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WMG Collectable Car Fund

Private Placement Memorandum

DRAFT: 1 SEPTEMBER 2016

THIS MEMORANDUM IS A PRELIMINARY DOCUMENT BEING ISSUED IN DRAFT FORM. THE INFORMATION CONTAINED HEREIN IS SUBJECT TO MATERIAL UPDATING, REVISION, CORRECTION, COMPLETION AND AMENDMENT. STATEMENTS CONTAINED HEREIN INCLUDE STATEMENTS OF CIRCUMSTANCES WHICH MAY EXIST ON THE DATE UPON WHICH THE FINAL MEMORANDUM IS CIRCULATED, BUT MAY NOT EXIST AT THE DATE OF THIS DRAFT MEMORANDUM. ANY APPLICATION FOR INTERESTS WILL BE ACCEPTED ONLY ON THE BASIS OF THIS MEMORANDUM, AS FINALISED AT THE DATE OF SUCH APPLICATION, AND A DULY COMPLETED SUBSCRIPTION AGREEMENT.

This confidential private placement memorandum (“**Memorandum**”) is being furnished to you and a limited number of other professional investors on a confidential basis for the purpose of your consideration of an investment in limited partner interests (“**Interests**”) in WMG Collectable Car Fund SCSp, a Luxembourg *société en commandite spéciale* (special limited partnership), (the “**Partnership**” and, together with any additional parallel vehicles which may be established, the “**Fund**”), the general partner of which is WMG General Partner S.à r.l., a Luxembourg *société à responsabilité limitée* (private limited company) (the “**General Partner**”). The Partnership qualifies as an alternative investment fund (“**AIF**”) within the meaning of the Luxembourg law of 12 July 2013 on alternative investment fund managers (the “**Luxembourg AIFM Law**”) and the General Partner has been registered with the Luxembourg financial supervisory authority (*Commission de Surveillance du Secteur Financier* - the “**CSSF**”) as an external alternative investment fund manager in accordance with Article 3(2)(a) and Article 3(3) of the Luxembourg AIFM Law. The Fund will be externally managed for the purposes of the AIFMD.

WMG Advisors LLP (the “**Investment Adviser**” and, together with the General Partner, “**WMG**”), an English limited liability partnership which is authorised and regulated by the UK Financial Conduct Authority (the “**FCA**”), will be appointed as the investment adviser to the General Partner in respect of the Fund. Capitalised terms used and not otherwise defined herein shall have the meanings provided to them in Section 12–Glossary.

By accepting this Memorandum, you agree to keep the information contained herein confidential and to provide information from this Memorandum only to those persons directly concerned with your decision regarding an investment in the Fund. This Memorandum is to be used by persons receiving it solely in connection with the consideration of the purchase of Interests. The information contained herein may not be reproduced or used in whole or in part for any other purpose, nor may it be disclosed without the prior written consent of WMG. Each prospective investor accepting this Memorandum hereby agrees to return it promptly upon request.

Notwithstanding the foregoing, each prospective investor may disclose, without limitation, the tax treatment and tax structure of the Partnership and of any transactions entered into by the Partnership. Nothing in this authorisation, however, is intended to permit disclosure of any term or detail not relevant to the tax treatment or the tax structure of the Partnership or of the transactions entered into by it.

The Memorandum is based on information available to WMG as of the date of this Memorandum and is believed by WMG to be reliable as of that date. Certain information, including statistical data and other factual statements, contained in this Memorandum has been obtained from published sources prepared by other parties considered to be generally reliable. WMG has taken all reasonable care to ensure that the facts stated in this Memorandum are true and accurate in all material respects, and there are no other facts the omission of which would make any statement in this Memorandum misleading, whether of fact or opinion. WMG accepts responsibility accordingly. No person has been authorised to make any statement concerning the Fund other than as set forth in this Memorandum, and any such statements, if made, must not be relied upon.

This Memorandum has been prepared on the assumption that the legal, regulatory and tax structure required to conduct the activities of the Fund has already been fully implemented and that all regulatory, tax and other clearances have been obtained. The initial structure will have been implemented prior to the date on which the first investor is admitted to the Fund.

All statements of opinion and/or beliefs contained in this Memorandum, and all views expressed and all projections, forecasts and statements regarding future events, expectations or future performance or returns represent WMG’s own assessment and interpretation of information available to it at the date of this Memorandum. To the extent permitted by law or regulatory requirements, no representation or warranty, whether express or implied, is made or assurance given that such statements, beliefs, views, projections or forecasts are correct or will be achieved. Prospective investors must determine for themselves what reliance (if any) they should place on such statements, beliefs, views, projections or forecasts and no responsibility is accepted by WMG in respect thereof.

Performance information and case studies included in this Memorandum are intended solely to provide prospective investors with information about prior projects worked on by members of WMG. In considering the performance information contained in this Memorandum, prospective investors should understand that an investment in the Fund does not represent an interest in any investment or investment portfolio of any prior, related or other investment, project or mandate sponsored, managed or advised by WMG or any members of WMG. Furthermore, any prior performance set forth in this Memorandum relates to investments and projects worked on by members of WMG either prior to their joining WMG or outside their capacity as members of WMG. Information relating to prior performance is not indicative of actual results to be obtained by the Fund and there can be no assurance whatsoever that WMG will be able to implement its investment strategy or investment approach, achieve comparable results, that any target results will be

met or that it will be able to avoid losses, in each case with respect to the Fund. There can be no assurance whatsoever that WMG will be able to cause the Fund to dispose of its investments on the terms or at the time it wishes to do so.

This Memorandum is not an offer to sell or a solicitation of an offer to buy Interests, and this Memorandum shall not constitute an offer to sell or a solicitation of an offer to buy Interests in any state or other jurisdiction to any person or entity to which it is unlawful to make such offer or solicitation in such state or jurisdiction. It is the responsibility of prospective investors to satisfy themselves as to full compliance with the relevant laws and regulations of any jurisdiction in connection with any application to participate in the Fund, including obtaining any requisite governmental or other consent and adhering to any other formality prescribed in such jurisdiction. The attention of all prospective investors is drawn to the selling restrictions set out in Section 11—Restrictions on Sales.

The Fund will comprise one or more Luxembourg limited partnerships and each of them will be an unregulated collective investment scheme and will qualify as an alternative investment fund as per Article 1(39) of Chapter 2 of the Luxembourg AIFM Law. WMG intends that the General Partner will be appointed as the external alternative investment fund manager of each vehicle comprising the Fund. The promotion of the Fund and the distribution of this Memorandum are restricted by law. Interests are not available to the general public in Luxembourg or any other country within the European Union.

There will be no public market for the Interests and transferability of the Interests will be restricted by law and the terms of the Fund Documents, and prospective investors should have the financial ability, sophistication and willingness to accept the risks and lack of liquidity which are characteristic of the investment described herein.

In making an investment decision, prospective investors must rely on their own examination of the Fund and the terms of the offering, including the merits and risks involved. Prospective investors interested in purchasing Interests should conduct their own investigation concerning the Fund, WMG and the various agreements that will be available shortly from WMG, including the Limited Partnership Agreement, and documents pertaining to the investment in Interests (the “**Fund Documents**”). WMG extends to each prospective investor and its authorised representatives the opportunity to (i) discuss with WMG the terms, conditions, and contents of the Fund Documents, (ii) ask questions regarding WMG, the Fund and the Fund Documents, and (iii) make requests for information regarding the Fund and the Fund Documents. WMG will endeavour to answer all questions from, and comply with all requests for information from, prospective investors and their authorised representatives regarding the Fund, WMG and the Fund Documents.

Certain of the information contained herein represents or is based upon forward looking statements or information. When used in this Memorandum, the words “project”, “anticipate”, “believe”, “estimate”, “expect”, “may”, “will”, “should” and similar expressions are generally intended to identify forward-looking statements. WMG believes that such statements and information are based upon reasonable estimates and assumptions. However, forward looking statements and information are inherently uncertain, and factors such as those described in Section 6—Risk Factors, and others may cause actual events or results to differ from those projected. Therefore, no reliance should be placed on such forward looking statements and information.

To the extent that any information contained herein is inconsistent with the Fund Documents, the terms of the Fund Documents shall control. **Each prospective investor should consult its own counsel, accountants, or other professional advisers as to the financial, legal, tax, and related matters concerning purchasing, owning and disposing of Interests.** It should be remembered that the value of Interests and the income from them can go down as well as up.

Neither the delivery of this Memorandum at any time nor the acceptance of any subscription for an investment in the Fund will under any circumstances imply that the information contained in this Memorandum is correct as at any time after the date of this Memorandum.

Further information

Prospective investors having enquiries should contact:

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1. Executive Summary

Overview

WMG Collectable Car Fund SCSp (the “**Partnership**” and, together with any additional parallel vehicles which may be established, the “**Fund**”) is a Luxembourg *société en commandite spéciale* (special limited partnership) which is managed by the General Partner in its capacity as unlimited partner and which is advised by WMG Advisors LLP (“**Investment Adviser**” and, together with the General Partner, “**WMG**”). The Fund is a collectable car fund. The Fund’s strategy is to identify and invest in rare, high-performance, vintage, classic and post classic, modern and race cars where significant value can be created through capital appreciation.

For the purposes of Luxembourg AIFM Law, the General Partner registered itself with the CSSF as the external alternative investment fund manager managing the Partnership, a non-regulated alternative investment fund, in accordance with article 3(2)(a) and 3(3) of the Luxembourg AIFM Law. The General Partner will be responsible for compliance with the appropriate AIFMD requirements, including portfolio management and risk management in respect of the Fund. The Fund will be managed by the General Partner for the purposes of the Luxembourg AIFM Law and the General Partner will appoint the Investment Adviser as its investment adviser. The Investment Adviser is authorised and regulated by the FCA and its registration number is 419405.

The Fund seeks Commitments of up to £50 million from prospective investors to pursue the Fund’s Investment Objective (set out below), although the General Partner reserves the right to proceed with a lesser amount. The Fund intends to make investments in approximately 10 to 15 collectable cars throughout the Investment Period of between £100,000 and £2.5 million per collectable car, although the final number of investments is dependent on the final size of the Fund. The Fund is targeting returns in excess of 20% gross IRR per annum. Members of the WMG Team have committed to invest an amount equal to 10% of the Commitments in the Fund, up to a maximum of £1 million.

The Partnership is structured as a Luxembourg *société en commandite spéciale* (special limited partnership) and the WMG Team is based in London, UK. Any activities required to be performed in respect of the Fund for the purposes of the AIFMD, including, without limitation, risk management and portfolio management, will be undertaken by or on behalf of the General Partner.

Investment Opportunity

Collectable automobiles are an asset class in their own right and have been increasingly seen as an alternative investment opportunity. WMG provides an opportunity for investors to gain access to this emerging asset class, exploiting an emotional and fragmented market place where supply, demand, pricing, values and other factors affecting valuation is complex.

The WMG Team

The WMG Team has considerable, in depth knowledge of the collectable car market, extensive industry knowledge and an extensive network with direct access to investment opportunities globally. The WMG Team is supported by a highly skilled team of independent advisers with experience in the automobile industry, alternative asset management and luxury goods. The WMG Team also benefits from its relationships with marquee specialists and vehicle credit lenders and is experienced in financial structuring to enhance returns.

The WMG Team believes that it has a number of key competitive advantages which distinguishes the Fund from its competitors:

- a. Extensive knowledge and networks within the car industry and connections to top car collectors globally that give WMG access to exclusive deal flow
- b. Good access to the manufacturers of collectable cars for consultation and advice
- c. A highly experienced and successful team of advisers that provides WMG with exceptional insight into market movements and developments
- d. Cost control, through the extensive network and connections of the WMG Team; the WMG Team believes that it is well positioned to secure preferential rates for main dealer servicing, storage and insurance. These cost advantages are expected to maximise returns to investors
- e. A robust and structured investment process, ranging from analysing the investable universe and carefully selecting investment opportunities through to the sale of the assets

Investment Objective

The Fund has been established to invest in collectable cars – which include rare, high-performance, vintage, classic and post classic, modern and race cars for the purpose of capital appreciation. In order to reach its objective, the Fund will typically invest in sports and luxury models favoured historically by investors and traders alike and therefore likely to achieve above-average returns. WMG may also enrich the Fund’s portfolio with vehicles from the history of racing, which can be especially valuable if they have been victorious in historical racing events.

WMG will aim to build and actively manage a portfolio of collectable cars in order to diversify holdings and to maximise investor returns, aiming to deliver a gross IRR in excess of 20% per annum. WMG intends to use leverage in the Fund on a (maximum) 3:1 basis to achieve its Investment Objectives, to be determined on an investment-by-investment basis and subject always to such leverage being commercially available and regulatory constraints.

WMG may use high-profile events such as Le Mans Classic, Grand Prix de Monaco and Historique, Goodwood Revival in order to showpiece the cars to enhance saleability/value in preparation for sale.

Investment Process

WMG will aim to identify vehicles which have the ability to appreciate substantially over two to three years.

The investable universe includes rare, high-performance, vintage, classic and post classic, modern and race cars.

Dominant brands within the Fund’s portfolio are expected to include, amongst others, Ferrari, Bentley, Aston Martin, Lamborghini, Porsche, Mercedes and Jaguar.

Investments will be based on a number of criteria, including brand following, condition, provenance, rarity and price, as well as other factors outlined in Section 5.1–Investment Criteria. Cars which are in exceptional condition will be preferred above all, but cars in poor condition will also be sought after, in preference to mediocre ones. The reason for this is not solely due to their lower purchase price, but also that the cost of restoration is only marginally different.

All purchased cars will be insured, stored and monitored in the appropriate environment. Each vehicle will be regularly maintained, serviced and be in good running order. Each vehicle will have its own history researched and documented where possible. A key part of this process is the relationship with the manufacturer. Many of the top marques, such as Ferrari and Lamborghini, have established their own classics divisions. They provide assistance in the restoration of vehicles and, furthermore, they will certify original cars for the collector.

As soon as the vehicle is purchased, a promotion strategy is determined by WMG. This may include the vehicle being taken to prestigious motor events or simply featured in motor magazines. For this purpose, race events such as the Goodwood Revival become a target for the Fund to exhibit one or more of its vehicles. Many modern car dealerships would welcome the opportunity to have a collectable car among their modern vehicles. With this in mind, the Fund will actively participate in allowing high profile dealers to borrow a vehicle from within the Fund’s portfolio.

As with any market, the human ‘feel’ of the collectable car market is important; with car auctions, the sale of notable large collections and transactions at notable dealers being a good indicator of future prices. While auctions are not always the best way to sell, recent times have demonstrated that auctions have managed to achieve very high prices in a rising market. For specialist dealers it remains the preferred way of sale as they are able to find global buyers who are willing to pay a premium for sought after vehicles.

Risk Analysis and Mitigations

WMG has identified a number of key risk factors, which it aims to mitigate as follows:

- a. **Macro-Economic:** Global economic growth affects the prices of collectable cars. WMG intends that the Fund will purchase the best examples, often of extremely limited production models, which are often more resilient to a macro-economic downturn
- b. **Liquidity Risk:** Liquidity risk is minimised by WMG’s strong relationships with dealers, auction houses, high net worth individuals and private collectors
- c. **Holding Cost:** Storage costs over a prolonged period of time can be significant. Due to WMG’s long term relationships with specialist services centres, insurers and owners clubs, coupled with cost effective storage facilities, WMG aims to keep the holding costs below market rate

- d. **Overconcentration**: Overconcentration of a certain manufacturer and model is a risk. WMG will look to purchase a number of established brands, with an emphasis on not being overly exposed to one brand. Diversification is important to increase the average returns at the same time as minimising risk
- e. **Provenance Risk**: With thousands of collectable cars available in the market place today, the history and identity of the vehicle are of the utmost importance. WMG will use professional inspections of all potential acquisitions to make sure that the cars are in original condition, using services such as *Ferrari Classiche* to confirm this
- f. **Usage Risk**: Open road driving as well as closed circuit driving can be dangerous and costly in terms of insurance, vehicle depreciation and wear and tear. WMG will seek to minimise these risks by holding the vehicles strictly on a laid up basis with the exception of minimal mileage as the cars may be used for display purposes and entering into concourse events

Additional risk factors are described in Section 6–Risk Factors.

Conclusion

WMG believes that investors in the Fund will have an opportunity to achieve capital appreciation by investing in this unique and emerging asset class.

2. Summary of Principal Terms

The following information is presented as a summary only of certain principal terms and is qualified in its entirety by reference to the Limited Partnership Agreement, including all exhibits thereto, and the related agreements referred to therein. A copy of the Limited Partnership Agreement and such other agreements will be provided to each prospective investor and should be reviewed carefully. To the extent that the terms set forth below are inconsistent with those of the Limited Partnership Agreement and such other agreements, the Limited Partnership Agreement and such other agreements shall control.

Fund	WMG Collectable Car Fund SCSp, a Luxembourg <i>société en commandite spéciale</i> (special limited partnership) established on 28 June 2016 with registration number B207493, together with such additional parallel vehicles as may be established for legal, regulatory or tax reasons.
General Partner	WMG General Partner S.à r.l., a Luxembourg <i>société à responsabilité limitée</i> (private limited company) established on 7 June 2016 with registration number B207012.
Investment Adviser	WMG Advisors LLP, an English limited liability partnership which is authorised and regulated by the UK Financial Conduct Authority (“FCA”) in the conduct of its investment business.
Investment Objective	The Fund’s investment objective is to seek to realise capital returns through investments in rare, high-performance, vintage, classic and post classic, modern and race cars.
Commitments	The Fund is targeting Commitments of up to £50 million, although the General Partner reserves the right to hold a final closing of the Fund with Commitments of less than £50 million.
WMG Commitment	10% of Commitments, up to a maximum of £1 million.
Investment Period	Up to two years (from the date of the Final Closing), subject to earlier termination.
Term	Three years from the Final Closing, subject to up to two consecutive one-year extensions at the discretion of the General Partner.
Initial Closing	As soon as reasonably practicable.
Final Closing	No later than 12 months following Initial Closing, unless extended in accordance with the terms of the Limited Partnership Agreement.
Distributions	<ul style="list-style-type: none"> ▪ Preferred return of 8%, compounded annually. ▪ Carried interest of 20%.
General Partner’s Share	2% per year of Commitments during the Investment Period; and thereafter, 2% per year of the equity funded portion of those investments which have not been realised, based on the latest reported value.
Target Returns	+20% gross IRR per annum.

Apex Fund Services (Malta) Limited, Luxembourg Branch (the “**Administrator**”) has been appointed to provide administrative services to the Fund. The services provided by the Administrator include maintaining the Fund’s financial books and records, preparing reports to investors and managing the payment of the Fund’s expenses. The Administrator may employ the services of its affiliates in connection with the services provided by the Administrator to the Fund.

3. The WMG Team and Relevant Experience

The Fund presents an opportunity to invest in the collectable car sector through a team with extensive experience.

3.1. The WMG Team

The members of the WMG Team have considerable, in depth knowledge of the collectable car market, extensive industry knowledge and an extensive network with direct access to investment opportunities globally and will advise the Fund on matters relating to origination and new investments, restoration, maintenance, marketing and realisations. The WMG Team will have an advisory role and none of its advice will have a binding effect on the decisions to be taken by the General Partner which will remain solely responsible for the management of the Fund.

The WMG Team will be composed of the following members:

Mr Mehmet Dalman

Mehmet Dalman is the Chairman of WMG Advisors LLP, a London based alternative investment firm focussed on private equity, alternative investments and real estate which he founded in 2004. He is also Chairman of the Board of HR Owen and Cardiff City Football Club. Prior to this he was Chairman of ENRC, a FTSE 100 mining company. He joined the Board at the IPO of the company. Previously he was a member of the Board of Directors at Commerzbank AG where he founded and led Commerzbank Securities, the investment banking arm of the group. Mehmet has over 20 years of global corporate, investment and banking experience and a lifelong passion investing in collectable cars.

Mr Mark Truman

Mark Truman is Portfolio Manager at WMG Advisors LLP and has over 25 years' experience within the international investment banking industry, starting his career at Merrill Lynch. Following this, Mark moved to Jefferies International Limited, later becoming Managing Director and head of international Convertible Bonds Sales and Trading. During that time he has pursued his interest in collectable cars which began in the late 1980s. He has since owned many collectable and limited edition performance cars and build up his own collection of Ferraris and Mercedes.

Mr Richard Hawken

Richard Hawken joins WMG from both an investment banking and automotive motorsport background. Richard spent 19 years on the trading floor as a Pan European Equity Salesperson in the City of London, including working alongside WMG founder Mehmet Dalman at Commerzbank. During that time, Richard often assisted and advised Mehmet on his personal classic and exotic car collection. As well as investment banking, Richard also races professionally claiming no less than 3 championship titles in prestigious European Touring Car and GT championships. In 2015 he raced as a manufacturer driver for Nissan/Infiniti in the British Touring Car Championship (BTCC). Richard holds a current FIA/MSA International level racing licence and has been collecting classic cars since the mid 1990's. Having studied Business and Economics, WMG allows Richard to combine his two passions. As well as the WMG Collectable Car Fund, Richard also works for Mercedes-Benz.

Mr Jeffrey Dalman

Jeffrey Dalman is Portfolio Manager at WMG Advisors LLP which he joined in 2012, focusing on real estate and alternative investments. In doing so, Jeffrey has a detailed knowledge of the collectable car market, conducting research, investment appraisals and financial models. Jeffrey also has considerable experience in the buying and selling of collectable cars. Prior to joining WMG Advisors LLP, he completed his BSc (Hons) and subsequent MSc (Hons) in Asia Pacific Business from Royal Holloway University in London.

Mr Pieter van Leuven

Pieter van Leuven is Chief Executive Officer at WMG Advisors LLP. He joined the firm at its founding stages in 2004 and has managed the creation of numerous projects and investment funds for the firm. Prior to joining WMG Advisors LLP, Pieter was an investment banker with Dresdner Kleinwort and Wasserstein Perella, where he advised on M&A and capital markets financing transactions. Pieter has a degree in financial economic management from Tilburg University in the Netherlands. Pieter is also a Director of WMG General Partner S.à r.l., the General Partner and AIFM of the Fund.

3.2. Independent Advisers

The WMG Team will be assisted by independent advisers (the “**Independent Advisers**”) that bring together many years of experience in investment appraisal and management, collectable car investments and the luxury goods markets. The Independent Advisers will provide high-level advice to the WMG Team on matters relating to acquisitions and disposals of portfolio assets.

The following individuals will act as independent advisers to the Fund.

Mr Charles Samen

Charles Samen founded Pembroke Capital Advisors in March 2005. Prior to this, Charles established a Corporate and Emerging Market credit advisory venture using Cantor Fitzgerald’s platform. Charles was also head of Institutional Emerging Markets and M.E FI sales at Paribas and Bank of America for many years. Following a training programme at Merrill Lynch, New York, he moved to their Bahrain office in an advisory role to GCC high net worth individuals. He relocated to London to manage a significant portfolio of European and US equities for a family office in 1986. Charles has considerable experience in the collectable car market, having been an active investor and enthusiast.

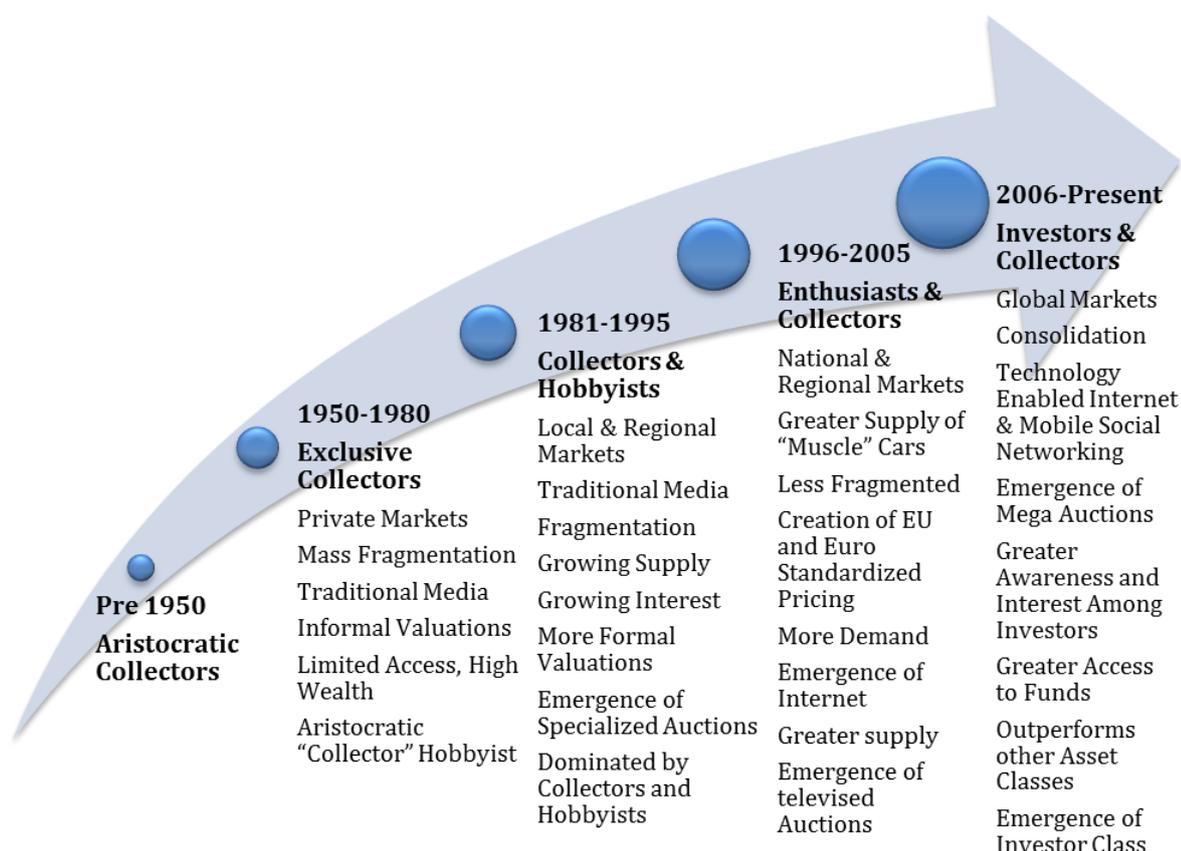
Mr Eric Deardorff

Eric Deardorff has considerable experience in the luxury brand sector. Previously CEO of Garrard, the oldest jeweller in the world, founded in 1735, his client list includes royal families, aristocrats, actors and ultra-wealthy individuals. Previously, he was a consultant at the Boston Consulting Group and a senior executive at AIG for over six years. Eric understands value creation by combining finance and luxury goods in an environment where global wealth has grown at a fast pace. Eric has a BSc (Hons) from Ohio State University and an MBA from Stanford.

4. Market Overview

Classic and historic automobiles are an asset class in their own right and have been increasingly seen as an alternative investment. According to Knight Frank's Luxury Investment Index, alternative or "passion" investments such as fine art, antiques, collectable cars and fine wine have outstripped the FTSE100 in the last decade (2015, Knight Frank). As a result of the rise of this asset class, financing and leverage has become increasingly competitive and easier to obtain than most traditional asset classes.

Development of collectable cars as an alternative asset class¹



WMG believes that the attractiveness of this asset class will remain, typically due to:

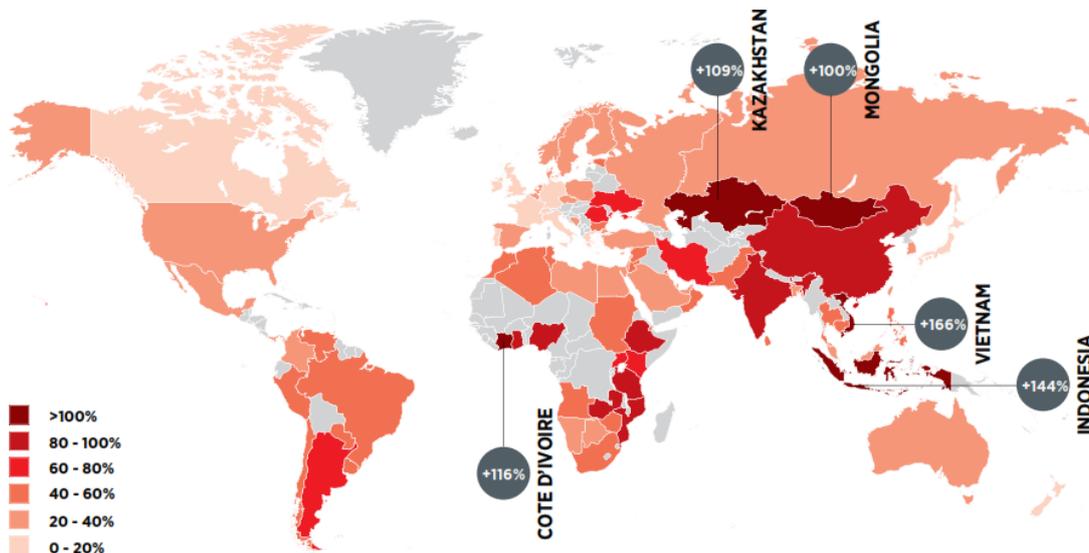
- Increasingly limited supply of collectable cars
- Increasing number of new "collectors" in the collectable car market
- Increasing demand for collectable cars from developing economies such as China
- Increasing regulation and associated costs in other alternative asset classes
- Lack of detailed financial analysis around the sector, preventing institutional investors from investing
- Increasing role of collectable cars as a lifestyle choice
- Collectable cars being a tangible investment, which is increasingly sought after following the financial crisis

¹ Alternative asset class investments: the case for classic cars, Mische & Spizzirri, 2014

Globally, rare and collectable car values have remained relatively immune to market volatility. Classic cars can be viewed as operating independently from other investment assets due to their uncorrelated characteristics. As wealth levels steadily increase, interest in all forms of “passion investments” has also revived. Passion assets such as collectable cars have outperformed the global stock market between the start of 2005 and the middle of 2013 (Coutts, 2014) and as the global economy starts to recover, WMG is seeing a continuation of this trend.

Long term demand for luxury cars has continued to grow, especially from emerging economies in Asia-Pacific, Russia, and the Middle East.

Fastest-growing UHNWI populations by country²



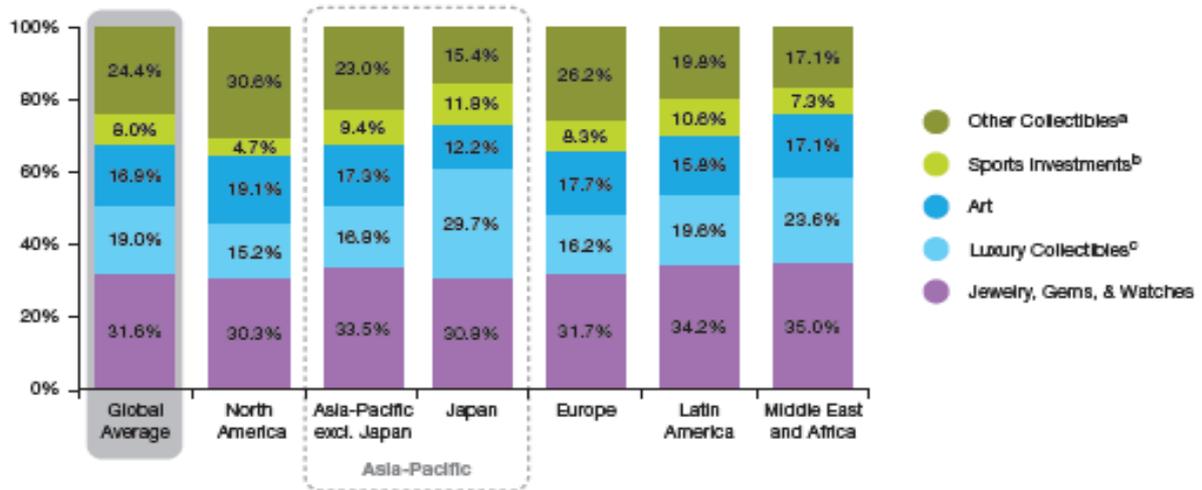
Furthermore, research shows that new entrants to the classic car market and therefore the pool of classic cars are unlikely to increase due to:

- Increased safety regulations and standards, thus changing the production of today’s cars compared to when classic cars were produced
- Technological developments which have impacted the design, mechanics and features of modern cars, which consumers now expect in the production of all vehicles
- Relatively high service costs
- Increasing prices of collectable cars, encouraging collectors to keep their cars private, further enhancing the supply/demand investment appeal

As the main consumers of collectable cars, high net worth individuals (“**HNWIs**”) play a leading role in determining market direction for this type of asset. The number of HNWIs is growing across the globe, fuelled by the global recovery in the equities and real estate markets, the invested wealth of the world’s HNWIs grew by 10% to reach a record high of \$46.2 trillion in 2012 (World Wealth Report, 2013, Capgemini). This has led to an increase in the level of demand for luxury goods - particularly high-performance cars. We are also seeing a fall in the average age of HNWIs globally. In China, the average millionaire is aged 39 years old. In the Middle East, more than half the population is estimated to be below 25 and 21% of the HNWI population is below 45 years old.

² Knight Frank, The Wealth Report 2014

HNWI Allocations to investments of passion, Q1 2013 (World Wealth Report, 2013, Capgemini)



5. Investment Overview, Criteria and Process

Investment Strategy

The Fund's strategy is to acquire collectable cars – which include rare, high-performance, vintage, classic and post classic, modern and race cars, for the purpose of capital appreciation.

The Fund will seek to maximise capital appreciation by investing, actively managing and selectively rebalancing a portfolio of automobiles; focusing in three main areas:

1. **Blue Chip Assets:** The Fund will seek to acquire blue chip assets with a view of holding for the life of the Fund. In this way, WMG will aim to maximise the full upside potential of the vehicle. Typically these vehicles are high in value (£1,000,000+), have driver specific history, fully documented ownership, using services such as *Ferrari Classiche*, and service history, track history or famous ownership.
2. **Arbitrage:** The Fund may seek to purchase cars that WMG determines are being sold at the wrong price for the market at any given time. The Fund would then look to release the asset back into the market place for its full and correct value. This would usually constitute a short-term transaction.
3. **Restoration:** The Fund will also undertake projects of automobile restoration. Classic cars that may have been victorious in historical racing events or used in iconic films and that need restoration work to reach their true value as a collectors' piece, will be incorporated into the portfolio where there is a significant margin to be captured.

5.1. Investment criteria

WMG will employ a clearly defined set of criteria in selecting investments. Certain key criteria for selecting potential purchases are set out below.

- **Condition:** The condition of the cars is very important and the Fund will seek to purchase cars which are in exceptional condition. In certain instances, cars in poor condition will also be sought after, in preference to mediocre ones, not solely due to their lower purchase price, but also that the cost of restoration is only marginally different.
- **Provenance:** The background of the vehicle, chronology of ownership (including, but not limited to celebrity ownership and being part of notable collections) is a contributing factor to a vehicle's value.
- **Eligibility for Events:** A vehicle's history, in particular race history, and FIA (*Fédération Internationale de l'Automobile*) status is another contributing factor the vehicle's value and therefore the history of the potential vehicle will be fully researched.
- **Rarity:** Build models of the particular model and variant (coupe, spider, etc.) as well as the build number of its successor and predecessor have a profound effect on a vehicle's value.
- **First / Last of its kind:** Whether a vehicle is the first batch or the last batch of a particular series (e.g. Jaguar E-type Series 1 1961 v Jaguar E-type Series 3 1971) can make a notable difference in the vehicle's value.
- **Values:** Values of certain models, especially in relation to others within the same model series or in relation to their successors/predecessors.
- **Market indicators:** Market indicators, typically taken from auction results, are a key indicator as to the future value of a car. By analysing the prices achieved of certain models within a set timeframe, price movements/patterns can be identified.

5.2. Investment process

The Fund will seek to achieve its Investment Objective by following a defined investment process, ranging from identification and acquisition of vehicles, through to the holding period, storage, maintenance and restoration, promotion/attracting purchasers and finally the chosen sales methods.

The investable universe will include post vintage (1931-1945), classic (1946-1964), post classic (1965-1974) and more recent rare and high-performance cars. Cars from the investable universe are selected according to the investment criteria outlined in Section 5.1–Investment Criteria. The WMG Team has the experience and network to identify opportunities for acquisition and will regularly consult with the Independent Advisers on opportunities, market developments and high level advice in relation to the Fund’s portfolio.

The Fund will tend to acquire vehicles predominantly through auction houses, dealers and private collections.

Once acquired, vehicles will be held for capital appreciation and will be maintained, insured and stored in secured and appropriate facilities according to the manufacturers’ recommendations and insurance requirements. WMG expects to maintain the cars in perfect condition and working order (in accordance with the relevant manufacturer’s schedule).

Meanwhile every effort will be made to ensure the optimal promotion of the cars through exhibitions, luxury showrooms, motoring magazines and specialist dealers.

Sales of the Fund’s investments will be achieved mainly through placing vehicles with auction houses and specialist dealers in order to achieve best possible value and returns for the Fund. Private sales and specialist platforms such as Pinkwater Select and James Edition may also be used.

5.3. Leverage

WMG will aim to employ leverage with a view to enhancing the Fund’s performance. Total leverage will not exceed a maximum of 3x Commitments to the Fund, and may be lower, at WMG’s discretion. No restrictions will be imposed on the circumstances in which the Fund may employ leverage, subject to applicable regulatory considerations. WMG will only use leverage where it reasonably believes that it will enhance the performance of the Fund, whilst being reasonable in the context of the Fund’s investment programme. Leverage and the level of leverage will always be reviewed on an investment-by-investment basis, and will depend on the commercial availability and pricing of leverage and also be subject to suitability for the car type and investment proposal.

While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment could be magnified to the extent leverage is utilised and may result in a substantial loss to the Fund. Further details of risks associated with leverage are described in Section 6–Risk Factors.

6. Risk Factors

An investment in the Fund involves a high degree of risk. There can be no assurance that the Fund's Investment Objectives will be achieved, that targeted returns will be achieved, or that there will be any return on capital. The risks described in this Section should not be considered to be an exhaustive list of the risks which prospective investors should consider before investing in the Fund. Prospective investors should be aware that an investment in the Fund may be exposed to other risks of an exceptional nature from time to time. In addition, there will be occasions when WMG and/or its affiliates may encounter potential conflicts of interest in connection with the Fund, including but not limited to those which are discussed in Section 8—Potential Conflicts of Interest. The following considerations are among those that should be carefully evaluated before making an investment in the Fund.

6.1. Nature of Investment in the Fund

- Investment results may vary substantially over time, and there can be no assurance that the Fund will achieve any particular rate of return.
- The Fund is likely to be committing funds to investments of a medium/long-term and illiquid nature and such investments are likely to involve a high degree of risk. Limited Partners may not receive back the amount they invest.
- Limited Partners will have no opportunity to control the day-to-day operations of the Fund (which include investment and disposal decisions). In order to maintain their limited liability status with respect to the liabilities and obligations of the Fund, Limited Partners must rely entirely on WMG to conduct and manage the affairs of the Fund.
- If Limited Partners fail to advance their Commitments when required to do so under the Limited Partnership Agreement, the Fund's ability to complete its investment programme or otherwise to continue operations may be substantially impaired. A default by a substantial number of Limited Partners or by one or more Limited Partners who have made substantial Commitments would limit opportunities for investment diversification and would be likely to reduce the Fund's returns. In addition, if a Limited Partner fails to advance its Commitment when required to do so, and the advances of the Commitments of other Limited Partners, if any, are inadequate to cover the defaulted advance, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially adversely affect the returns to the non-defaulting Limited Partners. In part to mitigate this risk, a defaulting Limited Partner will be subject to customary default provisions under the Limited Partnership Agreement, including the potential forfeiture of a portion of such Limited Partner's Interest.
- The Limited Partners are anticipated to be of a diverse nature, including taxable and tax-exempt persons and entities from around the world. Such Limited Partners may have conflicting investment, tax and other interests with respect to their investment in the Fund, and as a consequence, conflicts of interest may arise in connection with decisions made by WMG that may be more beneficial to one Limited Partner than for another. This is especially the case in respect of a Limited Partner's particular tax position. In assessing and structuring investments, WMG and the Fund will consider the investment and tax objectives of the Fund as a whole, rather than those of any particular Limited Partner or group of Limited Partners.
- When reviewing the historical performance data in this Memorandum, prospective investors should bear in mind that past performance is not indicative of future performance.
- The success of the Fund will be highly dependent on the expertise and performance of WMG and its teams and investment professionals. There can be no assurance that these individuals will continue to be associated with WMG throughout the life of the Fund. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Fund. In addition, although members of the WMG Team will commit a significant amount of their business efforts to the Fund, they are not required to devote all of their business time to the Fund's affairs. They will continue to be involved with WMG's other business activities, which may include advising on or managing investments for other funds and managed accounts sponsored, managed and/or advised by members of WMG.
- Absent a direct contractual relationship between the Limited Partners and the Investment Adviser or the Administrator, Limited Partners have no direct rights against the Investment Adviser or the Administrator and

there are only limited circumstances in which a Limited Partner may potentially bring a claim against the Investment Adviser or the Administrator.

6.2. Nature of Investments

- The Fund will be subject to the general risks associated with the ownership of collectable cars. Such risks include changes in the market, changes in demand, changes in tax rates, the ability to control associated expenditure and the potential illiquidity of investments (particularly in times of economic downturn). The value of the Fund's portfolio will therefore depend on many factors beyond the control of the Fund and there is no assurance that there will be either a ready market for any of the investments of the Fund or that such investments will be sold at a profit.
- The Fund will assume all of the ownership risks attached to each investment including third party liability risks.
- Collectable cars are difficult to value and valuations are, to a certain extent, based upon the subjective approach taken by the valuer appointed by the asset owner. Consequently, valuations can be uncertain and there is no assurance that estimates resulting from the valuation process will reflect the actual sale price even when a sale occurs shortly after a valuation date. The value of the Fund's investments and consequently the value of a Limited Partner's Interest can go down as well as up. Valuations are not guarantees of realisable price, do not necessarily represent the price at which an investment may be sold and the value of the investments may be materially affected by a number of factors outside the control of the Fund, including, financial condition of the investments and physical matters arising from the state of repair and condition of the investment.
- All investments owned by the Fund will be valued in accordance with the Fund's valuation policy. A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of WMG.
- The investments owned by the Fund are by their nature illiquid and it may be difficult to dispose of certain assets towards the end of the Fund's lifetime. It may prove necessary to dispose of certain investments at values which WMG considers to be reasonable given the situation, but which represent discounts to book valuations, in order to manage an orderly winding up of the Fund.
- The Fund intends to undertake refurbishment of some or all of the collectable cars it acquires. Where it does so, it will be dependent on the performance of third party contractors and sub-contractors and may be exposed to the risks that a project will not be completed within budget, within the agreed timeframe and/or to the agreed specifications. Whilst WMG will seek to mitigate the Fund's exposure by negotiating appropriate contracts, including appropriate warranty protection, any failure on the part of a contractor to perform its obligations could adversely impact the value of the Fund's investments and, in turn, the Fund's performance.
- WMG may use high-profile events and/or dealers in order to showcase the investments to enhance saleability/value in preparation for sale. There is a possibility that the investments could be damaged when being transported to and from these events/dealers. Furthermore, prospective investors should be aware that the investments will be exposed to the risks of damage at these events/dealers. Whilst WMG will seek to mitigate this, any damage as a result of attending these events could adversely impact the value of the investments and, in turn, the Fund's performance.
- Where investments have been purchased, it will be necessary to transport these investments to the Fund's preferred storage location. The Fund's investments may be lost or damaged in transit. Although these investments in transit are insured at replacement cost (subject to policy terms and conditions), in the event of any claims against such insurance policies, there can be no guarantee that any losses and/or costs will be reimbursed or that the investments can be replaced on a like-for-like basis.
- The Fund's investments will be kept according to the standards commonly expected when storing collectable cars. However, prospective investors should be aware that the investments may be damaged by causes beyond the Fund's reasonable control. Although the investments will be insured at replacement cost (subject to policy terms and conditions), in the event of any claims against such insurance policies, there can be no guarantee that any losses and/or costs will be reimbursed or that the investments can be replaced on a like-for-like basis.

- Insurance of the Fund's investments may not cover all losses. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war that may be uninsurable or not economically insurable. Inflation, environmental considerations and other factors, including terrorism or acts of war, also might make insurance proceeds insufficient to repair or replace an asset if it is damaged or destroyed. Under such circumstances, the insurance proceeds received might not be adequate to restore the Fund's economic position with respect to the affected assets. Any uninsured loss could result in both loss of cash flow from and the value of the affected asset.
- Moods, opinions and rumours can cause significant declines in market prices, although the condition and provenance of a vehicle in which an investment has been made may not have changed or even improved. A psychological market risk has a particular effect on collectable cars and the investments may be adversely affected by global or local economic, political, environmental or other factors beyond the control of WMG or the Fund.

6.3. Sourcing of Investments

- The success of the Fund depends on the ability of WMG to locate, select, acquire and realise appropriate investments. There is no guarantee that suitable investments can or will be acquired nor that investments will be successful.
- WMG may be unable to find a sufficient number of attractive opportunities to meet the Fund's Investment Objectives. There is no guarantee that the Fund will be able to achieve full investment during the Investment Period and, accordingly, the Fund may only make a limited number of investments. If a limited number of investments are made, poor performance of a small number of investments could significantly affect returns to Limited Partners.
- The Fund will face competition in seeking to make investments from private individuals, dealers and, potentially, other investment funds.

6.4. Illiquidity of Investment

- An investment in the Fund requires a long-term commitment with no certainty of return. No market exists for the Interests and none is expected to develop.
- Interests may not be sold, assigned or transferred without the prior consent of WMG and, in certain circumstances, such consent may be refused.
- A Limited Partner will normally be unable to withdraw on notice from its investment in the Fund prior to the termination of the Fund. It may, therefore, be difficult for Limited Partners to deal in their Interests or to obtain external information as to the value of Interests or the degree of risk to which such Interests are exposed. Investments in collectable cars can be difficult to realise at certain times and it may not be possible to establish the current value of such investments at any particular time.

6.5. Other risks

WMG

The Fund has not commenced operations and WMG has no operating history in the collectable car sector upon which prospective investors may evaluate its performance. Although the WMG Team has prior experience, both together and separately, relating to the acquisition of collectable cars similar to those to be acquired by the Fund pursuant to its Investment Objectives, neither WMG nor the Fund has any operating history in the collectable car sector or any basis upon which an evaluation of the Fund's prospects can be made.

AIFMD

The AIFMD was transposed into Luxembourg law and United Kingdom law on 12 July 2013 and 22 July 2013, respectively, and is not yet transposed in all Member States of the European Union. The AIFMD regulates managers of alternative investment funds based in a Member State of the European Union and generally prohibits such alternative investment fund managers from managing any alternative investment fund which is domiciled in a Member State of the European Union unless authorisation is granted to the alternative investment fund manager. The AIFMD imposes new regulatory obligations on authorised managers of alternative investment funds in respect of their activities and the alternative investment funds that they manage. The AIFMD also regulates, and imposes new regulatory obligations in

respect of, the marketing in the Member States of the European Union by managers of alternative investment funds (whether established in a Member State of the European Union or elsewhere). As a consequence of the enactment of the AIFMD, the Fund will face additional costs arising from the compliance with the requirements set out in the AIFMD (as transposed into national law) and further regulation which may be implemented by competent authorities on national and European Union level.

UK Secession from the European Union

- On 23 June 2016, the United Kingdom held a referendum on the question, "should the United Kingdom remain a member of the European Union or leave the European Union?" On 24 June 2016, it was announced that a majority of the people who voted in the referendum had voted to leave the European Union. During the period preceding the referendum, the possibility that the United Kingdom would vote in favour of leaving the European Union, commonly known as "Brexit", resulted in uncertainty among investors and capital markets. This uncertainty continues and while the long-term economic effects of "Brexit" on the United Kingdom may or may not be positive, it is nevertheless likely that a period of significant political, regulatory and commercial uncertainty will result, potentially impairing the Fund's medium term profitability. This vote in favour of leaving the European Union may also result in a further referendum on whether Scotland should leave the United Kingdom, with unknown consequences.

Tax and Regulatory Considerations

- An investment in the Fund involves complex tax considerations which may differ for each Limited Partner, and each prospective investor is advised to consult its own tax advisers.
- Governmental authorities actively involve themselves in the creation and enforcement of regulations relating to taxation and other matters. Such regulations and their enforcements could have the effect of increasing the Fund's expenses and lowering its returns as well as adversely affecting the value of the Fund's investments.
- Any tax legislation and its interpretation, and the legal and regulatory regimes which apply in relation to an investment in the Fund may change during the life of the Fund. Accounting practice may also change, which may affect, in particular, the manner in which the Fund's investments are valued and/or the way in which income or capital gains are recognised and/or allocated by the Fund.
- WMG believes it unlikely that there will be a material change to Luxembourg's or the UK's income taxation policy generally. However, it should be noted that the UK's taxation policy in respect of non-domiciled individuals is currently being reviewed.
- Any change in taxation legislation or practice could affect the value of the investments held by and the performance of the Fund. The information set out in relation to the UK taxation treatment of the Fund in Section 10—Certain Tax and Regulatory Matters is based on current law and practice which is subject to change. The income (if any) and gains of the Fund from its investments may suffer withholding tax that may not be reclaimable in the countries where such income and gains arise.
- The Fund is subject to certain regulations imposed by regulators in multiple jurisdictions, including the US Foreign Account Tax Compliance Act, as codified in sections 1471-1474 of the Code and any US Treasury Regulations, rules or other guidance issued thereunder (including after the date hereof) and the terms of any intergovernmental agreement, and any implementing legislation or rules and any similar laws, including similar laws passed by a foreign government (collectively, "FATCA"). Very generally, FATCA requires reporting to the IRS of certain non-US financial institutions that do not comply with FATCA and certain US persons' direct and indirect ownership of non-US accounts and non-US entities. Failure to provide the requested information or to otherwise comply with the requirements of FATCA may lead to a 30% withholding tax applying to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends. This withholding tax is generally effective, although withholding on gross proceeds will not begin before 1 January 2017. The Fund is also subject to Luxembourg laws and regulations implementing the European Union Directive on Administrative Cooperation in the Field of Taxation 2011/16/EU, which introduces a new and enhanced standard of automatic information (based on the OECD's Common Reporting Standards): guidance on this is set out under the heading "Savings Directive and Common Reporting Standards" in Section 10—Certain Tax and Regulatory Matters.

Leverage

- The Fund may use leverage to magnify the effects of its investments. Leverage presents the potential for significant increases in returns but also entail a high degree of risk including the risk of substantial loss. There can

be no guarantee that the Fund will be able to access leverage on terms that are acceptable, or at all. In addition, any leverage that is obtained, if terminated by the lender or before the investment is sold, could result in the Fund being forced to sell that investment quickly at a price below that which might have been achieved in a more orderly sale process.

- While the Fund's use of leverage presents opportunities for enhancing investor returns, it also results in certain additional risks which can increase the loss to investors. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent leverage is employed. In the event of a drop in the value of the Fund's investments, the Fund might not be able to liquidate assets quickly enough to pay off its debt and substantial losses may result from attempting to do so. In addition, in connection with the use of leverage, the Fund may pledge, mortgage, assign, transfer and/or grant a security interest in and to (a) all investments and proceeds thereof, including, without limitation, unfunded Commitments; (b) the Fund's right to draw down Commitments from the Limited Partners; (c) the capital contributions made to the Fund; (d) the Fund's right to enforce the funding of Commitments under the Fund's governing documents and under each Limited Partner's Subscription Agreement; (e) any Fund collateral account into which the payment by the Limited Partners of their unfunded Commitments are to be made, and (f) the Fund's interests in the Investments. The Fund's performance will be affected if the Fund is unable to obtain leverage.

Currency

- The assets of the Fund are denominated in sterling and investments of the Fund may be denominated in currencies other than sterling. Accordingly, the value of such investments may be affected favourably or unfavourably by fluctuations in currency rates. The Fund may be exposed to the risk of currency fluctuations and the volatility of returns and potential losses which may result from such currency exposure.

7. Summary of Terms

The following is a summary only of certain terms of, and is qualified in its entirety by reference to, the Limited Partnership Agreement and the subscription agreements relating to the purchase of Interests (the “**Subscription Agreements**” and, together with the Limited Partnership Agreement, the “**Agreements**”). The forms of the Agreements will be separately furnished to prospective investors and their advisers prior to the acceptance of any subscription. The Agreements should be reviewed carefully. If the terms described in this Memorandum are inconsistent with or contrary to the terms of the Agreements, the Agreements will prevail.

Fund Structure and Management	<p>The Partnership will be structured as a Luxembourg <i>société en commandite spéciale</i> (special limited partnership). The Partnership’s general partner will be WMG General Partner S.à r.l., a Luxembourg <i>société à responsabilité limitée</i> (private limited company) (the “General Partner”).</p> <p>The Partnership will be managed by the General Partner for the purposes of AIFMD. WMG Advisors LLP (the “Investment Adviser” and, together with the General Partner, “WMG”) shall be appointed by the General Partner as its investment adviser. Additional parallel vehicles may be established as required for legal, regulatory or tax reasons (together with the Partnership, the “Fund”).</p> <p>The General Partner shall be responsible for all the activities required to be performed by an alternative investment fund manager pursuant to AIFMD (as transposed into Luxembourg law on 12 July 2013), including, without limitation, risk management and portfolio management.</p>
Size of the Fund	<p>The Fund is seeking up to £50 million of capital commitments (“Commitments”) from third party investors (“Investors”), in exchange for limited partner interests in the Fund. The General Partner reserves the right to hold a final closing of the Fund with Commitments of less than £50 million.</p>
Minimum Commitment	<p>Commitments to the Fund will be made by subscription for limited partner interests in the Fund. The minimum Commitment will be £100,000, or such lesser amount as the General Partner may determine.</p>
WMG Commitment	<p>By the Final Closing Date (as defined below), the General Partner, the Investment Adviser, their affiliates, members of the Investment Adviser and/or the Key Executive will, directly or indirectly and in cash or in kind, commit to the Fund an amount equal to 10% of the total Commitments subscribed by Investors, up to a maximum of £1 million (the “WMG Commitment”).</p> <p>The WMG Commitment will not bear the General Partner’s Share or the carried interest.</p>
Investment Objective	<p>The Fund’s investment objective is to seek capital returns through investments in collectable cars (being rare, high-performance, vintage, classic and post classic, modern and race cars) where potential exists for the Fund to benefit from capital appreciation.</p>
Anticipated Portfolio Concentration	<p>Depending on the amount of the Fund’s aggregate Commitments:</p> <ol style="list-style-type: none"> the Fund’s portfolio is expected to comprise approximately 10 to 15 collectable cars; and the investment size per collectable car is expected to be approximately £100,000 - £2.5 million. <p>Without the approval of investors representing a majority of Commitments to the Fund (“Investors’ Ordinary Consent”), no more than 25% of the Fund’s aggregate Commitments may be invested in a single collectable car.</p>
Currency	<p>The base currency of the Fund is sterling.</p>

Closings	<p>The Fund will hold an initial closing as soon as reasonably practicable (the date of such closing being the “First Closing Date”). Subsequent closings may be held on dates to be determined by the General Partner. The final closing of the Fund shall be held no later than 12 months following the First Closing Date, unless otherwise agreed by the Investors (the date of such final closing being the “Final Closing Date”).</p>
Investment Period	<p>The Fund’s investment period (the “Investment Period”) will be the period commencing on the First Closing Date and ending on the second anniversary of the Final Closing Date, subject to earlier termination upon the occurrence of certain events described in the Partnership’s limited partnership agreement (the “Limited Partnership Agreement”).</p>
Fund Term	<p>The Fund will terminate three years from the Final Closing Date, but may be extended, by up to two consecutive one-year periods, in each case at the election of the General Partner.</p>
Commitments and Drawdowns	<p>Commitments will be drawn down on the admission of an Investor and, during the Investment Period, the General Partner may draw down Commitments as required for all purposes of the Fund.</p> <p>Following the end of the Investment Period, Commitments may only be drawn:</p> <ol style="list-style-type: none">1. to complete contracts entered into prior to the expiry of the Investment Period;2. to pay expenses and liabilities of the Fund, including the General Partner’s Share; and3. to make payments in respect of indemnities provided by the Fund. <p>The General Partner will provide a drawdown notice in respect of each Commitment to be advanced by an Investor, with at least 10 business days’ prior notice.</p>
Equalisation Terms for Subsequent Investors	<p>An Investor subscribing for a limited partner interest at a subsequent closing (a “Subsequent Investor”) will be treated as if it had been admitted to the Fund on the First Closing Date and will participate <i>pro rata</i> to its Commitment in fees and expenses incurred by the Fund before its admission. A Subsequent Investor will not:</p> <ol style="list-style-type: none">1. participate in an investment made before its admission to the Fund to the extent such investment has already been realised and the proceeds from such investment distributed; or2. have any right to share in any income paid in cash in respect of an investment prior to the date of its admission to the Fund. <p>On its admission to the Fund, a Subsequent Investor will pay to the Fund the amount of its Commitment which would have been drawn down had it been an Investor as from the First Closing Date (other than in respect of investments already realised where the realisation proceeds have been distributed). No interest is payable on such sums, provided that the General Partner may require the Subsequent Investor to pay an additional amount based on the increase in the value of the investments. Amounts so paid shall be distributed to previously admitted Investors and a proportion of such amounts will increase such Investors’ unfunded Commitments and will be subject to recall.</p>
Defaulting Investors	<p>To the extent that an Investor fails to advance the amount specified in a drawdown notice on the date specified (a “Defaulting Investor”), the amount outstanding from such Defaulting Investor shall bear interest at the rate of LIBOR plus 8% for the period until the outstanding amount and interest thereon has been paid.</p> <p>In the event that the Defaulting Investor has not cured the default within 30 days’ notice from the General Partner requiring it to do so, the General Partner shall have the right:</p> <ol style="list-style-type: none">1. to forfeit the capital contribution of the Defaulting Investor, in which case the rights of such Defaulting Investor shall be limited to the right, on termination of the Fund, to payment (after all other Investors have received payment of their capital contributions and the Preferred Return (as defined below), and WMG or an affiliate has received its catch-up) of the lesser of the amounts it has advanced to the Fund and the fair market value of its interest at the time of the default; or2. to act as selling agent, and the Defaulting Investor’s appointed attorney, in disposing

of the interest of the Defaulting Investor to a third party at such reasonable price agreed between the General Partner (acting in good faith) and the relevant third party.

The availability of the remedies set out above is without prejudice to any other legal or equitable remedies the General Partner may have in respect of any default under the terms of the Limited Partnership Agreement.

Leverage and Borrowing

The General Partner intends to employ leverage on a maximum of a 3:1 basis to enhance returns, subject to commercial availability and regulatory constraints.

In addition, the Fund, either directly or indirectly through a special purpose vehicle, may also borrow funds for bridging, working capital or liquidity purposes; provided that:

1. any such borrowings of the Fund shall be made on a short term basis (being less than 12 months); and
2. aggregate of such borrowings made, and guarantees provided in respect of such borrowings, by the Fund shall not at any time exceed the lesser of (i) 20% of total Commitments, or (ii) the aggregate amount of undrawn Commitments.

The Fund may secure any borrowings, guarantees, indemnities, covenants and undertakings by mortgage, charge, pledge or assignment of or security interest in all or any part of the Fund's assets, including Investors' undrawn Commitments and the right to draw down such undrawn Commitments.

Organisational Expenses

The Fund shall be responsible for all legal, accounting, filing and other organisation and offering expenses incurred in the formation of the Fund and the offering of interests in the Fund (other than the fees of any Placement Agent(s)).

Ongoing Expenses

The Fund will pay all ongoing expenses identified in the Limited Partnership Agreement, including, *inter alia*, external costs incurred in the identification, consummation and disposal of investments, abort costs, borrowing costs, legal and regulatory fees, directors' fees, administration, custodian, valuation, accounting and audit fees, commissions, auction fees, vehicle registration fees and storage, maintenance, travel, transportation and insurance costs, together with applicable taxes on such amounts.

The Fund will not be responsible for any overheads of the General Partner and/or the general partner of any parallel vehicle or the Investment Adviser.

General Partner's Share

Commencing on the First Closing Date, quarterly in advance, the General Partner will receive a priority profit share equal to 2% per annum of the value of aggregate Commitments (the "**General Partner's Share**"). At the end of the Investment Period, the General Partner's Share will reduce to 2% per annum of the equity funded portion of those investments which have not been realised, based on the latest reported value.

The Fund may pay the General Partner's Share from drawdowns from the Investors.

Distributions

Subject to the ability of the Fund to reinvest amounts or recall sums from Investors, net distributable cash (after payment of the Fund's fees and expenses and the General Partner's Share) will be distributed as follows:

1. first, to Investors to repay any Commitments drawn down;
2. second, to Investors until they have received an amount equal to the Preferred Return;
3. third, to WMG or an affiliate until it has received an amount equal to 20% of all distributed profits; and
4. thereafter, 80% as to Investors and 20% as to WMG or an affiliate.

The "**Preferred Return**" means an amount equal to 8% per annum on the daily amount by which:

1. the aggregate cumulative amounts paid to the Fund by Investors; exceeds
2. the aggregate cumulative amount received or deemed to have been received by the Investors from the Fund.

Distribution Policy	<p>All amounts of capital proceeds arising from the realisation of investments will be paid at such intervals as the General Partner may determine. The General Partner does not expect the Fund to receive income proceeds.</p> <p>The General Partner does not intend to make distributions in kind.</p>
Re-investment	<p>Amounts distributed to Investors may be available to be re-drawn in the circumstances set out in the Limited Partnership Agreement, which include, <i>inter alia</i>, amounts referable to temporary investments (being those realised within 12 months of acquisition) and amounts drawn down to cover the fees and expenses of the Fund (including the General Partner's Share). Alternatively, the General Partner shall not be obliged to cause the Fund to distribute any amounts which, if distributed, would be available to be re-drawn as described above, and may instead hold such amounts back for re-investment.</p>
Other Investment Adviser advised funds	<p>The Investment Adviser shall be permitted to allow funds managed or advised by the Investment Adviser or its affiliates to invest in the Fund on a "no fee/no carry" basis at the Partnership level provided that such funds are charged fees by the Investment Adviser or its affiliates in respect of their investment in the Fund which are on terms not more favourable than those that apply to other Investors.</p>
Tax Distributions	<p>Notwithstanding the foregoing priority of distributions, the General Partner may, at its sole discretion, receive tax distributions from time to time in amounts not to exceed, when combined with all other distributions in respect of carried interest to WMG or an affiliate for the then-current taxable period, the actual taxes payable by the individual participants in the carried interest with respect to the net taxable income or gain allocated to such individual for the then current taxable period.</p>
Key Executive Event	<p>The "Key Executive" is Mehmet Dalman. Additional persons may be appointed as Key Executives from time to time.</p> <p>If, during the Investment Period, the Key Executive ceases to meet the Key Executive Test, this will constitute a "Key Executive Event".</p> <p>If the Key Executive Event occurs during the Investment Period, the Fund will automatically enter a suspension period during which no new investments may be made.</p> <p>The General Partner shall be entitled to propose a replacement Key Executive in respect of any Key Executive in relation to whom the Key Executive Event has occurred, who shall be approved as such with the approval of an Investors' Ordinary Consent. The appointment of a new Key Executive or Key Executives, as applicable, shall cause the suspension period to be lifted.</p> <p>In the event that the suspension period continues for longer than 12 months, the Investment Period shall terminate.</p> <p>"Key Executive Test" means in relation to the Key Executive, devoting a significant amount of his working time to the business of WMG.</p>
Removal of the General Partner for Cause	<p>The appointment of the General Partner may be terminated by vote of 66⅔% in interest of the Investors in the event that there is a determination that such termination is as a result of a cause event.</p> <p>In the event that cause is determined to have occurred, the appointment of the General Partner shall terminate and the General Partner shall not be entitled to any amounts of compensation for the loss of its office. In addition, neither WMG nor its affiliates shall be entitled to receive any further amounts of carried interest, but they shall not be required to return any amount of carried interest already allocated or distributed before the date of removal.</p>
Transfer of Interests	<p>An Investor may not sell, assign, transfer, exchange or otherwise dispose of its limited partner interest in the Fund except as permitted in the Limited Partnership Agreement and with the prior written consent of the General Partner, which shall not be unreasonably withheld or delayed.</p> <p>Further, an Investor may not withdraw from the Fund.</p>

Information and Reporting

The Fund will report to Investors semi-annually, addressing portfolio composition, asset and financial information.

The Fund will furnish audited financial statements to all Investors annually no later than four months after year-end (or as soon as practicable thereafter).

At the General Partner's sole discretion, the Fund may provide reports to the Investors electronically.

Valuation of Investments

The Fund's valuation process (as determined by the General Partner and the Investment Adviser) and policy can be summarised as follows:

- a. Market transactions - these may be from auction houses (including buyer's premium), private transactions and reputable dealers;
- b. Specialist Marques - valuations will be sought from marque specialists; and
- c. Index - when comparable sales cannot be sought, the Fund may obtain valuations from collectable car indexes.

Formal valuations (using the methodology set out above or other methods from time to time) will be prepared annually by an independent third-party with specialist knowledge of collectable cars.

Indemnities

No Indemnified Person (as defined below) will be liable to the Fund for damages arising from any action taken or omitted to be taken by such Indemnified Person, unless such damages result from such Indemnified Person's gross negligence, wilful misconduct, fraud, wilful or reckless disregard of its duties to the Fund or a material breach of the Limited Partnership Agreement.

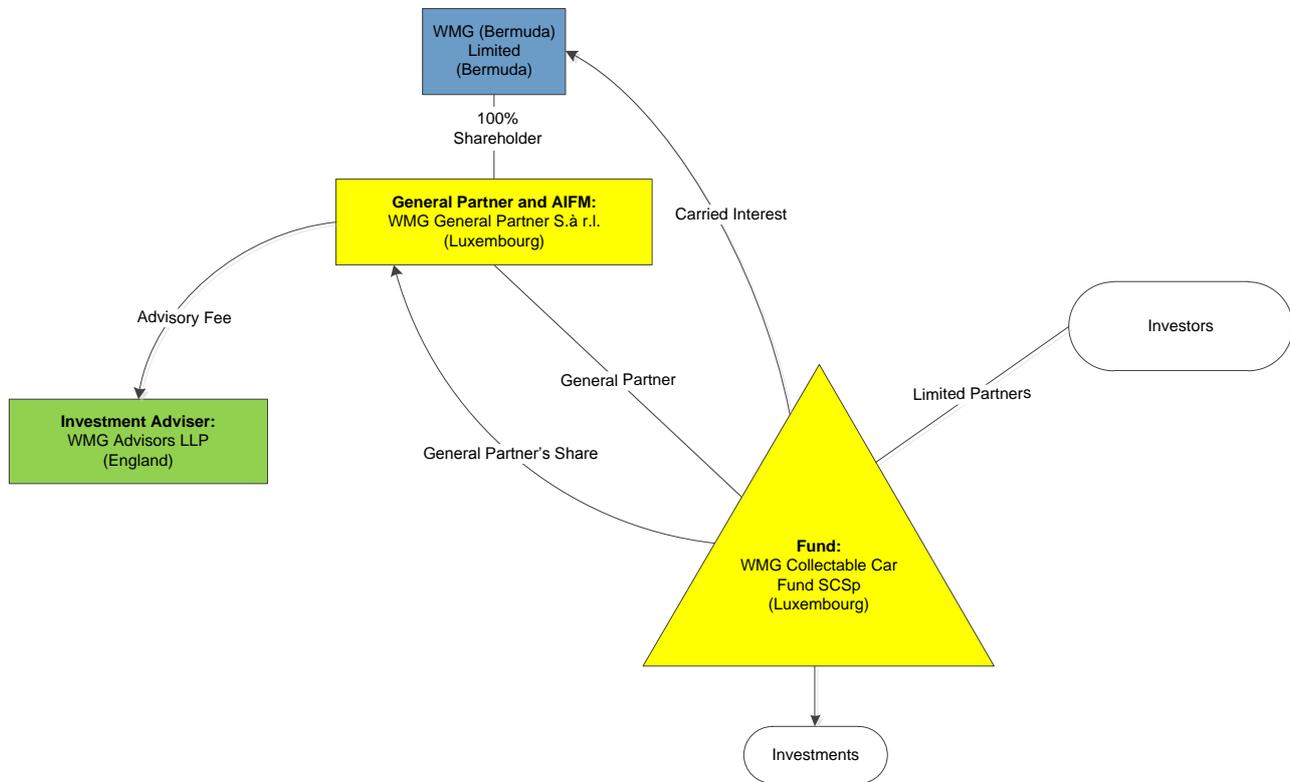
The Fund will indemnify each Indemnified Person for any losses, claims, damages or liabilities incurred by such Indemnified Person or to which such Indemnified Person may be subject by reason of its activities on behalf of the Fund or in furtherance of the interests of the Fund or otherwise arising out of or in connection with the Fund and/or its investments, unless such losses result from an Indemnified Person's gross negligence, wilful misconduct, fraud, wilful or reckless disregard of duties to the Fund or a material breach of the Limited Partnership Agreement.

“**Indemnified Person**” means the General Partner, the Investment Adviser and each of their respective affiliates, and each officer, director, partner, member, committee member, manager, employee, consultant and shareholder of the foregoing.

Investors may be obligated to return amounts distributed to them to fund the Fund's indemnity obligations, subject to certain limitations.

Structure of the Fund

The diagram below provides an overview of the different entities relating to the Fund.



8. Potential Conflicts of Interest

Conflicts in General

WMG and its affiliates may encounter potential conflicts of interest in connection with the Fund's interests, assets or activities. On any issue involving conflicts of interest, WMG will be guided by good faith judgment and, in the case of the Investment Adviser, compliance with its obligations under the rules of the FCA.

Except as otherwise expressly indicated, nothing contained herein will restrict the activities and operations of any fund or arrangement in relation to which WMG is or will be an investor, sponsor, manager or adviser.

Conflicting interests among Limited Partners

Limited Partners may include persons or entities organised in various jurisdictions which may have conflicting investment, tax and other interests with respect to their investment in the Interests. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments, the structuring of the acquisition of investments and the timing of the disposition of investments. Such structuring of investments may result in different after-tax returns being realised by different Limited Partners. As a consequence, conflicts of interest may arise in connection with decisions to be made by WMG, including, without limitation, with respect to the nature or structuring of investments that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to a Limited Partner's individual tax situation. In selecting and structuring investments, WMG will consider the investment and tax objectives of the Fund as a whole, not the investment, tax or other objectives of any Limited Partner individually.

Management time

Except as expressly prohibited under the Limited Partnership Agreement and any other contractual restriction, members of WMG are permitted (subject to applicable regulation) to market, organise, sponsor and/or act as general partner, manager, adviser of, or as the primary source for transactions for, third party accounts and other pooled investment vehicles ("**Other Accounts**"). Members of WMG may also engage in other investment and business activities. Such activities may raise conflicts of interest for which the resolution may not be currently determinable.

Related party transactions

Affiliates of WMG and the WMG Team may provide services to the Fund provided that such services shall be provided at market rates not exceeding the rate that would be payable if such services were provided by third parties on an arms'-length basis.

Carried interest

Because the percentage of the Fund's profits allocated to WMG in respect of its carried interest and capital contributions will exceed the capital contributions of WMG as a percentage of the aggregate capital contributions of the Fund, WMG may have an incentive to make investments that involve greater risk or speculation than would be the case in the absence of such performance-based compensation. In addition, due to the method of calculating the carried interest of WMG, the compensation of WMG may be affected by the timing of dispositions and other factors within the control of WMG.

Limited remedies against the General Partner

There can be no assurance that adequate remedies will be available to any Limited Partners if the General Partner fails to perform its duties, and the Limited Partnership Agreement does not afford the investors rights to remove the General Partner other than upon the happening of certain events as described in the Limited Partnership Agreement. The Limited Partnership Agreement includes provisions for exculpation and indemnification of WMG and its partners, shareholders, members, directors, officers, employees, agents and affiliates of each of them and any other person who serves at the request of the General Partner. Therefore, Limited Partners may have more limited rights of action than they would have absent such limitation.

Investment Allocation

The WMG Team, its affiliates and their respective clients may invest in cars that would be appropriate for the Fund. The WMG Team and/or its affiliates may at certain times be simultaneously seeking to purchase or dispose of cars for their own accounts, the Fund, Other Accounts and for their clients or affiliates.

Investment opportunities sourced by WMG that are suitable for both the Fund and Other Accounts generally will be allocated to the Fund and the Other Accounts in a manner that the WMG Team determines to be fair and equitable under the circumstances to all clients, including the Fund. None of the members of the WMG Team is under any obligation to offer investment opportunities of which they become aware to the Fund or to account to the Fund (or share with the Fund or inform the Fund of) any such transaction or any benefit received by them from any such transaction or to inform the Fund of any investments before offering any investments to the Other Accounts. Furthermore, the WMG Team and/or its affiliates may make an investment in respect of any account that they manage or advise without offering the investment opportunity or making any investment in respect of the Fund and, provided that the investment opportunity has first been offered to the Fund or WMG has given its prior consent, may make an investment on their own behalf without offering the investment opportunity to the Fund.

The WMG Team uses its best judgment in allocating investments.

Use of Placement Agent

WMG may engage certain persons to act as the placement agent(s) (each, a “**Placement Agent**”). Each Placement Agent will act for WMG, and not as an investment adviser to prospective investors in connection with the offering of Interests. Prospective investors must independently evaluate the offering and make their own investment decisions. In making those decisions, prospective investors should be aware that a Placement Agent will be paid a placement fee by WMG. Prospective investors should also note that, at various times, a Placement Agent may act as placement agent or financial adviser for other fund sponsors and funds, including fund sponsors and funds that are not affiliated with WMG or its affiliates, which may offer interests which are similar to the Interests.

Lack of separate representation

Macfarlanes LLP serves as counsel to the Partnership and WMG as to matters of English law. NautaDutilh Avocats Luxembourg S.à r.l. serves as counsel to the Partnership and WMG as to matters of Luxembourg law. Neither Macfarlanes LLP nor NautaDutilh Avocats Luxembourg S.à r.l. will represent the Limited Partners.

9. Investor Reporting and Communication

WMG appreciates the importance of investor communication and will provide Limited Partners with access to ongoing and current updates. This includes information about strategy, acquisitions, outlook for the collectable car market and key themes that are driving the sector, with transparency as a high priority. Communication includes frequent verbal and written correspondence and face-to-face meetings.

Financial reporting

Limited Partners will receive audited Fund financial statements and investment valuations within four months following the end of the fiscal year. The Fund's auditor will complete both tax and audit accounting work for the Fund.

Annual reports will only present the position of the Fund at a given moment in time and may not reflect the final valuation of the assets of the Fund upon liquidation.

Valuations—Vehicles within the Fund will generally be valued using the following methods:

- **Market transactions** - these may be from auction houses (including buyer's premium), private transactions and reputable dealers.
- **Specialist Marques** - valuations will be sought from marque specialists.
- **Index** - when comparable sales cannot be sought, the Fund may obtain valuations from collectable car indexes.

Formal valuations (using the methodology set out above or other methods as determined from time to time) will be prepared annually by an independent third-party with specialist knowledge of collectable cars.

Annual meeting

The Fund will hold an annual Limited Partner meeting as an opportunity for its Limited Partners to meet with the WMG Team and to hear directly from the WMG Team. This annual meeting is an opportunity for Limited Partners to be thoroughly updated on the collectable car market and key macroeconomic drivers.

Ad-hoc meetings and conference calls

WMG will periodically either visit the Limited Partners face-to-face or hold individual conference calls to provide additional verbal updates on the Fund, investment activity and general themes specific to the Fund's existing investments. This interaction allows an ongoing dialogue between Limited Partners and WMG in addressing any questions and understanding varying perspectives or concerns.

10. Certain Tax and Regulatory Matters

Introduction

WMG has been advised that, under current law and practice, the principal features of the tax treatment of the Partnership and the Limited Partners should be as set out in this Section. Prospective investors should, however, seek their own advice on the taxation consequences of an investment in the Fund as the guidance set out below is of a general nature and may not apply to certain categories of Limited Partner. As a general rule, the guidance below assumes that Limited Partners are not financial traders and are the absolute beneficial owners of their investments in the Partnership. None of WMG, the General Partner, the Partnership or any of their advisers can take any responsibility in this regard. The guidance in this Section is based on UK and US taxation law and practice current at the date of this Memorandum and is subject to changes in taxation law or its interpretation or application after such date, possibly with retroactive effect.

Certain Luxembourg Tax Considerations

The outline of the Luxembourg tax treatment set out below addresses tax issues relating to the Partnership only and does not address any tax matters which could potentially affect any other Luxembourg entities (e.g., the General Partner or any intermediary vehicles that are domiciled in Luxembourg) that are or may be put in place at a later stage during the implementation of the investment structure.

Non-resident capital gains

Capital gains realised by non-resident partners on their Interest are not subject to taxes in Luxembourg.

Income taxes

The Partnership is transparent for Luxembourg tax purposes provided that the Partnership is not deemed to carry on a commercial activity in Luxembourg. The Partnership is therefore not subject to Luxembourg corporate income tax (“CIT”), Luxembourg municipal business tax (“MBT”) or to Luxembourg net wealth tax “NWT”). Income earned by the Partnership is only taxed at the level of its partners.

WMG takes the view, based on the administrative guidelines contained in circular L.I.R. n°14/4 issued by the Luxembourg tax authorities on 9 January 2015, that, as the Partnership qualifies as AIF within the meaning of the Luxembourg AIFM Law, the Partnership should not be deemed to carry on a commercial activity in Luxembourg.

Upon liquidation of the Partnership, no Luxembourg taxes should be levied.

Withholding taxes

The transfer of profits from the Partnership to its partners is not subject to tax in Luxembourg, be it under the form of withholding or otherwise.

Other taxes

No duties or taxes are due upon constitution of and contributions to the Partnership, whether in cash, in kind or in services. No duties or taxes are payable in Luxembourg in connection with the issue of the Interests.

Savings Directive and Common Reporting Standards

Under the EU Savings Directive and the Luxembourg law dated 21 June 2005, as amended, Member States will be required to provide tax authorities of another Member State with details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State.

Since the Partnership is neither a UCITS authorised in accordance with EU Directive 2009/65/EC (as amended), nor regarded as a UCITS equivalent, it is presently expected that dividends distributed and capital gains realised by the partners on the disposal of the Interests will not be subject to such reporting.

Limited Partners should note that in March 2014, the European Commission adopted a draft of the revised EU Savings Directive which broadens the scope of the Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments, adopted by the Council of the EU on 3 June 2003 in various respects, including extending the Savings Directive to non-UCITS and non-UCITS equivalent funds such as the Partnership. The draft directive provides that the EU Member States have until 1 January 2016 to adopt domestic legislation to comply with the amended Savings Directive. Prospective investors who are in any doubt as to their position should consult their professional advisers.

On 9 December 2014, the European Council of Economic and Financial Affairs (“**ECOFIN**”) adopted Directive 2014/107/EU amending the Directive on Administrative Cooperation in the Field of Taxation 2011/16/EU (“**DAC**”) which introduces a new and enhanced standard of automatic information (based on the OECD’s Common Reporting Standards (“**CRS**”) which aim to be the Global Standard for Automatic Exchange of Information). These revisions cover all the areas that had previously been covered by the EU Savings Directive and are likely to be more extensive. The adoption of the revised DAC creates a legislative framework for the EU Member States to apply the Global Standard of mandatory and automatic exchange of information (“**AEI**”) among themselves.

On 15 October 2014 the European Commission stated that it is now considering the repeal of the Savings Directive in order to avoid legislative overlap due to the adoption of the DAC. On 10 November 2015, the EU Council has officially announced the repeal of the EU Savings Directive effective as from 1 January 2016 (1 January 2017 in Austria).

The revised DAC enlarges the scope of AEI between Member States’ tax administrations with effect 1st of January 2016 (2017 in Austria). The current DAC requires the automatic exchange of information on income and assets of five types: employment income, directors’ fees, life insurance products not covered by other directives, pensions, and ownership of and income from immovable property, to the extent such information is already available to the Member States’ tax authorities.

In December 2015, Luxembourg has adopted the law of 18 December 2015 on CRS which has transposed the DAC in Luxembourg law, effective as from 1st January 2016.

The revised DAC and the Luxembourg law dated 18 December 2015 require that other types of information be obtained and exchanged by tax authorities through AEI. Financial Institutions (“**FIs**”), broadly defined, including investment funds and custodian institutions, must generally report information concerning direct account holders (including investors in an investment fund) and controlling persons of passive non-financial entities, who are resident in another EU Member State, and information concerning their account at stake and the payments they received to the FI’s tax authority. The additional information is related to interest, dividends, and other income from assets held by a custodial institution, sales and redemption proceeds from financial assets, as well as financial information such as aggregated annual accounts data. FIs will be required to identify residency of accounts holders and investors annually report financial account information as from 1 January 2016.

The foregoing is only a summary of the implications of the EU Savings Directive and the Luxembourg laws dated 21 June 2005 and 18 December 2015, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and prospective investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the EU Savings Directive and the Luxembourg law dated 21 June 2005 and 18 December 2015.

Foreign Account Tax Compliance Act (“**FATCA**”)

On 28 March 2014, Luxembourg and the United States of America signed an inter-governmental agreement (the “**Lux IGA**”) in order to implement FATCA in Luxembourg. The Lux IGA shall enter into force on the later of (i) Luxembourg’s written notification that Luxembourg completed internal procedures for entry into force and (ii) the United States written notification that the procedures for ratification of the Protocol have been satisfied. Luxembourg has ratified the Lux IGA by the law dated 24 July 2015 and has completed its internal procedures for entry into force.

Pursuant to the US FATCA Act and the Lux IGA, and according to its status of Participating Foreign Financial Institution under the meaning of the Lux IGA, the Partnership will be required to comply with due diligence, reporting and withholding requirements designed to inform the US Department of the Treasury of US directly and indirectly owned foreign investment accounts.

Failure to comply (or be deemed compliant) will subject the Partnership (i) to US withholding taxes (i.e. 30% back up withholding tax) on certain US sourced income and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends as well as (ii) potentially to fines levied by the Luxembourg tax authorities.

In general, (i) non-US investors (other than individuals) may be required to certify as to their own compliance with such requirements and (ii) all investors may be required to provide additional information to the Partnership to enable the Partnership to satisfy any obligations under FATCA. Failure to furnish requested certifications or other information may subject an investor to liability for any resulting US withholding taxes, US tax information reporting and/or possible liquidation of such investor’s Interest.

Certain UK Tax Considerations

The following summary is given as a general guide to the UK tax treatment of the Fund and investors who hold their interest in the Fund as an investment. It is based on current law and HM Revenue & Customs (“HMRC”) published practice, which may change (potentially with retroactive effect), but the summary is believed to be correct at the date of this Memorandum. Nevertheless, prospective investors should seek their own advice on the taxation consequences of an investment in the Fund, especially those investors who are not resident for tax purposes in the UK, as they may be subject to tax in their respective jurisdictions. None of WMG or any of its officers, employees, agents or advisers can take any responsibility in this regard.

Taxation of the Fund

The Fund will be established as one or more Luxembourg limited partnerships to make investments of the type described above. These characteristics are important to the UK tax treatment of Limited Partners and the Fund. If the Fund does not remain a limited partnership validly registered under Luxembourg law or conducts its business so that it ceases to be making such investments (or if any transaction were to be characterised as a trading rather than an investment transaction), the tax treatment outlined here would not necessarily apply.

The Fund should be treated as transparent for UK tax purposes such that it will not be subject to UK tax. Instead, the income (if any) and capital gains or losses of the Fund will be treated as those of the Limited Partners as and when they arise. For this purpose, HMRC regards each Limited Partner as owning a fractional share of the Fund’s assets (and so as being taxable on its income and gains) in a way which reflects the partnership profit sharing ratio, and not an interest in a partnership as such.

Taxation of UK resident investors

Income

The Fund does not expect to generate income. Any income arising to the Fund from sources within or outside the UK will be treated for UK tax purposes as arising directly to each Limited Partner in the proportions that income is shared by the Limited Partner under the Limited Partnership Agreement. In principle, the gross amount of this income will be chargeable to UK tax, but certain Limited Partners may be able to obtain relief for their share of certain of the management expenses of the Fund.

Capital gains or losses

Each Limited Partner will be treated for UK tax purposes as having a direct share in each of the investments of the Fund. The share of each Limited Partner in each of the investments of the Fund will be determined in accordance with the provisions of the Limited Partnership Agreement, which will set out each Limited Partner’s interest in the Fund’s assets. Accordingly, Limited Partners will be subject to, or exempt from, UK tax on capital gains arising from disposals of investments by the Fund (whether the investments are located within or outside the UK) according to their own individual circumstances.

However, where a Limited Partner carries on a financial trade (e.g. dealing in securities), any gain realised on any investment of the Fund is likely to be treated as trading income to the extent that it is attributable to such Limited Partner, and to be taxed as such.

Upon the Fund disposing of an investment, each Limited Partner will be treated for UK tax purposes as disposing of its share of such asset (whether or not the investors have yet received back amounts equalling the full amount of their original commitments and whether or not a Limited Partner receives a distribution in respect of that realisation). The share of each Limited Partner, including the share of any gain or loss arising on the disposal, will reflect its interest in the capital surplus arising on disposal of investments determined in accordance with the provisions of the Limited Partnership Agreement. Limited Partners may be liable to UK tax on their share of any gain arising on the disposal of an investment dependent on their individual circumstances. Investments should be exempt from any chargeable gains that may accrue on their disposal.

On a pro-rata distribution in specie of investments among investors, there is no immediate charge to UK tax on any Limited Partner. Instead, the capital gains tax base cost of each Limited Partner in each of the investments received by it will, for the purposes of computing any gain or loss on a subsequent disposal or part disposal of any such investment, be the market value of the investment at the date of distribution reduced by the chargeable gain which would have arisen if the Fund had disposed of the investment at its market value at the date of distribution. The same principles will be applied where the computation results in a loss.

Limited Partners liable to UK tax should be aware that the allocation of income (if any) and capital gains may, over the life of the Fund, result in them being taxed on amounts which differ from the amounts on which they would have been taxed had they invested directly.

Overseas income and gains

Income (if any) and gains deriving from non-UK investments of the Fund may be taxed in the country of origin. The extent to which UK resident Limited Partners may be able to obtain repayment of, or credit for, the local taxes will in general depend upon the terms of any double taxation agreement between the UK and the country of origin.

Not all jurisdictions treat partnerships as tax transparent and the tax treatment of investing through the Fund in some jurisdictions will not necessarily be the same as investing directly.

UK tax issues for non-UK resident Limited Partners

Treaty benefits

Non-UK resident Limited Partners may be entitled to the benefit of a double tax treaty to which the UK and their country of residence are party so as to claim repayment of all or part of the UK income tax deducted from the non-UK resident Limited Partner's share of annual interest with a UK source. Benefits under a treaty are available either by a direct claim for repayment from HMRC or, if prior consent from HM Revenue & Customs has been obtained, by the relevant UK resident portfolio company not being required to deduct withholding tax at source.

Treaty benefits will not be available where the non-UK resident claiming the treaty benefit carries on business through a permanent establishment in the UK and the debt/equity holding giving rise to the interest/dividends is effectively connected with that permanent establishment. HMRC practice is to treat an investor who is not resident in the UK, has no other permanent establishment in the UK, is resident for treaty purposes in a territory with which the UK has concluded a double taxation agreement similar to the OECD Model Convention and who holds an interest in certain categories of UK venture capital limited partnerships (which should include the Fund) as an investment (not as a trading asset of a trade of dealing in securities or other financial trade) as not being a partner in an enterprise which carries on business in the UK through a permanent establishment for the purposes of the relevant double taxation agreement merely because of its participation in a limited partnership.

Capital gains

The share of capital gains realised on the disposal of investments of the Fund which are attributable to a Limited Partner not resident or ordinarily resident in the UK will not be subject to UK taxation provided that the Limited Partner does not hold its interest in the Fund as an asset of a trade of dealing in securities or other financial trade. Where a non-UK resident investor carries on a trade of dealing in securities or other financial trade, any gain realised on any investment of the Fund could be treated by HMRC as trading income to the extent that it is attributable to such Limited Partner and be taxed as such.

Stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax will apply on subscriptions for Interests, on transfers of Interests or on repayment of the capital or loan comprised in an investor's interest.

Certain Other Tax Considerations

General

The Partnership may be subject to withholding and other taxes imposed by, and Limited Partners may be subject to, taxation and reporting requirements in, the jurisdictions of the Partnership's activities or investments. Tax conventions between such countries and the jurisdiction in which a Limited Partner is a resident may reduce or eliminate certain of these taxes. Taxable Limited Partners may be entitled to claim foreign tax credits or deductions with respect to such taxes, subject to applicable limitations.

Treatment of Withholding Taxes

The Partnership will withhold and pay over any withholding taxes required to be withheld with respect to any partner of the Partnership and will treat such withholding as a payment to such partner. Such payment will be treated as a distribution to the extent that the partner is then entitled to receive a cash distribution. To the extent that such payment exceeds the amount of any cash distribution to which such partner is then entitled, such partner may be required to make payment to the Partnership. Similar provisions would apply in the case of taxes withheld from a distribution to the Partnership.

Data Protection

All personal data of Limited Partners contained in any document provided by such Limited Partners and any further personal data collected in the course of their relationship with the Fund and/or the Administrator (“**Personal Data**”) may be collected, recorded, organised, stored, adapted or altered, retrieved, consulted, used, disclosed by transmission, dissemination or otherwise made available, aligned or combined, blocked, erased or destroyed or otherwise processed (“**processed**”) by the Fund and other companies directly or indirectly affiliated with the Fund and/or the Administrator. Such Personal Data shall be processed for the purposes of account administration, anti-money laundering identification and the development of business relationships.

To this end, Personal Data may be transferred to agents appointed by the Fund and/or the Administrator to support activities related to the Fund.

Furthermore, the Fund may delegate the processing duty of personal data to another Luxembourg entity which is not directly or indirectly affiliated with the Fund, but which is duly approved by the CSSF. Consequently, the storage, use, processing and transmission of personal data may be made available outside of Luxembourg and outside the group of companies of such Luxembourg entity.

By completing and returning a Subscription Agreement, investors consent to the “processing” of Personal Data by WMG, the Administrator and/or any other agents of the Fund.

Any Personal Data relating to natural persons will be processed in compliance with the Luxembourg law of 2 August 2002, as amended by the Luxembourg law of 27 July 2007, relating to the protection of persons towards the treatment of personal data. WMG may disclose Personal Data to their agents and/or service providers and/or affiliates, or if required to do so by force of law or regulatory authority. Limited Partners who are natural persons will, upon written request, be given access to their own Personal Data provided to WMG. Such investors may request in writing the rectification of, and WMG will upon written request rectify, Personal Data. No Personal Data will be held by WMG for longer than necessary with regard to the purpose of the data processing.

11. Restrictions on Sales

The Fund will be marketed only to “professional investors” within the meaning of the AIFMD, each by virtue of being an investor who: (i) is considered to be a “professional client” or (ii) may, on request, be treated as a “professional client”, within the meaning of Annex II to Directive 2004/39/EC; or other eligible investors to the extent permissible under applicable private placement rules in the European Union and in other jurisdictions.

UK

For the purposes of the UK Financial Services and Markets Act 2000 (“**FSMA**”), the Fund is an unregulated collective investment scheme which has not been authorised or recognised by the FCA. This Memorandum is addressed only to persons falling within one or more of the following exemptions from the scheme promotion restriction in section 238 FSMA:

- (a) authorised firms under FSMA and certain other investment professionals falling within article 14 of the FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, as amended (“**CIS Order**”) and directors, officers and employees acting for such entities in relation to investment;
- (b) high value entities falling within article 22 of the CIS Order and directors, officers and employees acting for such entities in relation to investments;
- (c) other persons to whom the Partnership may lawfully be promoted by the Investment Adviser in accordance with the FCA’s Conduct of Business Rules; and
- (d) persons who receive this Memorandum outside the UK.

Distribution of this Memorandum to any person in the UK not falling within one of the above categories is not permitted and may contravene FSMA. No person falling outside those categories should treat this Memorandum as constituting a promotion to him, or act on it for any purposes whatever.

12. Glossary

£	Refers to pounds sterling
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council (together with any delegated or implementing legislation), as transposed into United Kingdom law on 22 July 2013 on alternative investment fund managers.
Agreement	The Limited Partnership Agreement and the Subscription Agreement.
Commitment	A capital commitment to the Fund made by a Limited Partner in exchange for an Interest as set out in the relevant Subscription Agreement.
CSSF	<i>Commission de Surveillance du Secteur Financier</i> in Luxembourg.
FCA	The UK Financial Conducting Authority.
Fund	The Partnership and any additional parallel vehicles which may be established for legal, regulatory or tax reasons.
General Partner	WMG General Partner S.à r.l., a Luxembourg <i>société à responsabilité limitée</i> (private limited company).
General Partner's Share	As defined in Section 7–Summary of Terms.
Independent Advisers	As set out in Section 3–The WMG Team.
Interests	Any interest owned by a Limited Partner and representing its participation in the Fund.
Investment Adviser	WMG Advisors LLP, an English limited liability partnership which is authorised and regulated by the UK Financial Conduct Authority in the conduct of its investment business.
Investment Objective	As set out in Section 1–Executive Summary.
Investment Period	As defined in Section 7–Summary of Terms.
Limited Partners	Any partner holding Interests and who, in principle, is liable for debts or obligations of the Fund only up to its Commitment (<i>associé commanditaire</i>), including WMG in respect of the WMG Commitment.
Limited Partnership Agreement	The amended and restated limited partnership agreement constituting the Partnership entered into by the Limited Partners and the General Partner or, as applicable, any parallel investment vehicles, in each case as may be amended and/or restated from time to time.
Member State of the European Union	The member states of the European Union as are assimilated to the European Union, the member states which are part of the European Economic Area other than the member states of the European Union.
Partnership	WMG Collectable Car Fund SCSp, a Luxembourg <i>société en commandite spéciale</i> (special limited partnership).
Preferred Return	As defined in Section 7–Summary of Terms.
Subscription Agreement	The subscription agreement to be entered into by a prospective investor and the Partnership whereby a prospective investor applies to become a Limited Partner.
WMG	The General Partner and the Investment Adviser.
WMG Team	As set out in Section 3–The WMG Team.