

Essential Information Document

Purpose

In this document essential Information is given about this investment product. It is not marketing materials. This information is prescribed by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Investment institution name: Plethora Private Equity (The “Fund”). Name Fund Administrator: Hephaistos B.V. (the “Fund Manager”).

ISIN: NL0012727382. BLOOMBERG: PLEPREQ NA. Website: www.plethorape.com.

Call +31(0)30-2077720 for more information. The Fund Administrator is exempt from the licensing obligation as described in article 2:66a of the Financial Supervision Act. They are not subject to supervision by the AFM, DNB or any other financial supervisor. The fund manager is registered with the AFM and is included in the AFM Register, located at <https://www.afm.nl/nl-nl/professionals/registers/vergunningenregisters/beleggingsinstellingen>. This essential information document was produced on May 1 2018.

Warning

You are about to buy a product that is not easy and perhaps difficult to understand. The value of the investment can fluctuate. The participant can lose money on this investment. Returns achieved in the past are not a guarantee for future returns. The product concerns a participation in the Fund, which is an investment institution under Dutch law. An investment institution raises capital with a certain set of investors to invest this capital in the interest of these investors in accordance with a given investment policy (not being a collective investment undertaking in securities, in short: “icbe”). In addition, it concerns a so-called open-end investment institution, which implies that participants can buy and sell their participation rights on a periodic basis. By investing, the participant acquires participation rights in the Fund, whereby this participant shares in the proceeds of the fund in proportion to its participation.

What kind of product is this?

Sort: Plethora Private Equity is a fund for common account under Dutch law (“fonds voor gemene rekening”).

Objectives: The objective of the Fund is to achieve an annual return of at least 10% (minus costs) by means of private investments in the natural resources sector. The Fund invests in (self-established) private exploration companies. The main determinant for the Fund’s return is a value-adding exit of one or several of these companies, for example in the form of an Initial Public Offering (“IPO”).

Target Group: The Fund focuses on participants with a lot of investor experience and who are willing to accept a (substantial) value decrease of investments. The participant can lose the entire investment. Participants do not count on dividends or other distributions of the Fund. Participants also accept that the marketability of the participation rights is limited. The investment horizon of the Participant is longer than 5 years. The minimum investment is € 100,000.

Duration: The Fund has no expiry date and has been established for an infinite term. Furthermore, the Fund cannot be terminated automatically. The Fund Manager may, together with the legal owner of the Fund, decide to terminate the fund. In addition, a participants meeting may also decide to end the fund. In those cases the Fund is liquidated and the Fund Manager will give account to the participants and takes accountability. After liquidation, the Fund’s capital will be returned to the participants in proportion to their participation in the fund. This will void the participation rights and the Fund shall be abolished. In the event that the Fund does not have any more participants the fund manager and the legal owner of the fund may decide to terminate the Fund without the need for liquidation.

What are the risks and what can I get in return?

Risk indicator



For the risk indicator it is assumed that you keep the product for an indefinite period of time (minimum 5 years). The actual risk can strongly vary if you sell at an earlier stage. You can then recover less of your invested capital. You won’t be able to sell your product easily or you may be forced to sell it for a price that has a significant effect on what you will recover.

The summary risk indicator is a guideline for the risk level of this product compared to other products. The indicator shows how likely investors are to lose on the product because of market developments or because there is no money for repayment. We have classified this product in Class 7 of 7: that is the highest risk class. This means that the potential losses on future performances are estimated to be very high and the probability that you cannot be repaid is very large. Because this product is not hedged against future market performance, you may lose all or parts of your investment. If the Fund can’t pay you what is owed to you, then you could lose all of your invested capital.

Liquidity risk is material, since the average liquidity of the underlying investments is zero; It concerns private exploration companies without a market. Furthermore, the Fund is illiquid: it has a lock-up period of two years. Each quarter, taking this lock-up period into account, participants can submit a redemption request with a notice period of one year. If a participant redeems during a calendar year, then the accumulated performance fee will be charged directly (including unrealized profits and losses). There may be other risks. Consult the Information Memorandum for more information.

Performance scenarios

One-time investment in the Fund of €100,000				
Scenarios		1 Year	3 Year	5 Year (Recommended hold period)
Stress scenario	What you can get back after costs	€ -	€ -	€ -
	Average Return Per Year	-100%	-100%	-100%
Unfavorable scenario	What you can get back after costs	€50,000	€12,500	€3,125
	Average Return Per Year	-50%	-50%	-50%
Moderate scenario	What you can get back after costs	€100,000	€100,000	€100,000
	Average Return Per Year	0%	0%	0%
Favorable scenario	What you can get back after costs	€120,000	€172,800	€248,832
	Average return per year	20%	20%	20%

This table shows how much money you could get back in certain hold periods, in different scenarios, if you invest €100,000. The scenarios shown illustrate the possible return on your investment. You can compare them to the scenarios of other products. The scenarios shown are an estimate of the future performance, based on the data from the past on how the value of the investments vary, and they give no exact indication. What you receive depends on how the market is performing and how long you hold the investment in the fund. The amounts shown are inclusive of all costs of the product itself, but may not include all costs you pay to your adviser or distributor. The fund does not make use of distributors. The amounts shown do not take into account your personal fiscal situation which can also affect how much you will get back. The tax laws of your home member state may affect the actual payout. The stress scenario shows what you could recover in extreme market conditions and does not take into account the situation in which we cannot pay you.

Performance scenarios are difficult to determine beforehand for the Plethora Private Equity Fund, given the private character and the skewed risk/return profile of the investments by the Fund. The bulk of the private Investments will prove to be a very unprofitable investment. A significant exit of one (or several) companies in the portfolio can however result in a substantial return.

What happens if the Fund can't pay?

Participants can suffer a financial loss in case of non-payment by the fund manager and/or the legal owner of the fund. Furthermore, participants may suffer financial loss due to default by Haywood Securities Inc. and/or The Northern Trust International Banking Corp., where a portion of the investment assets and other assets of the fund can be held. The aforementioned loss is not covered by a compensation or guarantee scheme for participants.

What are the costs?

The decrease in capital reflects the effect of the total costs on your possible investment returns. Total costs include one-time costs, running costs, and incidental costs. The amounts shown here are the cumulative costs of the Fund itself for three different holding periods. Potential penalties for early redemptions are included. The amounts are based on the assumption that you invest €100,000 in the Fund. The amounts are estimates and can change in the future.

Costs over time:

The person who sells this product to you or advises you on this product may charge you different fees. In that case, that person will give you information about those cost and show you how all of the costs are going to impact your investment over time. The fund does not make use of distributors.

Investment of €100,000, based on €3 million fund size			
Scenarios if you sell after:	2 years	3 years	5 years
Total Costs	€ 3,983	€ 5,975	€ 9,958
Effect on return (RIY) per year	1.99%	1.99%	1.99%

Composition of Costs: The table below shows: (i) the effect that the different types of costs each year have on your possible investment returns at the end of the recommended holding period and (ii) the description of the different cost categories.

Cost effect on annual return based on €3 million fund size			
One-time costs	Entry fees	0	The effect of the costs when you invest
	Exit fees	0	The effect of the costs when your investment expires

Running costs	Portfolio transaction costs	N/A	The effect of the costs if we buy or sell underlying investments for the fund
	Other running costs	1.99%	The impact of the costs we charge each year to manage your investments, the preparation of the annual accounts, the remuneration of the legal owner, the AIFMD and tax reporting, and other costs
Incidental costs	Performance fee	20%	The effect of performance fees
	Carried interests	0	The effect of carried interests

How long do I have to keep it and can I make an early withdrawal?

Recommended holding period: five years.

The Fund invests in non-listed (private) junior exploration companies. It is the expectation of the Fund Manager that it takes between 12 and 24 months on average to bring such exploration companies from the private (incubation) phase to the public (listed) phase (in the case of success).

Once listed it can still take a considerable time to (partially) liquidate the investment. A minimum holding period of five years increases the likelihood of one or multiple realized exits.

The Fund has a lock-up period of two years. Taking this lock-up period into account, participants can submit a redemption request on a quarterly basis, with a notice period of one year.

The reason for this lock-up period and notice period matches the recommended minimum holding period: there is no market for private exploration companies and there is a long lead time from incubation to a realized exit. If a Participant redeems during a calendar year, the accumulated performance fees will be charged directly (including unrealized profit and loss).

There are no exit fees. The net redemption amount will be paid within 15 working days after determination of the Net Asset Value. The Fund doesn't pay interest over the period between the transaction day and the payment day. The Fund Manager may, in the light of the (illiquid) nature of the investments, decide not to honor any redemption requests when a redemption:

- is harmful to (the majority of) the existing Participants, for example because the forced sale of investments, in order to comply with the redemption request, is irresponsible or impossible;
- The Net Asset Value calculation has been suspended;
- The Fund Manager sees a redemption request in dispute with the legal framework; or
- The Fund will be terminated

See the Information Memorandum for the other redemption conditions.

How can I register a complaint?

Complaints relating to the Fund, the Fund Manager, or the Fund Administrator can be submitted in writing (or by e-mail) to the Fund Manager. The address of the Fund Manager is: Maliebaan 89, 3581 CG, Utrecht. Telephone Number: +31(0)30-2077720.

E-mail: vanhees@plethorape.com. The Fund Manager will send a confirmation of receipt within five working days and will inform the complainant about the procedure that will follow the complaint.

Other useful information

Further information on the fund can be found in the information memorandum and in the annual accounts and annual reports of the Fund. These documents, as well as any other applicable documents, can be requested free of charge from the fund manager via vanhees@plethorape.com or +31(0)30-2077720.

Since the Fund Manager is registered with the AFM pursuant to article 2:66a of the Financial Supervision Act, there is no legal obligation to provide an information memorandum. Furthermore, the Fund Manager is not obliged to provide annual accounts and annual reports. Nevertheless, the Fund Manager provides an information memorandum describing the conditions of the Fund. Annual accounts and annual reports are also provided to give participants insight into the financial situation of the Fund.

Tax laws applicable to the Fund may affect your personal tax position. You are advised to contact your tax advisor about this.

The fund manager shall only be liable for information provided in this EID, or a translation thereof, if this information is misleading, non-accurate or inconsistent with the relevant sections of the information memorandum or with the rules that this EID should comply with.