INNOVATIVE INVESTMENT FUND

Balanced Profitable Forward-Thinking

Contents

1	Summary	3
2	Investment Strategy	4
3	Important Facts	6
4	Novium	8
5	Contact	9

1. Summary

In order to generate steady returns, while limiting exposure to the largely unpredictable ups and downs of the financial markets, one has to look into novel investment approaches beyond the traditional investment types.

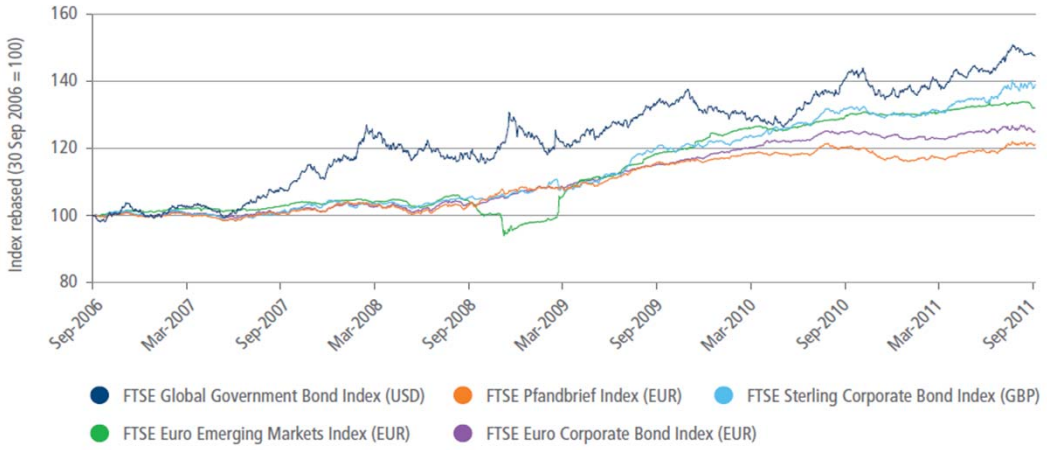
The Innovative Investment Fund employs a best-of-both worlds approach by following a multi-strategy investment philosophy:

- Approx. 50% Traditional, very conservative investments into bonds, ETF's and regulated bond funds or fund of funds
- Approx. 50% Investments into selected alternative business models with attractive returns and low correlation to financial markets.

The fund's multi-strategy approach serves to achieve the desired risk-return profile with limited correlation to financial markets and adequate liquidity.

2.1. Investment Strategy

- The first Strategy aims at providing a high degree of capital protection with regular returns and low volatility.
- A considerable part of the Fund's assets are invested in very conservative, listed and liquid securities, including government and corporate bonds, Exchange Traded Funds (ETF's), as well as regulated funds or fund of funds



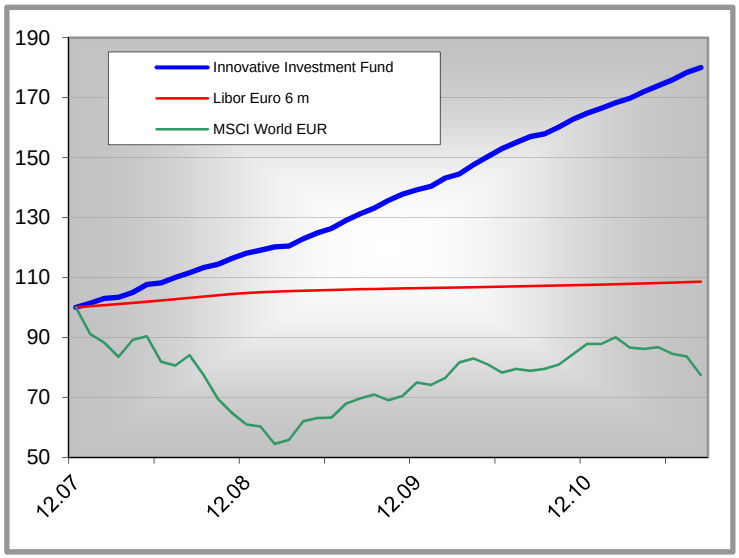
Sourse: FTSE Group as at 30 September 2011

2.2. Investment Strategy

- The second strategy focuses on alternative investment strategies with the aim of generating high returns with low correlation to traditional financial markets.

- Investments are made in non-listed and non-tradable equity or debt participations of public or private companies with innovative business ideas offering predictable, steady returns. Target undertakings for investment undergo rigorous analysis:

  - Financial analysis/due diligence
  - Attractiveness of business model
  - Risk/Return analysis
  - On-going active monitoring of operations by the fund
  - High diversification in non correlated strategies (more than 10 different strategies)



Hypothetical results from simulations based on similar investments

2.3. Investment Strategy

Typical strategies employed:

- Statistical Sport Arbitrage
- Hedged Sport Arbitrage
- Long-Short Equity
- Various investments in companies which operate in the sport betting sectors as service providers
- Investment in commercial companies in various sectors

2.4. Statistical Sport Arbitrage

- This Strategy is managed by a Team with considerable experience in financial market trading, analysis and modelling, which has developed and tested a portfolio of 10 proprietary statistical models. Theses models, using historical data, are used to monitor soccer and horse racing betting markets in order to identify and take advantage of pricing inefficiencies.

- For any sport event, the team registers many parameters (more then 50 for horse race and 12 for soccer matches). By computing all this data the system can generate calculated odds.

- If there is a significant difference between our calculated odds and the market (bookmakers) odds, the system takes position (Buy or Sell).

- The system works exploiting the market inefficiencies buying something which is cheaper than it should be.

Please see graph on the next side

2.5. Statistical Sport Arbitrage

Performance since 28.10.2010

2.6. Hedged Sport Arbitrage

- This Strategy aims to exploit the inefficiencies of the sport betting market, hedging the bets positions. For instance in a important international tennis match:
  - The trader takes a position (Buy) on player A (player A wins) for an amount of EUR 100.-. The bookmaker (counterpart) quotes the bet with 1:2 . If player A wins, the trader receives EUR 200.-.
  - At the same time the trader places another bet for the same match (Hedge) with another bookmaker, betting that player B wins. The quote of this broker is 1:2.6. If he invests EUR 80.-, and in case of victory of player B, he wins exactly EUR 208.
- The result:
  - If A wins, the trader wins a net of EUR 20.- (EUR 200 - EUR 180); a profit of 11.0%
  - If B wins, the trader wins a net of EUR 8.- (EUR 208 – EUR 180); a profit of 4.4%

2.7. Hedged Sport Arbitrage

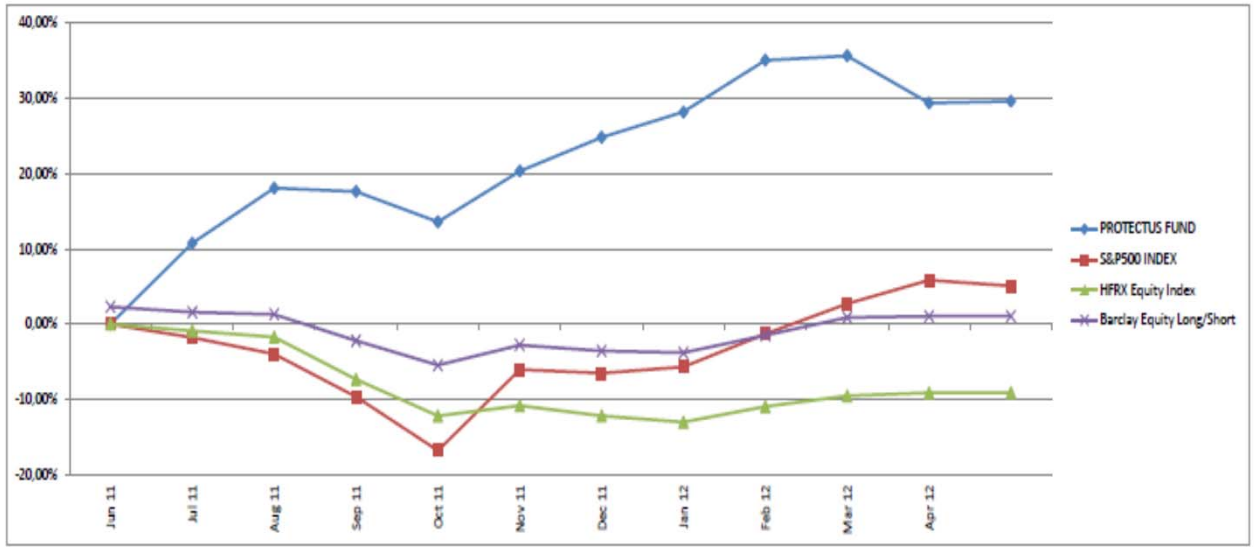
- This Strategy works on many small bets placed with different bookmakers.
- The performance is created by small gains on numerous operations.
- The bookmakers welcome this activity, because they can also hedge their positions.
- The trader has an overview of the total market with proprietary monitoring systems which can find profitable combinations.
- Bets are made only if the hedge is feasible.
- The historical performance of this strategy lies between 5% and 15% per month.

2.8. Long / Short Equity

- This Strategy is a classical long/short equity strategy .
- The investment is made in US stock markets, selecting the core positions based on fundamentals like macro economic views and liquidity levels of the institutionals.
- The strategy trades also stocks buying or selling positions based on quantitative and qualitative analysis.
- Equity options are used in order to hedge positions and/or enhance the performance.

2.9. Long / Short Equity

Performance since start



2.10. Various Sport betting strategies

The fund invests in a very diversified way and limited volume in various systems like:

- US baseball bets arbitrage
  - Based on the very liquid market of the US baseball championship.
  - Proprietary statistical model.
- Soccer national league championships arbitrage:
  - Based on bets made on the differential of goals in a Match
  - Very solid statistical model.
- Etc...

2.11. Private Equity investments

The fund acts as private equity investor in :

- Companies in Italy, Spain and Germany distributing and financing sport betting corners in shops, bars and restaurants.
- Companies operating online bet platforms.
- Commercial and industrial companies operating with a distribution channel based on a Social Network.

3.1 Important facts

Residence	Malta
Structure	Subfund of **Excellence Investment Umbrella SICAV**
Manager	Novium AG
Administrator	Apex Fund Services Ltd. Hamilton HM 12, Bermuda
Revision	Deloitte Malta
Depot Bank	Credit Suisse AG
Legal Advisor	MamoTCV, Malta

3.2 Important facts

Start date:	28.11.2011
NAV:	Monthly
Subscription:	Monthly
Minimum initial subscription:	€ 75'000
Redemption:	Monthly with 30 days notice period
Subscription and Redemption Fees:	No subscription fee Redemption fee: 1. Year 6% 2. Year 4.8% 3. Year 3.6% 4. Year 2.4% 5. Year 1.2% 6. Year onwards none
Administration Fee	0.075%-0.125% depending on NAV
Management Fee	1%
Incentive fee	50% of the yearly return exceeding 5%, according to the «High Watermark» rule
ISIN	Class A: MT7000003760 Class B: MT7000003778

4. Novium AG

- Financial- and Asset-Management Company
- Founded in April 2006
- Based in Zollikon/Zürich
- Team of 12 specialists
- Regulated by the VQF and (largest Swiss self-regulatory body for financial services) for GWG and BOVV compliance purpose.
- Recognized as portfolio manager by:
  - MFSA (Malta Financial Service Authority)
  - Several insurance companies

5. Contact

NOVIUM AG
Seestrasse 45
Postbox
CH - 8702 Zollikon (ZH)

Tel.: +41 (0) 44 388 5090
Fax: +41 (0) 44 388 5099

info@novium.ch
www.novium.ch