

**IRIS SPECIALIZED ASSET MANAGEMENT S.à r.l.**

Société à responsabilité limitée  
111, avenue de la Faïencerie, L-1511 Luxembourg  
RCS Luxembourg B 128.339  
(the “**General Partner**”)

Acting on behalf of

**IRIS FUND SICAV-FIS**

Société en commandite par actions  
Société d’investissement à capital variable – fonds d’investissement spécialisé  
111, Avenue de la Faïencerie, L-1511 Luxembourg  
RCS Luxembourg B 129.135  
(the “**Fund**”)

<p><b>Notice to the shareholders of “IRIS FUND SICAV-FIS – TRUE ENERGY”</b> (the “<b>Sub-Fund</b>”)</p>
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Dear Shareholders,

The board of the directors of the General Partner (the “Board”) intends to bring to your attention the following decision related to the Sub-Fund.

As you may be well aware, the Sub-Fund is mainly invested in renewable energy plants, especially photovoltaic, wind and mini-hydroelectric ones, owned by Italian companies.

Green energy sector in these years has suffered from many factors and hereby are described the main ones, which have heavily affected the Sub-fund performance:

1. introduction of the so-called “*Spalma incentivi*” Italian decree (n. 91/2014), which brought to a revenue decrease of 8% for all the remaining years of the incentives of the Energy Account managed and provided by GSE (Italian electrical services manager). Gestore dei Servizi Energetici GSE S.p.A. is an Italian company, controlled by the Ministry of Finance, which provides economic incentives for the production of electricity from renewable sources. GSE plays a central role in fostering and development of renewable sources in Italy;
2. mechanism of payment of the solar incentives by GSE, which now consists of the payment of 90% of the energy productions of the last year in monthly instalments and adjustment within the month of June of the following year, creating an imbalance in the cash flow, mainly impacting the plants which recorded a lower production last year;
3. reduction of the depreciation percentage to 4%, increasing in such way the taxable base and decreasing the tax shield;
4. surely such measures undertaken in the renewable energy sector led to an awareness of additional risk connected to this kind of investment and introduced a greater importance of law and regulations within the risk factors;
5. the loan agreements arranged in a period in which the interest rates were growing up (especially concerning lease agreements) are now heavily affecting the cash flow of the Italian SPVs and it’s difficult to renegotiate their conditions. This is due to the fact that such agreements don’t present the characteristics of high rates such to be considered as “usury rate”. Consequently these rates, even if remain sustainable for the companies, but with immediate effect on the

operating margins of the investment and creating a lack of liquidity, cannot be restructured;

6. as of today, the sell price of energy is at its historical minimums, as it decreased from 0,075 per Kw of two years ago to 0,045 per Kw of today, so almost halved;

contingent technical issues caused an actual production of the Italian plant owned by the SPV EG Energy lower than the forecasted one by 30%, with a penalizing impact on the revenues. As a consequence of the above mentioned reasons and considering the AUM of the sub-fund has decreased to around 7.9 million of EUR. The Board of the General Partner deems that such structure is no more economically efficient and on the best interest of the shareholders considers the liquidation of the sub-fund as the most preferable solution to preserve the capital investments made by the shareholders.

The Board informs the shareholders of the decision to proceed with the effective liquidation of the Sub-Fund starting from the 30<sup>th</sup> March 2016 (the "Effective Date"), with expected closing date of the liquidation process as of 30<sup>th</sup> December 2016 (the "Closing Date") and with the liquidation of the Sub-Fund by a compulsory redemption of the outstanding shares. In case the liquidation procedure would be finalized at an earlier date, the shareholders will be informed accordingly.

As a consequence of the decision of the liquidation of the Sub-Fund, the Board resolved to suspend the determination of the NAV as well as to not accept any further subscription, redemption and/or conversion of the shares of the Sub-Fund starting from the Effective Date of 30<sup>th</sup> March 2016. Previous requests of redemption accepted by the General Partner and postponed to the next NAV calculation will be included in the liquidation process.

The liquidation value of the assets will be determined in accordance with the articles of incorporation and prospectus of the Company.

The liquidation value of the assets shall be then confirmed by a special report of the independent auditor of the Company.

Liquidation fees will be charged to the investors.

Further to the compulsory redemption of outstanding shares, the Sub-Fund shall be consequently liquidated, from the Closing Date. The Offering Memorandum will be updated accordingly and any reference to the Sub-Fund shall be removed from the legal documentation of the Company.

The assets that cannot be distributed to the shareholders upon the compulsory redemption and liquidation of the Sub-Fund shall be deposited at the "*Caisse de Consignation*" in compliance with Luxembourg laws, regulations and with the Offering Memorandum in force.

Should you require any further explanation or information concerning the above, please contact the General Partner of the Fund at the following address:  
111 av de la Faïencerie L-1511, e-mail: [info@iris-sam.com](mailto:info@iris-sam.com) ;  
tel. number: +352 26 36 09 83.

Any unclaimed amounts of liquidation proceeds will be deposited until the expiration of the statutory period of limitation at the Caisse de Consignations in Luxembourg.

Luxembourg, 7th June 2016

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