

**Apex Fund and Corporate
Services (Guernsey) Limited**

1 Royal Plaza, Royal Avenue
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Guernsey
GY1 2HL



16 December 2020

Dear Sirs

**South River Global Investors PCC Limited (the "Scheme")
Apex Fund and Corporate Services (Guernsey) Limited ("Apex") as Administrator of the
Scheme**

We write as Administrator of the Scheme and further to the Scheme's letter to the Scheme's investors dated 30 November 2020, a copy of which can be viewed on the South River Asset Manager ("SRAM") website (<http://www.southernriveram.com/>)

Apex, together with SRAM, have received a number of queries following the aforesaid letter. As such, we have attached a number of FAQs which we hope may address your queries which provides additional detail around the steps that will be taken through to completion of the voluntary liquidation of the Scheme.

In the event that the attached FAQs do not answer your queries please liaise with Apex using one of the following contacts:

	Telephone	Email
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Yours faithfully

Nick Robilliard
Senior Manager
For and on behalf of Apex

theapexgroup.com

FAQ's in connection with the decision to close the Fund

Why are you closing the Fund?

Over the last few years the Assets Under Management ("AUM") within the Fund's various cells has declined significantly (it has fallen from £70.2m as at 31 March 2016 to £42.4m as at 31 October 2020) and as a result the Total Expense Ratio, which reflects the costs of operating the Fund, is continuing to increase (at 31 October 2020 it was 2.00% p.a.). In the absence of any credible plan to grow the AUM within the Fund to bring the TER down to a more reasonable level, then taking into account the continuing net redemptions seen in recent times and lack of growth through performance, the Directors have taken the decision to close the Fund.

How will the closure of the Fund be managed?

The closure of the Fund will be achieved by managing an orderly wind down of the investment portfolio over the next month or so.

At this point, the Board of the Fund draws investors' attention to the section entitled Compulsory Redemption on page 19 of the Fund's Scheme Particulars dated 5 October 2018. This states that the Directors of the Fund have the power to give not less than 21 clear days' notice in order to compulsorily redeem all Participating Shares in issue, if at any time after the first anniversary date of the Fund's incorporation, the aggregate Net Asset Value ("NAV") of all Cells in existence at each valuation point falling within a period of 12 consecutive weeks is less than, or less than the equivalent of £50m.

As the NAV of the Fund has now been less than £50m for a period of more than 12 consecutive weeks, then once the orderly wind-down of the investment portfolio process is complete it is intended that the Participating Shares in the Fund will be compulsorily redeemed at a date to be notified to investors in due course, and the Fund will subsequently be put into voluntary liquidation.

What does winding-up of these schemes mean for investors?

Key implications for investors:

- a. Suspension of Subscriptions and Redemptions: The Fund's cells are no longer available for subscription or redemption.
- b. Distribution of monies from the Fund's Assets: Following the decision to close the Fund, as noted above, an orderly wind-down of the investment portfolio will now proceed. It is intended that this will be done at the earliest opportunity whilst being cognisant of the objectives of preserving value and enabling an equitable outcome for all investors. At the same time, opportunities to monetize any illiquid assets through secondary transactions will be explored. Distribution of the proceeds to investors (net of the costs of discharging the Fund's liabilities) will follow at a date to be determined in due course.
- c. Tax Implications: Investors should consult their own professional tax advisers on the implications of the compulsory redemption of the Participating Shares on them, as this will vary depending upon the laws of the jurisdiction in which they reside, hold citizenship or are domiciled or are otherwise subject to tax.

Does winding up of the schemes means that my money is lost?

No. The closure of the Fund will be managed so as to ensure that value for investors will be preserved as far as is possible. The aim is to manage the orderly wind-down of the investment portfolio in the shortest possible time whilst having regard to market conditions, and then to return monies to investors thereafter. The Fund will continue to receive dividends and coupons, and an orderly realisation of assets will proceed, with the intention of minimising the impact of any costs.

Are there any liquidity issues in the funds?

There are no known liquidity issues within the Cautious Multi-Asset cells.

The Dynamic Growth cell currently holds one investment which is around 2.5% of the portfolio and which is illiquid in terms of selling on the open market. The Directors of the Fund are of the opinion that there is still value attached to this position and will explore opportunities for realising it in due course.

The Cautious Multi-Asset S Share cells continue to hold a historical illiquid asset, the value of which has been written down to zero. The likelihood of any potential recovery from this asset is still to be determined at this point.

When can I get my redemption proceeds back?

Once the orderly wind-down of the investment portfolio is complete and the Participating Shares held by investors have been compulsorily redeemed, the Fund will be placed into voluntary liquidation. Investors for whom up to date KYC information is held will receive a first distribution from the liquidator at a date to be determined in due course.

Investors with outdated KYC information will be required to submit up to date information and will receive their first distribution once this is reviewed and signed off, again at a date to be determined in due course.

The liquidator will then manage any further distributions to investors in accordance with their liquidation plan.

If they haven't done so already, then investors should ensure that they provide updated KYC information to the Fund's Administrator as soon as possible.