

SUPPLEMENT
relating to the offer of Class A Participating Shares
participating in
NFG MULTI-ASSET SEGREGATED PORTFOLIO

NFG PARTNERS SPC

an open-ended investment fund incorporated as an exempted company limited by shares
and registered as a segregated portfolio company under the laws of the Cayman Islands
with registration number OC-383017

NFG PARTNERS SA

Investment Manager

September 2023

This Supplement is to be distributed, together with the Private Offering Memorandum dated September 2023 (as amended from time to time), on a confidential basis in connection with a private offering of the Class A Participating Shares participating in the NFG Multi-Asset Segregated Portfolio of NFG Partners SPC.

This Supplement contains specific information in relation to the USD Class A Participating Shares (**USD Class A Shares**), GBP Class A Participating Shares (**GBP Class A Shares**), EUR Class A Participating Shares (**EUR Class A Shares**) and CHF Class A Participating Shares (**CHF Class A Shares**) (USD Class A Shares, GBP Class A Shares, EUR Class A Shares and CHF Class A Shares being collectively the **Class A Shares**) participating in the NFG Multi-Asset Segregated Portfolio (**Segregated Portfolio**) of NFG Partners SPC (**Fund**).

This Supplement forms part of, and should be read together with, the Private Offering Memorandum of the Fund dated September 2023 (as amended or supplemented from time to time, **Memorandum**). The Memorandum includes a general description of:

- the Fund and its management and administration; and
- general risk factors.

Copies of the Memorandum are available from the Administrator.

The Directors, whose name appear in the Directory, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Statements in this Supplement are made as of the date of this Supplement. Statements made in the Memorandum that are not revised by this Supplement are made as of the date of the Memorandum. Neither the delivery of the Supplement and Memorandum, nor any sale made pursuant to those documents, shall in any circumstances imply that the information contained in this Supplement or in the Memorandum is correct as of any time other than, respectively, the date of this Supplement and the Memorandum.

In case of inconsistency between the terms set forth in the Memorandum and the terms set forth in this Supplement, the terms set forth in this Supplement shall prevail in respect of the Segregated Portfolio and the Class A Shares.

Capitalised terms not defined herein are defined in the Memorandum.

1 Investment Objective and Strategy

The Segregated Portfolio seeks to grow capital and deliver attractive risk adjusted returns over the medium term (5-7 years) through active management of a multi-asset portfolio by taking advantage of global investment opportunities.

The Segregated Portfolio seeks to meet its investment objective through implementation of a multi-asset strategy to take advantage of market cycles. Equities, bonds, cash, precious metals, commodities, investment funds and derivatives may be used with the intention of preserving and/or enhancing capital. Derivative instruments may be used to establish both long and short directional positions and for efficient portfolio management. The Investment Manager

is responsible for making investment decisions on behalf of the Segregated Portfolio (subject, ultimately, to the supervision of the Directors) and may exercise any voting rights in underlying assets held by the Fund on behalf of the Segregated Portfolio in its discretion (subject to any directions given by the Directors).

2 Investment Restrictions

The Segregated Portfolio may be highly concentrated and is not restricted from investing any portion of its assets or of its commitments to subscribe in securities of the same kind issued by the same issuer.

3 Leverage

The Investment Manager may use leverage to finance the purchase of investments, to the fullest extent allowable by law, when it deems appropriate to do so provided that the net exposure of the Segregated Portfolio will not exceed 250% of the Segregated Portfolio's net assets.

4 Operational Currency

The Class A Shares initially comprise four classes of shares each with a different operational currency as follows:

- (a) a USD Class A Share - US Dollars (\$);
- (b) a GBP Class A Share - Pounds sterling (£);
- (c) a EUR Class A Share - Euros (€); and
- (d) a CHF Class A Share - Swiss Francs.

Each of the non-USD classes will be maintained and on a best efforts basis hedged by the Investment Manager, in accordance with the mechanics and disclosures contained in the Private Offering Memorandum.

5 Classes

Only Class A Shares are offered pursuant to this Supplement and the terms specific to the Class A Shares are described below. Other Classes of the Segregated Portfolio may be designated and offered under different terms and conditions.

6 International Security Identification Numbers (ISINs)

The ISINs for each of the Class A shares are as follows:

- (a) a USD Class A Share - US Dollars (\$) - KYG4330C1096;

- (b) a GBP Class A Share - Pounds sterling (£) - KYG4330C1179;
- (c) a EUR Class A Share - Euros (€) - KYG4330C1252;
- (d) a CHF Class A Share - Swiss Francs - KYG4330C1336.

7 Subscriptions

(a) **Subscription Day:**

On the first Business Day of each calendar month or, with the approval of the Directors, intra-monthly (or at such other times as the Directors may determine).

(b) **Subscription Price:**

The initial subscription price for Class A Shares on the first Subscription Day will be as follows:

- (i) USD Class A Share - \$100 per USD Class A Share;
- (ii) GBP Class A Share - £100 per GBP Class A Share;
- (iii) EUR Class A Share - €100 per EUR Class A Share; and
- (iv) CHF Class A Share - 100 Swiss Francs per CHF Class A Share.

The subscription price for Class A Shares on each subsequent Subscription Day shall be equal to the Net Asset Value per Share of the Class A Shares at the relevant Valuation Day.

(c) **Initial Minimum Subscription Amount:**

The minimum aggregate amount for initial subscriptions per investor is US\$100,000 (or its equivalent in the relevant operational currency) or such other amount as the Directors may determine.

(d) **Minimum Subscription Amount for Subsequent Subscriptions:**

The minimum aggregate amount for subsequent subscriptions is \$10,000 (or its equivalent in the relevant operational currency) or such other amount as the Directors may determine.

(e) **Additional eligibility requirements:** None.

(f) **Subscription Fee:** None.

(g) **In-Kind Subscriptions:** In-kind subscriptions are not permitted except with the prior consent of the Directors.

(h) **Subscription Procedure**

The Subscription Agreement must be given to the Administrator no later than 5:00pm (Central European Time) at least five (5) Business Days' prior to the relevant Subscription Day. The Directors may accept subscriptions on less than the required notice period in their discretion. Cleared funds must be received in the Fund's account prior to 5:00 p.m. (Central European Time) at least one (1) Business Day prior to the relevant Subscription Day.

8 Redemptions

(a) **Redemption Day:**

On the first Business Day of each calendar month or, with the approval of the Directors, intra-monthly (or at such other times as the Directors may determine). Class A Shares will be redeemed on the relevant Redemption Day.

(b) **Redemption Notices:**

Written notice of any redemption, on the Fund's redemption form, must be given to the Administrator no later than 5:00pm (Central European Time) at least five (5) Business Days' prior to the proposed Redemption Day and if received thereafter will be dealt with in the manner provided for in the Memorandum.

(c) **Redemption Price:**

The Redemption Price of a Class A Share shall be the Net Asset Value per Share of such Class A Share as the relevant Valuation Day (less, in the case of an intra-month redemption, the costs incurred by the Segregated Portfolio in connection with arranging such redemption, which shall be borne by the redeeming Shareholder).

(d) **Minimum Redemption Value:**

The minimum redemption amount is US\$10,000 (or its equivalent in the relevant operational currency) or such other amount as the Directors may determine.

(e) **Minimum Holding:**

The minimum holding amount is US\$100,000 (or its equivalent in the relevant operational currency).

(f) **Redemption Fee:**

None.

- (g) **Lock-Up Period:**
- None.
- (h) **Redemption deferral:** If Redemption Requests are received in respect of any Redemption Day which, if satisfied in full, would result in the redemption of Participating Shares representing in aggregate more than twenty (20) per cent (or such higher percentage as the Directors determine, either generally or in respect of any particular Redemption Day) of the Net Asset Value of the Participating Shares (the **Redemption Threshold**), the Directors may reduce those Redemption Requests rateably and pro rata amongst all Shareholders seeking to redeem Participating Shares on the relevant Redemption Day and to carry out only sufficient redemptions which, in aggregate, amount to the Redemption Threshold. Participating Shares which are not redeemed as a result of the imposition of the Redemption Threshold will be redeemed on the next Redemption Day in priority to any other Participating Shares for which Redemption Requests have been received (but subject to further deferral if the deferred requests themselves exceed the Redemption Threshold). Participating Shares will be redeemed at the Redemption Price prevailing on the Redemption Day on which they are redeemed.
- (i) **Compulsory Redemptions:** Compulsory redemptions may be effected as set forth in the Memorandum and on any day designated by the Directors, upon not less than five days prior written notice to the relevant shareholder.
- (j) **Payment of Redemption Proceeds:** Redemption proceeds will be paid no later than five Business Days following the applicable Redemption Day.
- (k) **Redemption in kind:** At the discretion of the Directors.

9 Other terms

- (a) **Valuation Day:** On the last Business Day of each month or, in the case of an intra-month subscription or redemption, on the Business Day immediately preceding, as applicable, the relevant Subscription Day or Redemption Day (or at such other times as the Directors may determine).
- (b) **Investment Management Fees:**

The Segregated Portfolio will pay the Investment Manager a Management Fee of one twelfthth ($\frac{1}{12}$) of one (1) per cent per month of the Net Asset Value of the Class A Shares (before deduction of that month's Management Fee and before making any deduction for any accrued Performance Fees) as at the last Valuation Day in each month.

The Management Fee will be paid to the Investment Manager in arrears as soon as reasonably practicable after the end of each month.

(c) **Performance Fees:**

The Investment Manager will also be entitled to receive a Performance Fee from the Segregated Portfolio in respect of each Series of Class A Shares in issue. For each Performance Period, the Performance Fee in respect of each Series of Class A Shares will be equal to ten (10) per cent of the appreciation in the Net Asset Value of the Series (adjusted for any redemptions and distributions during the Performance Period) above the High Water Mark.

The Performance Fee will be calculated as at each Valuation Day in respect of each Series of Class A Shares by reference to the Net Asset Value of such Series before deduction for any accrued Performance Fees.

The Performance Fee will be paid to the Investment Manager in arrears as soon as reasonably practicable after the end of each Performance Period.

If Class A Shares are redeemed during a Performance Period, the Performance Fee will be calculated as though the relevant Redemption Day was the end of a Performance Period and an amount equal to any accrued Performance Fee in respect of such Class A Shares will be paid to the Investment Manager. In the event of a partial redemption, Participating Shares will be treated as redeemed on a first in, first out basis for the purpose of calculating the Performance Fee. The accrued Performance Fee in respect of those Participating Shares will be paid to the Investment Manager as soon as reasonably practicable after the relevant Redemption Day.

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

High Water Mark means in relation to any Series of Class A Shares, the highest Net Asset Value of that Series after payment of the Performance Fee as at the last Valuation Day in any previous Performance Period or, if higher, the Net Asset Value of the relevant Series of Class A Shares immediately following the issue of such Series of Class A Shares.

Performance Period means a period of 3 calendar months commencing on each 1 January, 1 April, 1 July and 1 October, provided that the first Performance Period in respect of any Series of Class A Shares will be the period commencing on the date of issue of such Series of Class A Shares and ending on the next following 31 March, 30 June, 30 September or 31 December.

(d) **Administration Fees:** The Administrator is compensated for its services pursuant to the Administration Agreement. The Administrator is entitled to receive customary fixed fees in accordance with the Administration Agreement. The fees and charges of the

Administrators are subject to variation and renegotiation from time to time. Administration fees exceeding 0.5% of Net Asset Value on an annualised basis will be borne by the Investment Manager.

10 Prime Broker and Custodian

Prime Brokers and Custodians

The Fund for and on behalf of the Segregated Portfolio may appoint a custodian to provide custodial services to the Segregated Portfolio.

The Fund for and on behalf of the Segregated Portfolio has appointed Interactive Brokers LLC of One Pickwick Plaza, Greenwich, CT06830 USA (**Prime Broker**) as the prime broker of the Segregated Portfolio pursuant to the terms of a prime brokerage agreement between the Fund for and on behalf of the Segregated Portfolio and the Custodian (**Prime Brokerage Agreement**). The main business activity of the Prime Broker is brokerage, custody, stock lending, clearing, settlement and cash management and it is a member of [NYSE](#) - [FINRA](#) - [SIPC](#) and regulated by the US Securities and Exchange Commission and the Commodity Futures Trading Commission.

The Segregated Portfolio reserves the right, in its sole discretion, to add or remove any prime broker and the custodian as well as to change the custodial and prime brokerage arrangements without further notice to Shareholders.

The services provided by a broker may include the provision of custody, margin financing, clearing and settlement in accordance with the terms of the relevant brokerage agreement entered into between the Segregated Portfolio and each broker. The Segregated Portfolio may have multiple accounts with multiple brokers, at any one time.

The Prime Broker is compensated through interest on credit balances, custody charges, margin borrowings, stock loans and brokerage commissions pursuant to the terms of the Prime Brokerage Agreement.

Re-hypothecation of assets

The Fund for the account of the Segregated Portfolio has consented to the transfer and reuse of assets on customary terms under its service agreement with the Prime Broker and the Custodian. Such transfer and reuse is restricted by regulatory limitations imposed upon the Prime Broker and the Custodian.

11 Risk Warnings and Disclosures

Investors should carefully review the section of the Memorandum entitled "Certain Risk Factors".

12 Reporting Fund status

The Segregated Portfolio has applied to HM Revenue & Customs (**HMRC**) of the United Kingdom (**UK**) to be treated as a "reporting fund" in respect of the Class A Shares. The Segregated Portfolio reserves the right to change this approach in respect of the Class A Shares.

Provided "reporting fund" status is granted by HMRC and maintained throughout the period of ownership of the Class A Shares, then any Shareholder which is an individual holding Class A Shares who is resident in the UK for tax purposes will be taxed as follows:

- they are chargeable to income tax on any distributions from the Segregated Portfolio. A UK resident but non-UK domiciled taxpayer who uses the remittance basis of taxation in any tax year will only be taxed on the distributions received in that tax year if they remit them to the UK;
- they are chargeable to income tax on income which is accumulated within the Segregated Portfolio but which is reported to the Shareholder. This is treated as received by the Shareholder on the date six months after the end of the relevant reporting period. As with distributions, if the remittance basis applies to the Shareholder then this income will not be taxed if it is not remitted to the UK;
- they are chargeable to capital gains tax on any capital gain which arises when they dispose of their Class A Shares. When calculating the capital gain, amounts equal to any reported (but not distributed) income are deductible as acquisition expenses, to avoid those amounts being subject to both income tax and capital gains tax. For a remittance basis taxpayer, the proceeds will only be taxed if they are remitted to the UK.

It is not required for the Segregated Portfolio to distribute its income. In addition, income is reported after the deduction of allowable expenses under international accounting standard principles. This includes the Management Fee but does not include the Performance Fee.

The Segregated Portfolio does not intend to make distributions, and expects all of its income to be used for allowable expenses. The fact that the Segregated Portfolio makes no distributions and has no reportable income does not prevent it from being a reporting fund. Therefore gains which are realised on the disposal of Class A Shares will be taxed as capital gains.

If the Segregated Portfolio does accumulate income, this can lead to complexities for remittance basis users when they dispose of their Class A Shares. This is because the proceeds will constitute a mixed fund (i.e. a mix of capital and income). This is a complex area but should not be relevant to the Segregated Portfolio.

Breaches and leaving the regime

A fund can cease to be a Reporting Fund if it breaches the requirements, or if it wishes to leave the regime. A fund can be excluded from the Reporting Fund regime if there is a serious breach of the requirements, or if there is a number of minor breaches within a certain period, subject to an appeal process. If a fund wishes to cease to be a Reporting Fund it can give advance notice in writing to HMRC specifying for this to occur on the last day of its accounting period. The notice must be made available to each participant in the fund before the specified day (this may be by post, by email, by publication on a web-site, or by publication in a newspaper available throughout the UK in English).