

TIMEO NEUTRAL SICAV

Société d'investissement à capital variable

Registered office: 5, Allée Scheffer

L-2520 Luxembourg

R.C.S. Luxembourg B 94351

(the "Fund")

Send by Registered mail the 10.07.2018

The Board of Directors of "Fund" wishes to inform the shareholders of the Sub-Fund TIMEO NEUTRAL SICAV – EUROPEAN ABSOLUTE RETURN FUND herewith as follows:

Change of Cut-off time

The Cut-off time will be changed from

"Shareholders will have their Shares redeemed, converted or subscribed at a Redemption/conversion or subscription price determined as of a Valuation Day provided the redemption/conversion or subscription request is received by Company's Registrar and Transfer Agent not later than 4 p.m. Luxembourg time, on the Business Day preceding the relevant Valuation Day."

To

"Cut-off: 4 pm on each Valuation Day.

For any subscriptions, redemptions and conversions requests received by the Central Administration after 4:00 PM on a bank business day the net asset value for the following Valuation Day will be applicable.

Settlement for Subscriptions must be performed three days after the Valuation Day calculated in accordance with the then-prevailing net asset value.

Settlement for Redemption must be performed three days after the Valuation Day calculated in accordance with the then-prevailing net asset value."

General part of the prospectus

➤ **8. Shares**

The following paragraph has been added

"The shares of listed classes are all share classes indicated under Chapter 23 as "listed share classes". The Listed Share Classes are listed and negotiated on regulated Exchange Traded Market. The ETF Plus segment opened on 1 December 2014, and is dedicated to open-end UCITS funds, which differ from ETFs. Those listed share classes are indicated under Chapter 23 as "listed share classes" and can only be invested via Intermediaries through the ETF Plus segment of the Italian Stock Exchange. As such the listed share classes are accessible to all intermediaries that adhere both directly and indirectly to ETF Plus. This includes a wide

range of institutional and retail investors, who can buy or sell funds daily at a price equal to the NAV of the trading day, which are then calculated and disclosed the following day.

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will be the Appointed Intermediary supporting liquidity, while settlement will take place through Monte Titoli at T+3, according to the single instrument's settlement calendar.

The stock listed share class will not issue fractions and can only be invested as fully paid up Shares".

➤ **SFTs and TRS**

Policy on sharing of return generated by SFTs and TRS

The following paragraph has been replaced from

"All revenues arising from SFTs and TRS, net of direct and indirect operational costs and fees, will be returned to the Company.

Notwithstanding this, fees, commissions, costs or expenses may be paid to "SFT Agents" of the Company as normal compensation of their services (Hereafter referred to as operational costs).

SFT Agent means any person involved in SFTs and/or TRSs as securities lending agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Company's assets or any Sub-Fund's assets (which can be the counterparty of a Sub-fund in an SFT and/or a TRS).

SFT Agents are not related parties to the Investment Manager or the Management Company.

The SFT Agents that will charge operational costs and the amount of such costs will be disclosed in the annual report of the Company.

These operational costs may reach a maximum of 50% of revenues arising from efficient portfolio management techniques and do not include hidden revenues."

To

"All revenues arising from SFTs will be returned to the Sub-Funds as below determined:

Securities lending	at least 50 % of the income generated by Securities lending are returned back to the Sub-Fund participating in Securities lending.
Securities borrowing	at least 50 % of the income generated by Securities borrowing are returned back to the Sub-Fund participating in Securities borrowing.
Repurchase agreements	at least 50 % of the income generated by Repurchase Agreements are returned back to the Sub-Fund having established repurchase agreements.

Buy-sell back transaction at least 50 % of the income generated by buy–sell back transactions are returned back to the Sub-Fund participating in buy–sell back transactions.

Sell-buy back transaction at least 50 % of the income generated by sell–buy back transactions are returned back to the Sub-Fund participating in sell-buy back transactions.

Regarding TRS (including CFDs) all revenues will be returned to the Sub-Fund that will be charged with up to 100% of the costs related to these operations.

Applicable to SFT a maximum of up to 50 % of the income of the SFT may be paid as fees, commissions, costs or expenses may be paid to “SFT Agents” of the Sub-Fund as normal compensation of their services (Hereafter referred to as operational costs).

SFT Agent means any person involved in SFTs and/or TRSs as securities lending agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the Fund’s assets or any Sub-fund's assets (which can be the counterparty of a Sub-fund in an SFT and/or a TRS).

SFT Agents are not related parties to the Investment Manager or the Management Company.

The SFT Agents that will charge operational costs and the amount of such costs will be disclosed in the annual report of the Fund. “

The reference to the margin lending transaction has been removed as requested by the CSSF.

➤ **Charges and Expenses**

- **Global Fees**

The following sentence has been changed from

“The Company pays out of the assets of the relevant Sub-Funds a Global Fee to the Investment Manager or to the Investment Advisors or to the Distribution and/or Placement Agents of the relevant Sub Funds”.

To “The Company pays out of the assets of the relevant Sub-Funds a Global Fee to the Investment Manager or to the Investment Advisors or to the Distribution and/or Placement Agents / **introducers** and, or intermediaries involved in the marketing and distribution of the relevant Sub Funds”.

- **Performance fee**

The following sentence has been changed from “The financial intermediaries in connection with the placing of the Company’s Shares may be entitled to a retrocession on the performance fee net of VAT, if applicable.

To “The financial intermediaries in connection with the placing of the Company’s Shares and **introducers** may be entitled to a retrocession on the performance fee net of VAT, if applicable”.

In light of the aforementioned change of the Sub-Fund, Shareholders may redeem their shares free of charge during one month following the sending of the present notice.

The update version of the Prospectus dated June 2018 reflecting the above may be obtained, free of any charges, at the Registered Office of the Fund, at the Registered Office of the Management Company.

This document is also available at the website of the Management Company:

<http://www.pharusmanco.lu>.

Shareholders having any question relating to the above changes should not hesitate to contact their financial advisor or Pharos Management Lux S.A.

Luxembourg, 10.07.2018

The Board of Directors