent.

(2) In addition to the methods of service set out in the foregoing provisions of this Condition 16(c), process may be served upon the Issuer in any other manner permitted by law.

- (d) **Waiver of Immunity:** To the extent that the Issuer may be entitled in any jurisdiction to claim for itself or its assets immunity from any suit, execution, attachment (whether provisional or final, in aid of execution, before judgment or otherwise) or other legal process or to the extent that in any jurisdiction such immunity (whether or not claimed) may be attributed to it or its assets, it irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.

## SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM

### Initial Issue of Notes

Upon the initial deposit of the Global Note in respect of the Notes with a common depository (the “**Common Depository**”) for Euroclear and Clearstream, Luxembourg and/or any other clearing system (an “**Alternative Clearing System**”) Euroclear or Clearstream, Luxembourg or such Alternative Clearing System will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System as the holder of a Note represented by a Global Note must look solely to Euroclear or Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for as long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

### Exchange

#### Temporary Global Notes

Each Temporary Global Note will be exchangeable on or after its Exchange Date (as defined below) in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Fiscal Agency Agreement for interests in a Permanent Global Note.

#### Permanent Global Notes

Each Permanent Global Note will be exchangeable on or after its Exchange Date in whole but not in part for Definitive Bearer Notes:

- (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so;
- (ii) if an Event of Default occurs as set out in Condition 8 (*Events of Default*); or
- (iii) if the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg or an Alternative Clearing System which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two Directors of the Issuer is given to the Fiscal Agent.

### Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date, but provided that if the Issuer issues any further notes pursuant to Condition 13 prior to the Exchange Date in relation to the Temporary Global Note representing the Notes with which such further notes shall be consolidated and form a single series, such Exchange Date may be extended to a date not less than 40 days after the date of issue of such

further notes (but provided further that the Exchange Date for any Notes may not be extended to a date more than 160 days after their Issue Date).

“**Exchange Date**” means, in relation to a Permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

## **Legend**

Each Temporary Global Note, Permanent Global Note and any Bearer Note, Talon, Coupon and Receipt will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections of the U.S. Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised, on any sale, exchange or redemption of Bearer Notes or any related Coupons.

## **Amendment to Terms and Conditions**

Each Temporary Global Note and Permanent Global Note will contain provisions that apply to the Notes that they represent, some of which will modify the effect of the Terms and Conditions of the Notes set out in this Prospectus. The following is a summary of those provisions:

### *Payments*

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Bearer Notes represented thereby.

### *Prescription*

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).

### *Meetings*

The holder of a Temporary Global Note or a Permanent Global Note shall (unless such Temporary Global Note or Permanent Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Temporary Global Note or a Permanent Global Note shall be treated as having one vote in respect of each minimum Denomination of Notes for which such Global Note may be exchanged.

### *Cancellation*

Cancellation of any Bearer Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note.

### *Repurchase*

Notes represented by a Permanent Global Note may only be repurchased by the Issuer together with the rights to receive all future payments of interest thereon.

### *Notices*

So long as any Bearer Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note except that so long as the Notes are listed on the Irish Stock Exchange and the rules of that Stock Exchange so require, notices shall be published in a leading newspaper having general circulation in the Republic of Ireland or published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe.

## INFORMATION CONCERNING THE ISSUER

### General

The Issuer was incorporated in Luxembourg under the laws of the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) with unlimited duration on 11 May 2011 and is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés*) under number B 146.276. The registered office of the Issuer is at 26-28 Rives de Clausen, L-2165 Luxembourg, Grand Duchy of Luxembourg and the Issuer's contact phone number is 00352.2621241.

The authorised share capital of the Issuer is EUR 888,969.50 divided into 9,035 shares with no par value all of which are fully paid ("**Shares**"). [The issued Shares are held by Iris Sicav sif TRE, [Iris True Energy] and Iris Fund Sicav sif, compartment SFERA.]

The Issuer is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Issuer. Other than the holders of the Shares set out above, there are no other direct or indirect shareholders of the Issuer who can exercise control over the Issuer.

### Business

Established on 11/05/2009 and 80.69% owned by Iris Sicav sif TRE (an independent investment fund regulated by Luxembourg law with ISIN Code LU03 7421 9524), TRE International's main activity is to invest in all segments of the real estate market: residential (or civil buildings for residential purposes), tertiary (buildings for non-residential purposes) and development (or the identification and purchase of areas requiring regeneration and undeveloped and the subsequent construction of buildings). It may acquire real estate properties or participations into real estate companies or funds all over the world by contribution, subscription, option or direct purchase.

TRE International owns a 50% participation of the Italian limited liability company TRE Italy Srl (a speculative company the principal activity of which is to acquire and sell properties in all segments of the real estate market) while the other 50% participation is owned by Iris Sicav sif TRE. TRE Italy Srl is managed by a sole director, Jacopo Gerosa, who possesses many year's experience of the real estate business.

Iris Sicav sif TRE has been audited by Deloitte Touche Tohmatsu Limited since it was established.

The other principal activities of the Issuer are those which are set out in the Issuer's corporate objects clause, which is clause 2 of the Issuer's articles of incorporation.

The corporate objects of the Issuer are:

- to carry out all transactions pertaining directly or indirectly to the acquisition of participations in any enterprises in any form whatsoever, as well as to the administration, management, control and development of those participations;
- to carry out any other securities, financial, industrial or commercial activity, directly or indirectly connected with its objects and maintain a commercial establishment open to the public
- to conduct all real estate transactions, such as buying, selling, renting, development and management of real estate.

## Capitalisation and Indebtedness

### **Capitalisation**

The following table sets out the capitalisation of the Issuer as at the date of this Prospectus.

Shareholder's equity	(EUR)
Issued and fully subscribed share capital	€888.969,50
Total shareholder's equity	80.69% Iris Sicav sif TRE 6.64% [Iris True Energy] 12.65% Iris fund Sicav sif, compartment SFERA
Total capitalisation	100%

### **Indebtedness**

Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation. Save for the issues of Notes and their related arrangements, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

## INFORMATION CONCERNING THE FUND

The following information relating to the Fund is a summary only and has been extracted from the Fund Information Memorandum (Regolamento di Gestione) dated 13 May 2013 written in plain Italian provided by the Fund Manager (the “**Fund Information Memorandum**”). So far as the Issuer is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading. None of the Issuer and the Arranger has verified, or accepts any liability whatsoever for the accuracy of, such information and prospective investors in the Notes should make their own independent investigations and enquiries in the Fund and Fund Manager.

Further information regarding the Fund can be obtained from the Fund Information Memorandum, which is incorporated by reference into this Prospectus and available upon request to the Issuer.

### Main Features of the Fund

<b>Fund Name:</b>	Fondo Sofia Reloaded Real Estate
<b>Fund Legal Form:</b>	Italian real estate close-ended fund
<b>Fund Manager:</b>	Sofia SGR S.p.A.
<b>Investors Type:</b>	Professional Investors only
<b>Fund Shares Minimum Denomination:</b>	€500,000
<b>Regulatory Authority(ies):</b>	Bank of Italy and Commissione Nazionale per le Società e la Borsa (“ <b>Consob</b> ”)
<b>Fund Leverage :</b>	80%
<b>Equity Underwritten:</b>	€25,000,000 circa
<b>Gross Asset Value Objective:</b>	€65,000,000 circa
<b>Fund Duration:</b>	20 years
<b>Applicable Tax:</b>	20% on distributed revenues
<b>Management fee:</b>	1.2% per year



## **Objective of the Fund**

The Fund's main purpose is to invest and manage its assets (the "**Fund Assets**") with a view to increasing and maximizing the initial value of the Shares (as defined below in the section headed "Asset Allocation") of the Fund and distribute to its participants the net asset value (NAV) deriving from the management or sale of the Fund Assets. In this regard, the Fund Manager selects, on a case by case basis, the most appropriate investments that in its sole discretion and view are considered to be able to generate adequate returns and increase the value of the Fund Assets, by applying a limited risk policy. This policy is also applied in order to allow the sale of Fund Assets that, if necessary, could take place prior to the maturity date of the Fund in order to maximise the profit of the shareholders in the Fund.

## **Fund Investments**

The Fund will invest at least two thirds of its capital into the assets described below.

### ***Real Estate Assets and other Real Estate Rights***

These types of investments may be carried out either in Italy or in other markets and could target real estate assets and/or other real estate rights connected to the direct or indirect production and distribution of clean energy deriving from renewable sources.

The investments in real estate assets and/or other real estate rights could take place in all segments of the real estate market: residential (or civil buildings for residential purposes), tertiary (buildings for non-residential purposes), development (or the identification and purchase of areas requiring regeneration and undeveloped and the subsequent construction of buildings) or the tourist and hotel trade.

Any commercial concession, grant, authorisation, license, concession of a service; contract authorisation, government license, mortgage, pledge, charge or lien if instrumental to the acquisition of a real estate asset or right shall be considered as an investment.

### ***Investments in Real Estate Companies***

Fund Assets might be invested, pursuant to applicable laws, regulations and the investment criteria specified in the Fund Information Memorandum, by acquiring majority or minority stakes in Italian or foreign real estate companies or entities, listed or non-listed, as the case may be.

Moreover, the Fund may purchase participations in real estate companies or entities that have as main objects in their by-laws building activity, the purchase, sale, management or the value increase of real estate assets. Such participations will be made pursuant to applicable laws, regulations and the investment criteria specified in the Fund Information Memorandum.

Fund Assets may also be invested, directly or indirectly in an exception to the limit imposed for investments by the Italian regulatory authorities, in a percentage not exceeding one third of its activities in collective investment schemes (OICR), listed or non-listed financial instruments issued by a single issuer or assets the value of which can be ascertained on at least a six-monthly basis.

## **Asset Allocation**

The Fund will issue two types of shares, namely class A shares (the "**Class A Shares**") and class B shares (the "**Class B Shares**") and together with the Class A Shares, the "**Shares**") each of which classes are entitled to different rights and distribution arrangements in favour of the relevant shareholder pursuant to the terms and conditions of the Fund Information Memorandum.

Class A Shares may be subscribed by means of a contribution in kind (*conferimento in natura*) by a prospective investor.

Class B Shares may be issued in favour of (i) shareholders that subscribe by means of a cash contribution, or (ii) shareholders that subscribe by means of a cash contribution or contribution in kind, with a minimum investment equal to EUR 5 million.

The Fund Manager reserves the right, on an annual basis and starting from the 5<sup>th</sup> year after the first subscription of Class B Shares, to distribute profits deriving from the management of the Fund to shareholders of the Class B Shares (“**Class B Shareholders**”). It also reserves the right, on an annual basis and starting from the 7<sup>th</sup> year after the first subscription of Class A Shares, to distribute profits deriving from the management of the Fund also to shareholders of the Class A Shares (“**Class A Shareholders**”).

Any profit distribution is also subject to the successful sale of real estate assets included in the Fund portfolio pursuant to the terms of the Fund business plan.

It is also envisaged that any distribution in favour of Class A Shareholders may take place only after 12 months have elapsed from the date in which a valid Fund Manager’s board resolution has been approved entitling the distribution of profit to Class B Shareholders.

Each shareholder of each class of Shares is entitled to the reimbursement of its Shares in the Fund only at maturity date or at the relevant extended maturity date or in case of early termination of the Fund.

[In relation to Class B Shares, the Management Company is entitled to partially reimburse the Class B Shares on a *pro-rata* basis after at least 5 years have elapsed from the subscription date, if enough liquidity is available and after carrying out the relevant disinvestments and with respect to the Fund business plan and applicable rules and regulations *pro-rata temporis*.]

In relation to Class A Shares, the Management Company is entitled to partially reimburse the Class A Shares on a *pro-rata* basis only after at least 7 years have elapsed from the subscription date and in any case after at least 1 year from the partial reimbursement of the Class B Shares has occurred.

### **Fund Governance**

The Fund shareholders convene general meetings (each, a “**General Meeting**”) pursuant the terms set forth by article 37, paragraph 2-*bis* of the Italian Consolidated Financial Law in order to resolve on the following topics:

- (a) to appoint the chairman of the shareholders’ meetings and the members of the consulting committee (*comitato consultivo*) (the “**Consulting Committee**”);
- (b) to renew the membership of the Consulting Committee at the end of its term or if withdrawn;
- (c) to consider any proposal to amend the Fund investment policy/criteria and the Fund Information Memorandum, save where such amendments are required by applicable laws or regulations;
- (d) to replace the [Fund Manager] [Management Company] with a new entity;
- (e) to consider any proposal for the admission to listing of the Fund Shares on a regulated market;
- (f) to consider any proposal for the merger or demerger of the Fund with another fund;

- (g) to consider any proposal for the raised by a shareholder that holds the majority of the Shares of the Fund should such shareholder so request.

### **Consulting Committee**

In the management of the Fund, the [Fund Manager] [Management Company] is supported by the Consulting Committee. The main task of such entity is to supervise and monitor the Fund's activities pursuant to its guidelines, notwithstanding that the responsibility for the management of the Fund is [vested by the Board and Investing Committee, respectively].

The Consulting Committee is composed of a minimum of 3 members up to a maximum of 7 members appointed at a General Meeting pursuant to a list-selection criteria (*meccanismo di lista*) and remains in place for a 3 year term with the possibility of renewal for another term. Each member is entitled to receive a fixed attendance fee determined at a General Meeting. Each member of the Consulting Committee should display certain technical skills in the real estate sector to enable him to contribute effectively to the Fund.

Pursuant to any applicable rules and regulation, the Consulting Committee is entitled to express its [preventive and binding] view on any transaction that might be in potential conflict of interest.

Pursuant to any applicable rules and regulation, the Consulting Committee is also entitled to express its [preventive and non-binding] view on the following topics:

- (i) any expense debited or to be incurred by the Fund exceeding EUR 2 million;
- (ii) entering in any outsourcing or other external agreement connected with a real estate asset that is part of the Fund's portfolio; and
- (iii) any other topic listed in the Fund Information Memorandum.

### **Main Indicators of the Fund Business**

*Shares Subscribed:*

	Class	Number	%	% shares	IRR
<b>ORDINARY</b>	<b>A</b>	15.000	61%	61%	<b>5,83%</b>
<b>PREFERRED</b>	<b>B</b>	9.500	39%	39%	<b>6,03%</b>
	<b>Total</b>	<b>24.500</b>	<b>100%</b>	<b>100,00%</b>	<b>5,88%</b>

[The average time forecast for the redemption of Class B Shares in cash is 8 or 9 years. The average time forecast for the redemption of Class A shares with contribution in kind of real estate assets is 20 years.]

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes being the sum of EUR 20,000,000 will be used by the Issuer as follows:

- (a) to pay the Transaction Administration Costs;
- (b) 80 per cent of the remaining net proceeds will be invested by the Issuer in Fondo Sofia Reloaded Real Estate;
- (c) 20 per cent of the remaining net proceeds will be invested by the Issuer in liquid securities.

## **FORM OF THE NOTES**

The Notes will be in bearer form and are represented by a Permanent Global Note, which will be deposited with a Common Depositary for credit to the accounts of subscribers at Euroclear and Clearstream, Luxembourg. The Permanent Global Note is exchangeable for Definitive Notes in the circumstances set out therein.

## SUBSCRIPTION AND SALES AND SELLING RESTRICTIONS

### Subscription and sales

The Issuer entered into a subscription agreement dated 30 July 2013 (the “**Original Subscription Agreement**”) with Arc Asset Management S.A. in its capacity as arranger and Sofia SGR S.p.A. as subscriber in respect of the Existing Notes (the “**Original Subscriber**”), pursuant to which the Subscriber agreed, among other things, to purchase the Existing Notes.

The Issuer entered into a first subscription agreement dated 7 August 2013 (the “**First Further Subscription Agreement**”) with Arc Asset Management S.A. in its capacity as arranger and the Original Subscriber as subscriber in respect of the Further Notes 1, pursuant to which the Original Subscriber agreed, among other things, to purchase the Further Notes 1.

The Issuer entered into a second subscription agreement dated 30 September 2013 (the “**Second Further Subscription Agreement**”) with Arc Asset Management S.A. in its capacity as arranger and the Original Subscriber as subscriber in respect of the Further Notes 2, pursuant to which the Original Subscriber agreed, among other things, to purchase the Further Notes 2.

The Issuer entered into a third subscription agreement dated 23 October 2013 (the “**Third Further Subscription Agreement**” and together with the Original Subscription Agreement, the First Further Subscription Agreement and the Second Further Subscription Agreement and the Third Further Subscription Agreement, the “**Subscription Agreements**”) with Arc Asset Management S.A. in its capacity as arranger and TG Fund as subscriber in respect of the Further Notes 3 (the “**Further Notes 3 Subscriber**” and together with the Original Subscriber, the “**Subscribers**”) pursuant to which the Further Notes 3 Subscriber agreed, among other things, to purchase the Further Notes 3.

The Existing Notes, the Further Notes 1, the Further Notes 2 and the Further Notes 3 have been purchased by the relevant Subscriber at the Issue Price. The Existing Notes, the Further Notes 1, the Further Notes 2 and the Further Notes 3 may be sold by the relevant Subscriber at such times and at such prices as the relevant Subscriber may select. The Existing Notes, the Further Notes 1, the Further Notes 2 and the Further Notes 3 may be offered or sold from time to time in one or more transactions, in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, in each case at the discretion of the relevant Subscriber.

The Issuer will not enter into a subscription agreement with any subscriber in respect of the Further Notes 4. The Further Notes 4 will be issued and held by the Issuer until purchasers in the secondary market are identified and may be sold by the Issuer at such times and at such prices as the Issuer may select. The Further Notes 4 may be offered or sold from time to time in one or more transactions, in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, in each case at the discretion of the Issuer.

Neither the Issuer nor the Subscribers shall be obliged to sell all or any of the Notes issued.

**THE SUBSCRIBERS HAVE IN THE SUBSCRIPTION AGREEMENTS AGREED THAT THEY WILL, TO THE BEST OF THEIR KNOWLEDGE, COMPLY WITH ALL RELEVANT LAWS, REGULATIONS AND DIRECTIVES IN EACH JURISDICTION IN WHICH THEY PURCHASE, OFFER, SELL OR DELIVER THE RELEVANT NOTES OR HAVE IN THEIR POSSESSION OR DISTRIBUTE THIS PROSPECTUS OR ANY PART THEREOF OR ANY OTHER OFFERING MATERIAL IN ALL CASES AT THEIR OWN EXPENSE UNLESS OTHERWISE AGREED AND THE ISSUER SHALL HAVE NO RESPONSIBILITY THEREFOR.**

## **Selling restrictions**

### ***General***

No action has been or will be taken in any jurisdiction by the Subscribers or the Issuer that would permit a public offering of any of the relevant Notes, or possession or distribution of this Prospectus or any other offering or publicity material relating to the relevant Notes, in any country or jurisdiction where action for that purpose is required.

The Subscribers and the Issuer will, to the best of their knowledge, comply with all applicable laws and regulations in each jurisdiction in which they acquire, offer, sell, or deliver the relevant Notes or have in their possession or distribute this Prospectus or any such other offering material, in all cases at their own expense, unless otherwise agreed. The Subscribers will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions (except to the extent that such actions are the actions of the Issuer) (but not the Subscribers acting as the agent of the Issuer). The Issuer will not have any responsibility for, and the Subscribers will obtain any consent, approval or permission required by them for, the acquisition, offer, sale or delivery by them of the relevant Notes under the laws and regulations in force in any jurisdiction to which they are subject or in or from which they may make any acquisition, offer, sale or delivery.

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Subscribers have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of the relevant Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of the relevant Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Purchaser; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of the relevant Notes to the public” in relation to any relevant Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the relevant Notes to be offered so as to enable an investor to decide to purchase or subscribe for the relevant Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

### ***Grand Duchy of Luxembourg***

Notes may be offered in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets and including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and stock or raw materials dealers as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time after the implementation of Directive 2010/73/EC amending Directive 2003/71/EC (the Amending Directive) in the Grand Duchy of Luxembourg, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the CSSF as competent authority in Luxembourg in accordance with the Prospectus Directive; and
- (d) at any time after the implementation of the Amending Directive in the Grand Duchy of Luxembourg, to persons or entities that are described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, and persons or entities who are, on their request, treated as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognised as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients.

### ***Ireland***

The Subscribers have represented, warranted and agreed that they have not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the relevant Notes, or do anything in Ireland in respect of the relevant Notes, otherwise than in conformity with the provisions of:

- (i) the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the “**2005 Act**”);
- (ii) the Irish Companies Acts 1963 to 2009;
- (iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland;
- (iv) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 34 of the 2005 Act, and will assist the Issuer in complying with its obligations thereunder; and
- (v) the Central Bank Acts 1942-2010 (as amended) and any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland.

### ***United States of America***

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Notes may not be offered, sold or delivered (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the relevant Issue Date within the United States or to, or for the account or benefit of, U.S. persons and any offer or sale of the Notes during the distribution compliance period will be subject to the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the relevant Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### ***United Kingdom***

The Subscribers have represented and agreed that:

- (a) they have only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by them in connection with the issue or sale of any relevant Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to any relevant Notes in, from or otherwise involving the United Kingdom.

### ***Republic of Italy***

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“**Regulation No. 11971**”); or
- (ii) in an offer to the public, in the period commencing on the date of publication of any offering circular, provided that such offering circular has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under the Financial Services Act and Regulation No. 11971, and ending on the date which is 12 months after the date of publication of such offering circular; or
- (iii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (ii) and (iii) above must be:



- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (ii) and (iii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

## TAXATION

### Irish taxation

#### ***[To be reviewed by Irish counsel]***

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposition of the Notes. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. The summary relates only to the position of persons who are the absolute beneficial owners of the Notes and may not apply to certain other classes of persons such as dealers in securities. The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only.*

*Prospective investors in the Notes should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local tax laws.*

#### **Income Tax**

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish taxation on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

A Note issued by the Issuer may be regarded as property situate in Ireland (and hence Irish source income) on the grounds that a debt is deemed to be situate where the debtor resides. However, the interest earned on such Notes is exempt from income tax if paid to a person who is not a resident of Ireland and who for the purposes of Section 198 of the Taxes Consolidation Act 1997 (as amended) (“**TCA 1997**”) is regarded as being a resident of a relevant territory. A relevant territory for this purpose is a Member State of the European Communities (other than Ireland) or not being such a Member State a territory with which Ireland has entered into a double tax treaty that has the force of law or, on completion of the necessary procedures, will have the force of law and such double tax treaty contains an article dealing with interest or income from debt claims. A list of the countries with which Ireland has entered into a double tax treaty is available on [www.revenue.ie](http://www.revenue.ie).

Relief from Irish income tax may also be available under other exemptions contained in Irish tax legislation or under the specific provisions of a double tax treaty between Ireland and the country of residence of the holder of the Notes.

If the above exemptions do not apply it is understood that there is a long standing unpublished practice whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or
- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that this practice will continue to apply.

### ***Withholding Taxes***

In general, withholding tax (currently at the rate of 20 per cent.) must be deducted from interest payments made by an Irish company such as the Issuer. However, Section 246 TCA 1997 (“**Section 246**”) provides that this general obligation to withhold tax does not apply in respect of, *inter alia*, interest payments made by the Issuer to a person, who by virtue of the law of the relevant territory, is resident for the purposes of tax in a relevant territory (see above for details). This exemption does not apply if the interest is paid to a company in connection with a trade or business which is carried on in Ireland by the company through a branch or agency.

Apart from Section 246, Section 64 TCA 1997 (“**Section 64**”) provides for the payment of interest on a “Quoted Eurobond” without deduction of tax in certain circumstances. A Quoted Eurobond is defined in Section 64 as a security which:

- (i) is issued by a company;
- (ii) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established such as the Irish Stock Exchange); and
- (iii) carries a right to interest.

There is no obligation to withhold tax on Quoted Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland, or
- (b) the payment is made by or through a person in Ireland, and
  - (i) the Quoted Eurobond is held in a recognised clearing system (Euroclear, Clearstream Banking SA, Clearstream Banking AG and the Depository Trust Company of New York have, amongst others, been designated as recognised clearing systems); or
  - (ii) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration to this effect.

In certain circumstances, Irish encashment tax may be required to be withheld at the standard rate (currently at the rate of 20 per cent.) from interest on any Note, where such interest is collected by a person in Ireland on behalf of any holder of Notes.

### ***Capital Gains Tax***

A Noteholder will not be subject to Irish taxes on capital gains provided that such Noteholder is neither resident nor ordinarily resident in Ireland and such Noteholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Notes are attributable.

### ***Capital Acquisitions Tax***

If the Notes are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disponer or if the donee/successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the donee/successor may be liable to Irish capital acquisitions tax. As a result, a donee/successor may be liable to Irish capital

acquisitions tax, even though neither the disponent nor the donee/successor may be domiciled, resident or ordinarily resident in Ireland at the relevant time.

### **Stamp duty**

For as long as the Issuer is a qualifying company within the meaning of Section 110 TCA 1997, no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the Issuer's business.

### **Luxembourg taxation**

*The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of the Notes. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or deposit the Notes. It is included herein solely for preliminary information purposes and is not intended to be, nor should it be construed to be, legal or tax advice. Prospective purchasers of the Notes should consult their own tax advisers as to the applicable tax consequences of the ownership of the Notes, based on their particular circumstances. The following description of Luxembourg tax law is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of this Prospectus and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax laws and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Corporate taxpayers may further be subject to net worth tax (*impôt sur la fortune*), as well as other duties, levies or taxes. Corporate income tax, municipal business tax, as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

### **Withholding Tax**

#### *Non-resident Noteholders*

There is no withholding tax on interest (paid or accrued) and other payments (e.g. repayment of principal) made by the Issuer (or its paying agent, if any) to non-resident Noteholders unless the Luxembourg laws dated 21 June 2005 (the "**June 2005 Laws**") implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**EU Savings Directive**") and related agreements (the "**Agreements**") concluded between Luxembourg and certain dependent and associated territories of the European Union (i.e. Aruba, British Virgin Islands, Curaçao, Guernsey, Isle of Man, Jersey, Montserrat, and Sint Maarten – collectively the "**Associated Territories**") applies.

Under the June 2005 Laws, a Luxembourg-based paying agent (within the meaning of the EU Savings Directive) is required since 1 July 2005 to withhold tax on interest and similar income paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity in the sense of article 4.2. of the EU Savings Directive (i.e. an entity (i) without legal personality, except for a Finnish *avoin yhtiö* and *kommandiittiyhtiö* / *öppet bolag* and *kommanditbolag* and a Swedish *handelsbolag* and *kommanditbolag*, (ii) whose profits are not taxed under the general arrangements for the business taxation and (iii) that is not, or has not opted to be considered as, an undertaking for collective investment in transferable securities ("**UCITS**") recognised in

accordance with Council Directive 2009/65/EC, resident or established in another EU Member State as Luxembourg or in any of the Associated Territories, unless the beneficiary of the interest payments elects for the exchange of information procedure or for the tax certificate procedure.

The withholding tax is currently levied at the rate of 35%. The withholding tax system is applicable for a transitional period only.

The Luxembourg government has publicly announced that Luxembourg will replace the current withholding tax regime under the Saving Directive with the automatic exchange of information system as of 1 January 2015.

The EU Savings Directive is currently under review and the impact of possible amendments should be closely monitored. Noteholders should inform themselves of, and where appropriate take advice on, the impact of the EU Savings Directive on their investment.

### *Resident Noteholders*

The terms “interest”, “paying agent” and “residual entity” used hereafter have the same meaning as in the June 2005 Laws.

There is no withholding tax on interest (paid or accrued) and other payments (e.g. repayment of principal) made by the Issuer (or its paying agent, if any) to Luxembourg resident Noteholders unless the Luxembourg law dated 23 December 2005 (the “**December 2005 Law**”) applies.

According to the December 2005 Law, a 10% withholding tax is levied on payments of interest or similar income made by Luxembourg paying agents to (or for the benefit of) Luxembourg resident individuals Noteholders or to certain foreign residual entities securing the interest for such Luxembourg resident individuals Noteholders. This withholding tax also applies on accrued interest received upon sale, disposal, redemption or repurchase of the Notes. Such withholding tax is in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth who does not hold the Notes as business assets.

Luxembourg resident individuals beneficial owners of payments of interest or similar income made by a paying agent established outside Luxembourg in a Member State of the European Union or the European Economic Area or in a jurisdiction having concluded an agreement with Luxembourg in connection with the EU Savings Directive may opt for a final 10% levy. In such case, the 10% levy is calculated on the same amounts as for the payments made by Luxembourg paying agents. The option for the 10% final levy must cover all interest payments made by paying agents to the beneficial owner during the entire civil year.

### ***Taxation of the Noteholders***

#### *Tax Residence*

A holder of the Notes will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of such Notes or the execution, performance, delivery and/or enforcement of the Notes.

#### *Income Tax*

For the purposes of this paragraph, a disposal may include a sale, an exchange, a contribution, a redemption and any other kind of alienation of the Notes.

#### *(a) Non-Resident Noteholder*

A non-resident Noteholder, who has neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Notes are attributable, is not liable to any

Luxembourg income tax on interest received or accrued on the Notes, or on capital gains realised on the disposal of the Notes.

A non-resident Noteholder who has a permanent establishment or a permanent representative in Luxembourg to which or whom the Notes are attributable, must include any interest accrued or received, as well as any gain realised on the disposal of the Notes, in his taxable income for Luxembourg tax assessment purposes.

*(b) Resident Noteholders*

A Noteholder who is resident of Luxembourg for tax purposes or who has a permanent establishment or a permanent representative in Luxembourg, to which the Notes are attributable, is subject to Luxembourg income tax in respect of interest paid or accrued on the Notes and on the gains realised on the Notes.

Specific exemptions may be available for certain tax payers benefiting from a particular status.

*(1) Resident Individual Noteholders*

An individual holder of the Notes acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts under the Notes except if the 10% final withholding tax has been levied on such payments.

Under Luxembourg domestic tax law, gains realised upon the disposal of the Notes by an individual holder of the Notes, who is a resident of Luxembourg for tax purposes and who acts in the course of the management of his/her private wealth, on the disposal of the Notes are not subject to Luxembourg income tax, provided the disposal takes place more than six months after the acquisition of the Notes.

An individual holder of the Notes, who acts in the course of the management of his/her private wealth and who is a resident of Luxembourg for tax purposes, has further to include the portion of the gains realised on the Notes corresponding to accrued but unpaid income in respect of the Notes in his/her taxable income, insofar as the accrued but unpaid interest is indicated separately in the agreement.

Gains realised upon a disposal of the Notes by an individual holder of the Notes acting in the course of the management of a professional or business undertaking and who is resident of Luxembourg for tax purposes are subject to Luxembourg income taxes at the progressive ordinary rate (with a top marginal rate of 43.60%).

*(2) Resident Corporate Noteholders*

Luxembourg resident corporate Noteholders must include any interest received or accrued, as well as any gain realised on the disposal of the Notes, in their taxable income for Luxembourg income tax assessment purposes.

Luxembourg resident corporate Noteholders benefiting from a special tax regime, such as (i) undertakings for collective investment governed by the law of 17 December 2010, (ii) specialised investment funds governed by the amended law of 13 February 2007 or (iii) family wealth management companies governed by the law of 11 May 2007, are exempt from income tax in Luxembourg. Interest, paid or accrued on the Notes, as well as gains realised thereon, are thus not subject to Luxembourg income taxes in their hands.

## *Net Wealth Tax*

Luxembourg resident Noteholders, as well as non-resident Noteholders who have a permanent establishment or a permanent representative in Luxembourg to which the Notes are attributable, are subject to Luxembourg net wealth tax on such Notes, except if the Noteholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the law of 17 December 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (v) a specialised investment fund governed by the amended law of 13 February 2007 or (vi) a family wealth management company governed by the law of 11 May 2007.

## *Other taxes*

No estate or inheritance taxes are levied on the transfer of the Notes, upon death of a Noteholder, in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Luxembourg gift tax may be due on a gift or donation of the Notes, if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the holders of the Notes as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of a Note. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered in Luxembourg and an exemption from value added tax does not apply with respect to such services

## **EU Savings Directive**

Under the European Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction to an individual resident in another Member State, except that for a transitional period Luxembourg and Austria instead operate a withholding system unless during that period they elect otherwise (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries and territories). Belgium operated such a transitional withholding system in relation to payments made prior to 1 January 2010. Certain other jurisdictions, including Switzerland have enacted equivalent legislation which imposes a withholding tax in substantially the same circumstances as envisaged by the Directive.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Holders of the Notes who are individuals should note that should any payment in respect of the Notes be subject to withholding imposed as a consequence of the Directive or under equivalent legislation, no additional amounts would be payable by the Issuer pursuant to the Terms and Conditions of the Notes.

## GENERAL INFORMATION

### Authorisations

The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are at the date of this Prospectus in connection with the issue of the Notes. The issue of this Prospectus was authorised by a resolution of the Board of Directors of the Issuer passed on 30 July 2013.

### Legal and Arbitration Proceedings

The Issuer is not involved in any litigation, governmental, legal or arbitration proceedings which may have, or have had since its incorporation, a significant effect on its financial position, nor is the Issuer aware that such proceedings are pending or threatened.

### Significant/Material Change

Save as for issuances of notes, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation.

### Legend Concerning US Persons

Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986, as amended".

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Numbers (ISINs) and the Common Codes are as follows:

Notes	ISIN	Common Code
Existing Notes and after the Further Notes 1, Further Notes 2, Further Notes 3 and Further Notes 4 are consolidated and form a single series with the Existing Notes, the Notes (including the Existing Notes, the Further Notes 1, the Further Notes 2, the Further Notes 3 and the Further Notes 4)	XS0953964292	095396429
Further Notes 1	XS0960966231 (Temporary)	096096623 (Temporary)
Further Notes 2	XS0972080005 (Temporary)	097208000 (Temporary)
Further Notes 3	XS0986287547 (Temporary)	098628754 (Temporary)
Further Notes 4	XS0998447873 (Temporary)	099844787 (Temporary)



It is expected that the Further Notes 1 will be consolidated and form a single series with the Existing Notes on the later of (i) 19 September 2013 and (ii) the first Interest Payment Date. It is expected that the Further Notes 2 will be consolidated and form a single series with the Existing Notes and the Further Notes 1 on the later of (i) 7 November 2013 and (ii) the first Interest Payment Date. It is expected that the Further Notes 3 will be consolidated and form a single series with the Existing Notes, the Further Notes 1 and the Further Notes 2 on the later of (i) 4 December 2013 and (ii) the first Interest Payment Date. It is expected that the Further Notes 4 will be consolidated and form a single series with the Existing Notes, the Further Notes 1, the Further Notes 2 and the Further Notes 3 on the later of (i) 9 January 2014 and (ii) the first Interest Payment Date.

### **Listing and Admission to Trading**

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. The total expenses related to the admission of the Notes to trading on the Irish Stock Exchange's regulated market are expected to amount to approximately EUR 5,000.

### **Yield**

On the basis of the issue price of the Notes of 100 per cent. of their principal amount, the gross real yield of the Notes is [•] per cent. on an annual basis.

### **Post-issuance Information**

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

### **Documents on Display**

Copies of the following documents will be available for inspection and collection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer, the specified office of the Fiscal Agent in London and the specified office of the Paying Agent in Ireland, free of charge, for so long as the Notes shall remain outstanding and, for so long as the Notes remain listed on the Irish Stock Exchange, at the office of the Listing Agent specified on the back page of this Prospectus:

- (i) this Prospectus and any notice of amendment or supplement;
- (ii) the Fiscal Agency Agreement and the Deed of Covenant;
- (iii) the annual financial statements of the Issuer for the financial years ended 31 December 2011 and 31 December 2012; and
- (iv) the Issuer's articles of incorporation.

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