



Investor Information



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1.

Introduction

— The Fund

Euploia Shipping Fund Ltd (the 'Fund') is an Alternative Investment Fund, incorporated under the Cyprus Companies Law, with Registration Number HE 375360, and authorised by the Cyprus Securities and Exchange Commission to operate as an Alternative Investment Fund With Limited Number of Persons ('AIFLNP'), with License Number LPAIF91/2014.

The Fund is a limited liability company by shares and an open-ended investment company of variable capital. The Fund is authorised to operate as an Umbrella Fund, with various investment compartments ('Compartments' or 'Sub-Funds').

— Purpose of the Fund

The purpose of the Fund is to provide investors with an opportunity for investment in a professionally managed Shipping Fund, with the option to choose between different Compartments with more targeted investment strategies, in order to achieve an optimum return from the capital invested. The Fund presents the opportunity to investors to invest in a Shipping Fund, managed by a team of shipping experts and investment professionals.

— Investment Strategy

The Fund's investment strategy is to take advantage of the current market conditions and opportunistically acquire, charter and sell, new or second-hand vessels with the aim to enhance investment return through the acquisition, charter and disposal of vessels.

Well-times entry relative to the market cycle and operators performance are the most important factors in a successful shipping investment. The Fund's primary objective is to create value for its shareholders through efficient operating performance and expansion of its fleet through selective new builds as well as second hand distressed acquisitions and subsequent trading and ultimately the timely disposal of these vessels.

The Fund's investment strategy is twofold:

1. Yield Oriented Strategy: The Fund follows a yield-oriented maritime strategy, employing diversified and long-term charters to creditworthy counterparties, which can potentially provide recurring income in excess of other yield-oriented alternative strategies. The extensive network of the Board of Directors with successful shipping pools will be an important tool utilised by the Fund to enhance and protect cashflows, and optimise investment yields.

2. Capital Growth: The Fund follows a counter cyclical investment strategy, and a disciplined process of timely acquisition and disposal of vessels will be followed, based on risk and return criteria and fundamental sector analysis, targeting capital gains.

The Fund targets investments with contracted revenue, visible yield streams and long-term capital appreciation. The objective is to operate efficiently and expand the fleet in order to create value for the shareholders.

The Fund's strategy is to maintain moderate leverage and relatively high levels of liquidity to be able to sustain market troughs and maximize investment opportunities in anticipation of a rising market following a counter cyclical investment strategy.

Investment Compartments

The Fund currently operates two different investment compartments and aims to create further investment compartment as investment opportunities are identified (subject to the approval of the CySEC). The first two investment compartments share the same two-fold investment strategy (Yield Strategy and Capital Gains Strategy), with each of the compartments focusing on a different type of vessels.

The two investment compartments are:

- 1. Euploia Tankers Sub-Fund:** Will follow the Fund two-fold investment strategy with a focus on crude and product tankers as well as LNG and LPG tankers.
- 2. Euploia Bulk Carriers Sub-Fund:** Will follow the Fund two-fold investment strategy with a focus on bulk carrier vessels.

It is expected that additional investment compartments with alternative shipping investment strategies will be set-up in due course as investment opportunities are identified.

2. Management

The Fund will be internally managed by its Board of Directors, utilising the following:

- Pool of expertise in ship-ownership, ship-management, ship-building, ship-financing
- Extensive network of ship-owners, ship-managers, ship-yards and ship-lenders
- Extensive network of shipping pools
- Long-term expertise in fund management, investment banking and corporate finance

Board of Directors

Dr Hans Meissner – Executive Director: Dr Meissner is a veteran of the shipping industry, bringing with him 30 years of experience in marine engineering and ship design, shipbuilding, ship repairs and conversions. He spent more than 20 years in several senior management positions in the maritime industry. He retired in 2011, at the age of 65, as Managing Director of ThyssenKrupp Marine Group System. Dr Meissner is now working as a freelance shipping consultant for a number of international shipping companies that utilise his long term expertise in the shipping industry at technical as well as top level management. He is also a supporting member of the London Maritime Arbitrators Association. Over the years, Dr Meissner has not only developed extensive shipbuilding, repair and conversion capabilities, but has also built extensive managerial skills, managing shipping business at the top executive level. Furthermore, over the last 30 years Dr Meissner has developed and built extensive working relationships within the shipping industry, especially with well-known shipyards, shipping companies and ship owners around the world. Dr Meissner holds a degree in Engineering & Ship Operation Techniques at the University of Marine Technology in Hamburg and a PhD in Management and Business Administration from the University of Bratislava

Dr Nicos Michaelas – Non- Executive Director: Dr Michaelas possesses a balanced blend of academic and business experience in corporate finance, investment banking and investment management at senior executive level and an informed understanding of the capital markets and the international corporate business environment. Over the years he has gained diverse

business and corporate experience through his participation on the Board of Directors of a number of the largest business organisations in Cyprus with diverse and international operations. He is a licenced fund manager and since the year 2005 he is the CEO of Demetra Investments Plc, the largest investment company listed on the Cyprus Stock Exchange. He has been actively involved, at senior executive level, for the last 20 years, in a considerable number of or executed transactions including mergers and acquisitions, initial public offerings, structuring of investment funds, private equity deals, project financing and bank debt restructuring. He has also led the successful development of a number of large investment projects through the various phases of joint-venture formation of international partners, tender preparation and management, financing, engineering and procurement, construction, development and operation. Dr Michaelas holds a degree in Industrial Economics from the University of Nottingham and a Ph.D. in Financial Economics from Manchester Business School in the UK.

Gregoris Gregoriou - Non-Executive Director: Mr Gregoriou brings with him over 20 years of experience in the shipping sector particularly in the fields of Chartering, S&P, and Physical Supply Management as well as in the Trading of Marine Bunkers and Lubricants. Mr Gregoriou began his career at Interorient Shipmanagement as Chartering and S&P Manager and later as Trading Director and Partner in the Shipmanagement and Physical supply companies of Island Oil Ltd. In 2007, he founded Bunkernet Ltd a worldwide trading company of marine bunkers & lubricants. Concurrently he joined Fameline Holding Group Ltd, as a Director and part owner. The Group is the holding company of 28 other companies, divided in 5 groups active in the Shipping, Industrial and Energy sectors. In this role, Mr. Gregoriou is one of the key architects of the Group's long-term strategic plan, which is focused on gaining market share in the global maritime industry and in generating sustainable and profitable growth. Mr Gregoriou holds a degree in Economics from the University of Kent at Canterbury, an MBA in Finance from the Nottingham University and an MSc in Shipping Trade and Finance from Cass Business School.

Harald Block - Non-Executive Director: For more than 50 years Harald Block is professionally involved in the shipping industry. In 1958 he started as a qualified shipping clerk and worked for several shipping companies, line agencies, ship-owners and ship brokers. From 1979 to 1983 he worked as the Managing Director of a well-known shipping yard and ship ownership group of companies, followed by being co-founder and member of the board of directors in a well-known company participating in ship ownerships. In 1999 Harald Block founded his current organization, Hansa Hamburg Shipping International GmbH & Co. KG. Furthermore, Mr Block is as partner in the fine traditional ship-ownership company Leonhardt & Blumberg Schiffahrtsgesellschaft mbH & Co. KG. Having a fleet of currently 50 fully containerized and reefer vessels, Leonhardt & Blumberg is one of the ten biggest ship-ownership companies in Germany. Besides that, Mr Block holds several shareholdings in several cruise vessels.

Tom Jacob - Non-Executive Director: After graduation his high school diploma Tom Jacob worked as an apprentice on German shipyards. Following his studies as Naval Architect in 1997 Tom Jacob joined the family company Ernst Jacob founded by his grandfather in 1955 as Managing Owner. Ernst Jacob is a ship owning and ship management company offering the complete field of commercial and technical ship management. Having a technical background with vast knowledge in ship engineering and construction Tom Jacob is responsible for the technical departments, i.e. nautical/technical supervision, procurement, crewing, QA and IT as well as the general office organisation. Furthermore he is deeply involved in all S&P and newbuilding projects including technical assessment of offered vessels and negotiations with shipbuilders on technical specifications and designs. Mr Jacob is also Managing Director of the shipping companies managed by Ernst Jacob. Closely monitoring the vessel's interests he is taking actively part in shareholder and advisory board meetings.



3. Fund Overview

Name of the Fund	Euploia Shipping Fund Limited
Registered Office of the Fund	3A, Panteli Modestou, 3090 Limassol, Cyprus
Fund Structure	Open-ended Fund
Fund Type	Shipping Fund
Legal Structure	Variable Capital Investment Company
Fund Life	Unlimited Duration
Listing Status	Not Listed
Reference Currency	EURO
Target Capital Raising	EUR 100.000.000
Frequency of NAV Calculation	Semi-Annually (i.e. once every six months)
Management Fee	1.25 % per annum on Net Asset Value
Performance Fee	20% of annual returns of above 6% hurdle rate

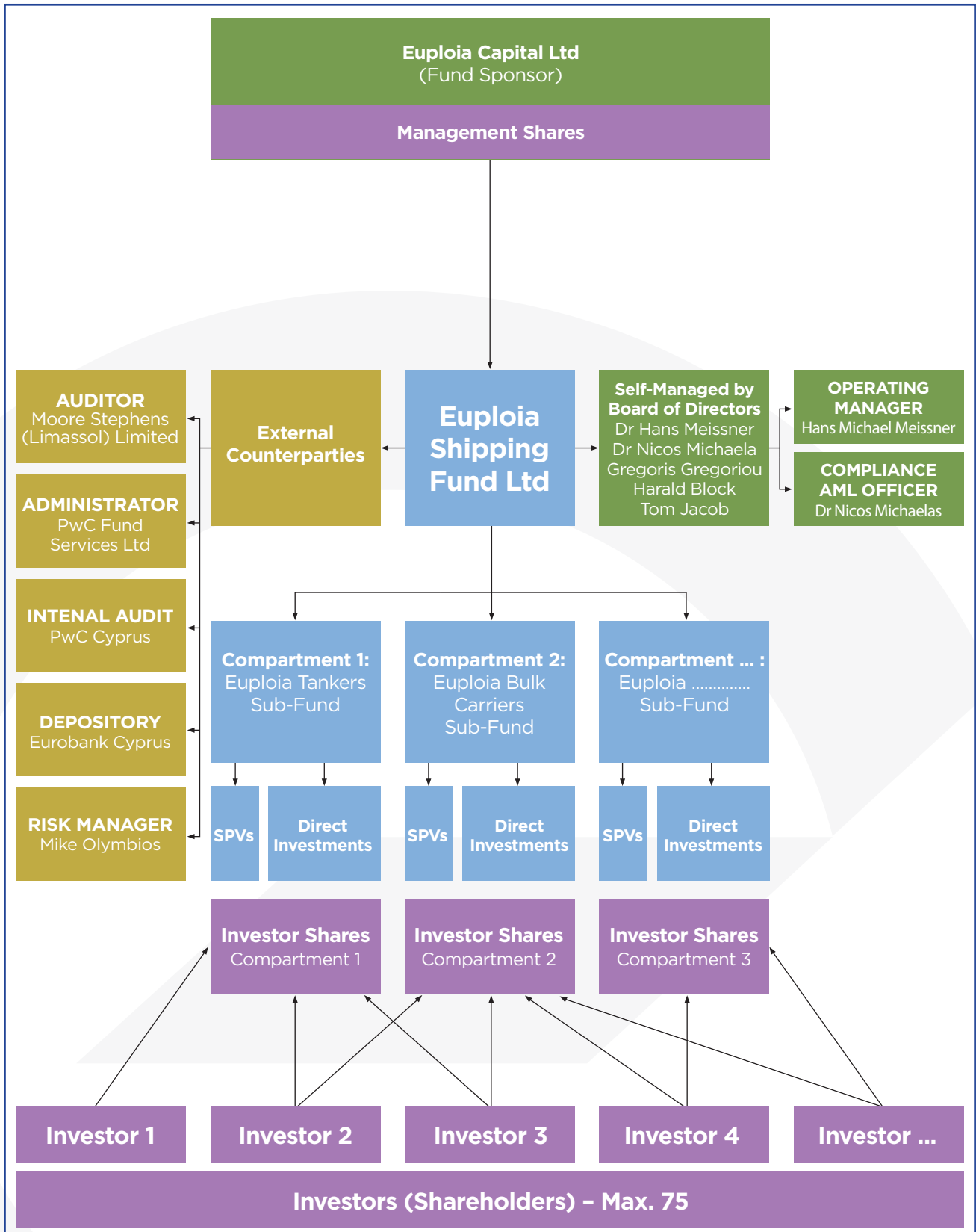
4. Investor Information

Types of Investors	Professional and Well-Informed Investors
US Investors	Yes
Anticipated No. of Investors	Up to 75 persons
Minimum Subscription Amount	EUR 250,000
Minimum Subsequent Subscription Amount	EUR 250,000
Initial Subscription Price	EUR 1,000
Initial Subscription Date	Upon licensing of the Fund
Minimum Holding Period	5 years
Subscriptions	Semi-Annually (January and July)
Redemptions	Annually (January)

5. Directory

Portfolio Management	The Fund is Self-Managed and the Portfolio Management is performed internally by the Board of Directors
Administrator	PricewaterhouseCoopers Fund Services Limited
Depository	Eurobank Cyprus Limited
Auditors	Moore Stephens (Limassol) Limited
Internal Auditor	PwC Cyprus
Compliance/AML Officer	Dr Nicos Michaelas
Risk Manager	Mr Michael Olympios
Secretary	Ariel Secretaries Limited
Legal Consultants	Marios Theophilides LLC
Fund Sponsor	Euploia Capital Ltd

6. Fund Structure



Where:

1. Board of Directors: The Board of Directors is responsible for implementing the overall management of the Company.

2. Management Shareholder: Euploia Capital Ltd is a holding company owned by the fund sponsors holds the Management Shares of the Fund.

3. Investors: Professional and Well-informed Investors looking to take a position in the shipping industry. The Investors may choose into which Investment Compartments their funds will be allocated.

4. Risk Management: The Company shall ensure that its risk profile correspond to the size, portfolio structure and investment strategy and objective. The risk management duties have been assigned to Mr. Michael Olympios.

5. Portfolio Management: The portfolio management function is the responsibility of the Board of Directors. The Board of Directors has been granted the authority to manage the overall operations of the Investment Compartments and implement their investment objectives and strategies.

6. Operating Manager: The Executive Officer of a Compartment is appointed by the Board of Directors to effectively direct the business of that Compartment. The Operating Manager is addressing and resolving the day to day operational issues of the Compartment. Mr. Hans Meissner, Executive Director of the Company, has been assigned as the Operating Manager of the initial three (3) Investment Compartments of the Fund.

7. Depositary: The Depositary will serve two broad functions: (1) to record and monitor the Company's assets (non-subject to custody); and (2) to oversee compliance with the Company's Memorandum and Articles, Prospectus and with applicable laws and regulation governing the Fund. Eurobank Cyprus Ltd has been appointed to act as the Depositary.

8. Fund Administrator: The administrative function is outsourced to PricewaterhouseCoopers Fund Services Limited, a subsidiary company of PwC Cyprus Ltd and a member firm of PwC global network.

9. External Auditor: Moore Stephens (Limassol) Limited will be responsible for the external Audit of the Company.

10. Company Secretary: The Company Secretary will be Ariel Secretaries Ltd, a firm registered in Cyprus.

11. Internal Audit: The Internal Audit Function will be outsourced to PwC Cyprus Ltd.

12. Compliance/Anti-Money Laundering Function: The Compliance/AML duties have been assigned to Dr Nicos Michaelas.



7. Umbrella Fund Characteristics

The Fund has been authorised as an Umbrella Fund. As such the Fund may create several investment compartments with different investment objectives, strategies and risk profiles, giving to Investors the option to choose how their funds will be allocated into the various Compartments (Sub-Funds).

As an Umbrella Fund, the Euploia Capital Fund has the following characteristics:

Sub-Funds: Established with several investment compartments (sub-funds), each constituting a separate pool of assets; the AIF constitutes a single legal entity;

Net Asset Value (NAV): Each investment compartment has its own separate NAV calculation and issues units corresponding to its assets;

Rights: Unitholders of a specific compartment only have rights arising from the assets of such compartment; each compartment is liable for the obligations arising from its constitution, operation or dissolution;

Segregation: The compartments are segregated and are not subject to “cross-class liability”.

8. Euploia Shipping Fund Ltd: The Investment Compartments

Name of the Compartment	Euploia Tankers Sub-Fund	Euploia Bulk Carriers Sub-Fund
Investment Strategy	Oil (Crude & Product), Gas Tankers	Bulk Carriers
Life Duration	Unlimited	Unlimited
Authorized Capital	EUR 100,000,000	
Use of Leverage	Yes (up to 70% of vessel cost)	Yes (up to 70% of vessel cost)
Base Currency	EUR	EUR
Minimum Investment	EUR 250,000	EUR 250,000
Minimum Capital Raising	EUR 2,000,000	EUR 2,000,000
Initial Subscription Price	EUR 1,000	EUR 1,000
Minimum Holding Period	Five (5) years	Five (5) years
Subscriptions	Semi-Annually	Semi-Annually
Redemptions	Annually	Annually
Subscription/Redemption Fee	No fee	No fee
Management Fee	1.25%	1.25%
Performance Fee	20% ABOVE 6% hurdle rate	20% ABOVE 6% hurdle rate

9. Maritime Investing: An Income Opportunity

A maritime investment strategy, rigorously planned and efficiently executed, could anchor today's income-oriented portfolios. Global shipping is showing signs of recovery. Current long-term charter rates today allow for profitable employment of shipping assets with strong counterparties. Yield-oriented maritime asset investments offer a unique combination of benefits: attractive total return potential, the inflation protection of real assets, low correlation to financial and other real assets, and a premium yield in an otherwise income-starved environment.

A maritime investment strategy offers investors a unique means of accessing:

Income: Potential for stable yield through long-term charters with high quality counterparties

Capital Growth: Low historical asset values offer a prospect of relative value appreciation

Inflation Protection: Maritime investments offer inflation protection not available in conventional fixed income investments

Global Exposure: Ships carry a wide range of cargo with independent demand drivers sourced from a variety of industries and localized market factors

Strategy Flexibility: A cyclical industry creates the opportunity for a variety of strategies with attractive entry points across sectors

Maritime Investments: Checking all the investment appraisal boxes

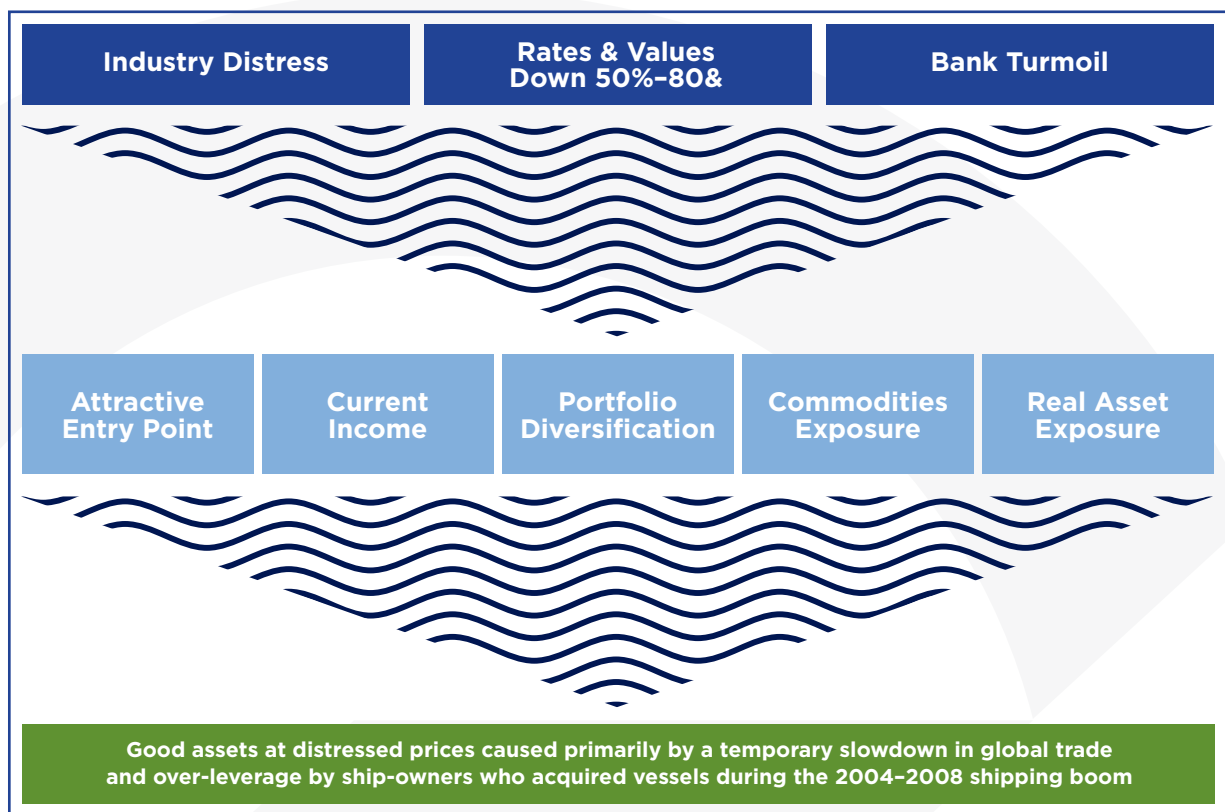
Diversification to:	Maritime Investments
Essential Nature	✓
High Return Potential	✓
Attractive Historical Returns	✓
High Income Potential	✓
High Capital Growth Potential	✓
Long-Term Cash Flow Visibility	✓
Diversification to Financial Assets	✓
Diversification to Other Real Assets	✓
Inflation Sensitivity	✓
Complementary Strategy	✓



10. Why Invest in the Maritime Industry Now?

There is no question that global shipping was severely hit by the international financial crisis, but the fact remains that almost 90% of world trade is transported by the international shipping industry—and with the recovery of economies worldwide, prospects for the industry is set to grow further.

Few major global industries experience the same peak-to-trough variation as the maritime industry. Nevertheless, it is maritime's volatility that often creates opportunities for investors. The state of the shipping industry coupled with the recovery of the world economy offer an attractive entry point today for maritime investments.



11.**Cyprus: An International Maritime Centre**

Cyprus has been an international maritime centre since antiquity. The strength, breadth and experience of Cyprus' shipping sector is attracting quality tonnage and increasing numbers of first-rate shipping companies from around the world. The maritime industry is one of Cyprus' most successful export services, and with over 130 shipping companies, the island is considered one of the top global hubs for ship owning and ship-management services. Today, Cyprus is the largest third-party ship-management centre in Europe and the largest crew management centre in the world, while the island's international ship register is the third largest in Europe and the 11th largest in the world.

Strong Maritime History: Cyprus has actively developed its shipping sector for decades. The international maritime industry began flocking to its shores in the early 1960s, when Cyprus introduced legislation providing ship managers and owners with a more tax-efficient business environment.

Cyprus Flag: The Cyprus flag is considered one of the highest quality EU flags available today, and ranks at the top of various Port State Control Agreement 'white lists'.

Legislation & Infrastructure: Through its attractive legislative and operational shipping infrastructure, Cyprus has the relevant advantages to develop into an even greater pole of attraction for top shipping companies, both from countries within and outside the EU.

Low Cost and Advantageous Tax Regime: Cyprus' low company set-up and operating costs and its advantageous tax framework continue to be a pull-factor for shipping companies.

Crew Management Centre: Cyprus has a flourishing shipmanagement sector, with more than 130 shipowning, shipmanagement and shipping-related companies conducting their international operations and activities from Cyprus. It is estimated that approximately 5% of the world's fleet and around 25% of global third-party shipmanagement activities are controlled from Cyprus.

Crew: An important benefit for shipping companies based in Cyprus is the ease with which they can source highly educated personnel. Shipping continues to be one of the highest paid industries in the country, providing a great opportunity to retain a highly trained workforce in a country still facing economic challenges and high numbers of unemployment.

International Player: Signatory to numerous international maritime conventions and with bilateral cooperation agreements with 23 countries, including major labour supplying countries, Cyprus is a strong international player.



12. Alternative Investment Funds

An Alternative Investment Fund (AIF) is a collective investment undertaking raising external capital from a number of investors with a view to investing it in accordance with a defined investment policy for the benefit of the investors.

AIFs registered in Cyprus are regulated by the Cyprus Securities & Exchange Commission (CySEC). As such, AIFs are closely regulated, ensuring the effective implementation of appropriate asset management, transparency and investor protection practices.

Key Benefits of the Cyprus AIFs

- Cost:** Cost-efficient and simple to set-up, manage and operate
- Regulatory:** Modern regulatory framework fully in line with relevant EU directives and no burdensome reporting requirements
- Flexibility:** Increased flexibility as a number of asset classes can be included in an AIF investment strategy
- Tax:** Significant tax incentives offered by the country's advantageous tax framework
- Transparency:** Full transparency through annual audited and half yearly reports to CySEC and investors, which include financial statements, borrowing information, portfolio information and Net Asset Value
- Supervision:** Supervised by a competent and accessible regulatory authority
- Cypriot Marine Registry:** The Cypriot Marine Registry is one of the largest in Europe with 5% of the whole EU fleet and the 10th largest worldwide.

Tax Benefits of Cyprus Shipping AIFs

Cyprus has an advantageous tax framework that continues to be a pull-factor for shipping companies. In a determined effort to ensure the industry's competitiveness, the government introduced an upgraded, EU-approved, tonnage tax (TT) system in 2010, which enhanced the island's reputation as a top location for ship managers, owners and charterers.

Taxation on Shipping Companies:

The qualifying ship owners, managers and charterers under TT Regime are exempt from income tax on their shipping activities such as:

- Exploitation of a qualifying (chartered) ship in a qualifying shipping activity or rendering crewing and/or ship management services to any qualifying ship
- Disposal of a qualifying ship or interest or share in the qualifying ship
- Disposal of shares in a ship owning company
- Dividends paid (directly or indirectly) out of the profits described above
- Bank interest earned on working capital or shipping revenue, provided that the said working capital or shipping revenue is used to pay expenses arising to the qualifying person out of the qualifying activity



➤ The Cyprus Tonnage Tax System:

	Shipowners & Charterers	Shipmanagers
Units of net tonnage	€TT per 100 units	€TT per 400 units
0-1.000	36,50	36,50
1.001-10.000	31,03	31,03
10.001-25.000	20,08	20,08
25.001-40.000	12,78	12,78
>40.000	7,30	7,30

➤ Advantages of TT Regime

- Certainty as to the amount of tax payable each year
- Wide range of qualifying activities
- Wide range of qualifying vessels
- Crew members of qualifying Cyprus flagged (including parallel in registration) ships are exempt from income tax
 - Submission of TT returns can be effected electronically TT Regime can be easily used alongside income tax if both qualifying and nonqualifying activities are conducted.

➤ Favourable Tax Regime for Shipping Funds:

- Complete tax exemption on all profits arising from shipping business
- No tax on dividends at all levels of distribution
- No taxation on subscription and redemption of units of the Fund
- Fund management services are not subject to VAT

➤ Favourable Tax Regime for Companies

Also as an AIF registered in Cyprus, the Fund can enjoy the favourable tax system of Cypriot companies:

- No subscription tax on net assets of a fund
- Exemption from tax on profits from sale of shares and other instruments
- No withholding tax on income repatriation or dividends paid to unit holders
- No capital gains tax on disposal of shares/units by the holders
- Tax exemption on capital gains from the sale of immovable property located outside Cyprus
- An extensive network of Double Tax Treaties in place with more than 50 countries worldwide



➤ **Naturalisation Program for Investors**

Certain of the Investment Compartments of the Fund may be ideally suited for Investors who are looking to obtain Cypriot citizenship for themselves and their families, through the citizenship by investment programme implemented by the Republic of Cyprus.

Subject to the approval of the competent authorities, investments made in specific Investment Compartments of the Fund by non-Cypriot Investors could potentially be eligible under the Cyprus Naturalisation Program for Investors (as defined below).

➤ **Naturalisation Program for Investors:**

means the acquisition of a Cypriot citizenship by a non-Cypriot national in accordance with the Scheme for Naturalization of Investors in Cyprus by exception established in accordance with the Decision of the Council of Ministers dated 19 March 2014 and as revised on 13 September 2016 (and as this may be amended from time to time). The said Scheme is based on subsection (2) in section 111A of the Civil Registry Laws of 2002-2015.



13. Disclaimer

FOR QUALIFIED INVESTORS ONLY. This information has been prepared for investors who qualify to invest in the types of investments described herein. Generally they would include investors who are considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II of the Cyprus Investment Services and Activities and Regulated Markets Law as amended.

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Risk Considerations:

An investment in the Fund and/or any of the Investment Compartments involves significant risks. Investors should have the financial ability and the willingness to accept the risk characteristics of the type of investments that the Fund will undertake to conclude as per its investment strategy and policy. Given that the Fund follows the investment strategy set out in the Prospectus, potential Investors should consider the risk factors referenced in the relevant section of the Prospectus, before investing in the Fund.





Contact:

Euploia Shipping Fund Ltd
3A, Panteli Modestou,
3090 Limassol, Cyprus

Tel | +357 99 403100
Email | info@euploia-sf.com

www.euploia-sf.com

