

Delta1 Securities plc – Securities Note dated 6 October, 2015.

In respect of an **Issue of up to
€10,000,000** (Asset Backed) **Exchange Traded Instruments**
named **Solid Venture P2P ETI**
and having a Denomination *per unit* of €100,000
ISIN AT0000A1CV47

by

DELTA1 SECURITIES PLC

A PUBLIC LIMITED LIABILITY COMPANY INCORPORATED UNDER THE LAWS OF
THE REPUBLIC OF MALTA WITH COMPANY REGISTRATION NUMBER C 59190

DELTA1 SECURITIES PLC IS A SPECIAL PURPOSE VEHICLE AND IS NOT LICENSED OR IN ANY
WAY AUTHORISED BY THE MFSA

IMPORTANT INFORMATION

This document constitutes a Securities Note within the terms of Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended by Directive 2010/73/EU of the European Parliament and of the Council and Commission).

This Securities Note contains information relating to an issue by Delta1 Securities plc (the “**Issuer**”) of up to one hundred (100) Exchange Traded Instruments (the “**Securities**”) named *Solid Venture P2P ETI* and having a denomination of one hundred thousand Euros (€100,000) each.

This Securities Note has been prepared in accordance with the requirements of the Companies Act and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended by Directive 2010/73/EU of the European Parliament and of the Council and Commission delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission delegated regulation (EU) No. 862/2012 of 4 June, 2012, Commission delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission delegated Regulation (EU) No. 382/2014 of 7 March 2014).

This Securities Note should be read in conjunction with the Registration Document dated 13 October, 2014, and containing information about the Issuer. Together, this Securities Note and the Registration Document form a Prospectus.

The Securities shall be issued in the context of a securitisation transaction to be undertaken by the Issuer in terms of the provisions of the Securitisation Act.

The Issuer accepts responsibility for the information contained in this Securities Note. The Issuer confirms that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Securities Note is in accordance with the facts and contains no omission likely to affect the import of such information.

A copy of this Securities Note has been submitted to the Listing Authority and to the EWSM in satisfaction of the Listing Rules and it has been duly filed with the Registrar of Companies in accordance with the requirements of the Companies Act.

The Securities Note has been approved by the Listing Authority (meaning the MFSA acting in its capacity as Listing Authority in terms of the Financial Markets Act, Chapter 345 of the laws of Malta) as competent authority under the Prospectus Directive. The Listing Authority only approves this Prospectus as meeting the disclosure requirements imposed under Maltese and European Union law pursuant to the Prospectus Directive.

Application has been made for the Securities (up to one hundred (100) units having a denomination of one hundred thousand Euros (€100,000) each) to be approved for admissibility to listing by the Listing Authority and trading on the EWSM, a regulated market supervised by the Listing Authority.

This Securities Note has been approved by the Listing Authority as a securities note issued in compliance with the Prospectus Directive for the purpose of giving information relating to the issue of the Securities.

The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Malta at the date of this Securities Note in connection with the issue of the Securities and the terms hereof were approved by a resolution of the Directors approved on 6 October, 2015. The issue of this Securities Note was authorised by a resolution of the Directors approved on 6 October, 2015.

The Securities have not been and will not be approved by the US Securities and Exchange Commission,

any State securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Securities or the accuracy or adequacy hereof. Any representation to the contrary is a criminal offence in the United States.

A deed of trust shall be executed by and between the Issuer and the Trustee. In terms of the deed of trust, the Trustee shall represent the interests of Investors holding the Securities and shall have the right of access to appropriate and relevant information relating to the Securities and the Collateral.

The amount payable or deliverable on redemption of the Securities may be less than the original invested amount (and in some cases may be zero) in which case Investors may lose some or all of their original investment. If the Issuer becomes insolvent or bankrupt or otherwise defaults in making any payment on the Securities, Investors will lose some or all of their original investment. Investing in the Securities involves certain risks and investors should fully understand these before they invest. See the section entitled “Risk Factors” herein for a discussion of certain factors to be considered in connection with an investment in the Securities.

No Broker, dealer, salesman or other person has been authorised by the Issuer to publish or issue any advertisement or to give any information or to make any representations in connection with the sale of the Securities other than as contained in the Prospectus and in the documents referred to herein. Any such information given or representation made must not be relied upon as having been authorised by the Issuer.

The Issuer confirms that information included in this Securities Note in respect of the Collateral Obligor, the Collateral and the banks with which the main accounts relating to the issue of Securities are held has been sourced from the Collateral Obligor and the said banks. The Issuer further confirms that such information has been accurately reproduced, and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Prospectus does not constitute and may not be used for purposes of an offer or invitation to subscribe for the Securities by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

It is the responsibility of any person in possession of this Prospectus or any document issued in connection herewith to inform themselves of, and to observe and comply with all applicable laws and regulations of any relevant jurisdiction. Prospective Investors should inform themselves as to the legal requirements of applying for any such Securities and any applicable exchange control restrictions or requirements and taxes in their country of residence, domicile and/or nationality. Neither the delivery of the Prospectus, nor any sale of Securities pursuant thereto, shall create any impression that information therein relating to the Issuer is correct at any time subsequent to the date hereof (the foregoing being without prejudice to the Issuer's obligations under applicable rules and regulations).

All and any advisors to the Issuer have acted and are acting exclusively for the Issuer in relation to this Prospectus and such advisors have no contractual, fiduciary or other obligation or responsibility towards any Investor or any other person generally and will accordingly not be responsible to any Investor or any other person whomsoever in relation to any transactions contemplated or proposed in this Prospectus.

All capitalised terms used will be defined in this Securities Note.

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GENERAL DESCRIPTION OF THE ISSUE OF SECURITIES

ISSUER	DELTA1 SECURITIES PLC
	<p>The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities in the context of securitisation transactions as permitted in terms of the Securitisation Act.</p>
SECURITIES	<p>The Securities will be issued in the form of asset backed Exchange Traded Instrument certificates named <i>Solid Venture P2P ETI</i>. The Securities constitute direct, secured and unsubordinated obligations of the Issuer and rank equally amongst themselves.</p> <p>In terms of the Securitisation Act, the value or yield of Securities shall be linked to the securitized Collateral comprised in a segregated compartment. The said compartment shall be designated "Linked Compartment 4". The Securities are limited recourse obligations of the Issuer which are payable solely out of amounts received (cash flow) by or on behalf of the Issuer in respect of the Collateral comprised in Linked Compartment 4. The Securities shall represent debt obligations incumbent upon the Issuer. Payment of principal under the Securities would be subject to the Issuer having received payments from the Collateral comprised in Linked Compartment 4.</p> <p>The Securities are secured to the extent that Investors shall have a privilege (arising in terms of the Securitisation Act) which should be limited to the Collateral comprised in the relevant Linked Compartment 4 – see section 1.1 of the Registration Document for an elaboration of risk factors regarding the said privilege. The Securities are not insured or guaranteed by any government or government agency.</p>
ISSUE DATE	9 October, 2015.
OFFERING PERIOD	6 October, 2015 to 9 October, 2015.
ISSUE PRICE	€105,000 per Security.
CURRENCY	Euro.
LISTING	Application has been made to admit the Securities (up to 100 units having a denomination of €100,000 each) for listing on the EWSM.
LISTING AGENT	Argentarius ETI Management Ltd.
ARRANGER	Argentarius ETI Management Ltd.
CALCULATION AGENT	Argentarius ETI Management Ltd.
PAYING AGENT	Bluerock Financial Services S.A.
TRUSTEE	SOLV International Ltd.
SELLING RESTRICTIONS	The offer and sale of Securities may be restricted in certain jurisdictions.
GOVERNING LAW	The form and contents of the Securities as well as all rights and duties arising from the matters provided for in the Terms & Conditions shall be governed in all respects by the laws of Germany.

1. RISK FACTORS

An investment in the Securities involves certain risks, including risks relating to the Collateral, which may affect the Issuer's ability to satisfy its obligations in connection with such Securities.

Prospective Investors should carefully consider the following factors, in addition to the matters set forth in the Registration Document, prior to investing in any Securities. Prospective Investors should ensure that they fully understand the nature of the Securities, as well as the extent of their exposure to risks associated with an investment in the Securities and they should consider the suitability of an investment in the Securities in light of their own particular financial, fiscal and other circumstances.

The Issuer believes that the risk factors described below represent the principal risks inherent in investing in the Securities. However, a decline in the value of or the payments due under the Securities and/or the Collateral may occur for other reasons. The Issuer does not represent that the statements below regarding the risks of holding Securities are exhaustive.

YOU SHOULD RECOGNISE THAT INVESTORS BEAR A RISK OF A DEFAULT OF THE UNDERLYING LINKED COLLATERAL AS WELL AS ANY DECLINE IN VALUE OF SUCH COLLATERAL. SHOULD THE VALUE OF THE COLLATERAL DECLINE SUBSEQUENT TO THE DATE OF PURCHASE, THE SECURITIES WOULD DECLINE IN VALUE AND AN INVESTOR SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF HIS INVESTMENT IN THE SECURITIES.

More than one risk factor may have simultaneous effect with regard to the Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Securities.

To evaluate the merits and the risks of an investment in the Securities you should conduct such independent investigation and analysis as you deem appropriate on the terms of the Securities, the Issuer, the Collateral and any agreement entered into by the Issuer in respect of the Securities. You should also consider all other relevant market and economic factors and your own personal circumstances. You should read the detailed information set out elsewhere in this Prospectus and reach your own views prior to making any investment decision.

The Securities will be non-interest bearing and will represent limited recourse obligations of the Issuer only.

Nothing in the Prospectus should be construed as representing advice.

1.1 GENERAL

The Securities shall represent debt obligations incumbent upon the Issuer and will be designed to enable Investors to participate in the performance of the Collateral held within Linked Compartment 4.

Any payment by the Issuer in respect of the Securities is dependent upon receipt by the Issuer of payments or proceeds from the Collateral (or the realisation of the Collateral, in whole or in part) held in Linked Compartment 4 and acquired by the Issuer with the proceeds of issue of the said Securities. Such payments or proceeds from the Collateral may be restricted under their terms (the principal terms and conditions being reproduced in Annex I) with the result that any return on the Securities will be similarly restricted. The Securities shall accordingly provide exposure, amongst other things, to the credit risk of the Issuer and the Collateral Obligor.

Securities will be redeemed by the Issuer by payment of the Redemption Amount. The Issuer will pay the Redemption Amount from the proceeds that it has received from the Collateral comprised in Linked Compartment 4 and/or the redemption, cancellation, surrender or other disposal of the Collateral. Hence

the redemption of the Securities is dependent on payment received by the Issuer from the Collateral and/or upon the redemption, cancellation, surrender or other disposal of such Collateral.

The Terms & Conditions of the Securities do not provide for full repayment of the Issue Price upon redemption of the Securities. As such, Investors may lose up to the entire value of their investment in the Securities as a result of the occurrence of any one or more of the following events:

- (i) the Collateral comprised in Linked Compartment 4 performs in such a manner that the Redemption Amount is less than the Issue Price;
- (ii) a redemption of Securities on a Redemption Day requires the realisation of the Collateral at a sub-optimal time or price such that the Redemption Amount payable by the Issuer may be less than the Issue Price;
- (iii) assets acquired to substitute the Collateral perform worse than the substituted assets such that the proceeds derived therefrom are less than those that would have been derived had no substitution been effected.

In addition, Investors may lose up to the entire value of their investment in the Securities as a result of the occurrence of any one or more of the following events:

- (i) Investors sell their Securities in the secondary market at an amount that is less than the Issue Price;
- (ii) the Issuer is subject to insolvency or bankruptcy proceedings or some other event which negatively affects the Issuer's ability to meet its obligations under the Securities;
- (iii) the Terms & Conditions of the Securities are adjusted (in accordance with the Terms & Conditions) with the result that the amount payable to Investors and/or the valuation of the Securities is reduced.

Investors may seek to redeem all or part of their Securities by submitting a Redemption Notice to the Issuer prior to the Redemption Notice Period – see section 4.11 of this document. Investors may accordingly lose up to the entire value of their investment in the Securities should the value of the Collateral decrease at any time during the relevant Redemption Notice Period.

Following redemption of the Securities for any reason, Investors may be unable to reinvest the Redemption Amount at an effective yield as the yield on the Securities being redeemed.

The Issuer shall not procure any insurance in connection with the Collateral. Nor shall the Issuer seek to secure any credit enhancements or liquidity supports. The Issuer shall not make any provision to cover principal shortfall risks.

The obligations of the Issuer under the Securities are secured by virtue of the privilege referred to in section 1.1 of the Registration Document but the Securities are not protected by any public or private compensation scheme.

1.2 PERFORMANCE LINKED BONDS AS COLLATERAL

The Collateral is comprised of performance linked bonds issued by AI Undertaking XII Inc., a public limited company incorporated in St Vincent and the Grenadines and constituted as a wholly owned subsidiary of the Issuer.

As holder of such bonds, the Issuer shall bear not only the risk of the underlying assets but also the Collateral Obligor's risk.

Such bonds do not offer a principal protection but would be redeemed at a predetermined price linked to the performance of: (i) a managed account held at Sparkasse Bank Malta plc; and (ii) registered, non-listed bonds held directly by the Collateral Obligor.

Investors and prospective investors may, by written request delivered to the Arranger (contact details of the Arranger are reproduced in the Directory hereto), request the Arranger to verify:

- (i) the nature of the underlying assets comprised in the said managed account held at Sparkasse Bank Malta plc; and/or
- (ii) the investment policies/parameters governing the said managed account held at Sparkasse Bank Malta plc; and/or
- (iii) pertinent details of any registered, non-listed securities held directly by the Collateral Obligor.

The Arranger shall, within five (5) Business Days subsequent to its receipt of any such request in writing, provide the inquiring Investor or prospective investor with a written statement identifying all such underlying assets and/or investment policies/parameters and/or pertinent details as the case may be. Any information requested by a prospective investor shall be provided by the Arranger before any investment is made.

Underlying assets may be unpredictable and volatile and AI Undertaking XII Inc. does not guarantee that any changes will be beneficial to the Issuer as holder of the performance linked bonds. As a result, the Issuer may receive less than the amount initially invested in the performance linked bond or even zero or may experience other losses in connection with investment in the performance linked bonds.

1.3 LIMITED LIQUIDITY

There is currently no market for the Securities and, notwithstanding that the Securities shall be admitted to trading at the EWSM, there can be no assurance that any secondary market for the Securities will develop or, if a secondary market does develop, that it will provide Investors with liquidity of investment or that it will continue for the life of the Securities.

Even if a secondary market for the Securities does develop, it is not possible to predict the prices at which the Securities will trade in such secondary market. Such prices may not accurately reflect the theoretical value of the Securities.

The Issuer is under no obligation to make a market in the Securities. Therefore, Investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

No assurance is given that the Securities shall remain listed indefinitely.

A lack of liquidity in the secondary market for the Securities may have a severely adverse effect on the market value of Securities and may result in Investors: (i) being unable to sell their Securities on the secondary market, or (ii) receiving less than the initial price paid for the Securities.

The liquidity of such Securities may also be affected by restrictions on offers and sales of such Securities in some jurisdictions.

1.4 TEMPORARY SUSPENSION OF REDEMPTIONS

The Directors may suspend the right of any Investors to require redemption of Securities in such circumstances as the Directors may, in their exclusive discretion, deem appropriate including (but without prejudice to the generality of the foregoing):

- (i) when the realisation of Collateral comprised in Linked Compartment 4 at that particular moment in time could adversely affect and prejudice the interests of Investors;
- (ii) when for any reason the market value of the Collateral cannot be reasonably, promptly or accurately ascertained or obtained; or
- (iii) when the disposal or realisation of the Collateral is not practically feasible or possible.

Any such suspension shall take effect at such time as the Directors shall declare and shall apply thereafter until the Directors shall declare the suspension to be at an end.

Investors shall be notified of any such suspension in the manner set out in Section 4.19 of this Securities Note.

No redemption of Securities shall take place for the duration of any period during which the redemption of such Securities is suspended. In such circumstances an Investor would accordingly be unable to redeem Securities held within the normal timeframes specified in this Securities Note.

1.5 ISSUE OF FURTHER SECURITIES

If additional securities with the same characteristics or linked to similar underlying collateral are subsequently issued, either by the Issuer or another issuer, the supply of Securities with such characteristics or linked to such collateral in the primary and secondary markets will increase and may cause the price at which the Securities trade in the secondary market to decline.

The Issuer shall not issue further securities backed by the same Collateral.

However, the Issuer may issue new securities to finance the acquisition of additional Collateral allocated to Linked Compartment 4.

In fact, the Securities to be issued in terms and by virtue hereof represent a second issue of Securities to finance the acquisition of additional Collateral allocated to Linked Compartment 4. The first issue of Securities was effected in terms and by virtue of a securities note published by the Issuer on the 9th February, 2014, and the said Securities were admitted to listing on the EWSM on the 13th February, 2015.

1.6 WITHDRAWAL OF THE OFFER

The Issuer reserves the right to withdraw the offer of Securities for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Issuer or the Collateral Obligor and/or other relevant events that in the reasonable discretion of the Issuer may be prejudicial to the offer.

In such case, Investors who have already paid or delivered subscription monies for Securities will be entitled to reimbursement of such amounts, but will not receive any remuneration that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Securities.

1.7 AMENDMENT OF TERMS & CONDITIONS

The Terms & Conditions of the Securities may be amended by the Issuer in certain circumstances (such as to cure a manifest error or where the amendment is of a minor or technical nature and/or where such amendment will not materially and adversely affect the interests of Investors) without the consent of the Investors and in certain other circumstances, with the required consent of the Trustee and/or a defined majority of the Investors – see section 4.20 of this Securities Note.

1.8 ADJUSTMENT OR MANDATORY REDEMPTION

There are certain Issuer-specific or external events which may have an impact on the Terms & Conditions of the Securities or on their redemption, including:

- (i) a change in applicable law, a Currency Disruption, an Extraordinary Market Disruption or any other event affecting the Issuer's ability to fulfil its obligations under the Securities;
- (ii) a disruptive event relating to the existence, continuity, trading, valuation, pricing or publication of the Collateral;

- (iii) a disruption or other material impact on the Issuer's ability to hedge its obligations under the Securities;
- (iv) a determination by the Issuer that the performance of any of its absolute or contingent obligations under the Securities has become illegal, in whole or in part, for any reason.

Should any such event occur (a “**Disruption Event**”), the Issuer may adjust the Terms & Conditions of the Securities (without the consent of Investors) or elect to redeem the Securities on the next Redemption Day and to pay Investors holding Securities an amount equal to the Redemption Amount.

Any adjustment made to the Terms & Conditions of the Securities may have a negative effect on the value of the Securities, and any Redemption Amount received by Investors in such circumstances may be less than their initial investment and could be zero.

1.9 ISSUER DEFAULT

On an event of default by the Issuer (that is, a failure to return capital, or if the Issuer is subject to a winding-up order) Investors may choose to require the redemption of their Securities on the next Redemption Day and at the Redemption Amount. Any amount received by Investors in such circumstances may be less than their initial investment and could be zero.

1.10 COSTS OF REDEMPTION

The Issuer may take into account when determining the relevant Redemption Amount, and deduct therefrom, an amount in respect of all costs, losses and expenses (if any) incurred (or expected to be incurred) by or on behalf of the Issuer in connection with the realisation of the Collateral comprised in Linked Compartment 4 and/or the redemption of the Securities.

Such costs, losses and expenses will reduce the amount received by Investors on redemption and may reduce the relevant Redemption Amount to zero.

1.11 DETERMINATION

Any determination made by the Issuer or, if applicable, the Calculation Agent will, if exercised in good faith and in a commercially reasonable manner, and in the absence of manifest error, be conclusive and binding on all persons (including, without limitation, the investors), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators. Any such determination could adversely affect the value of the Securities.

1.12 EXCHANGE RATES

An investment in the Securities may involve exchange rate risks. For example:

- (i) the Securities are denominated in Euro but the Euro may not be the currency of an Investor's home jurisdiction; and/or
- (ii) the Securities are denominated in Euro but the Euro may not be the currency in which an Investor wishes to receive funds.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities.

1.13 MARKET VALUE

The market value of the Securities depends primarily on the level and the volatility of the Collateral comprised in Linked Compartment 4.

The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macroeconomic factors and speculation.

If the performance and/or creditworthiness of the Collateral changes in such a way as would reduce the likelihood that the Redemption Amount would at least be equal to the Issue Price and/or there is a market perception that the performance and/or creditworthiness of the Collateral is likely to change in this way during the remaining life of the Securities, all other factors being equal, the market value of the Securities will fall under normal conditions.

Investors should note that the market value of the Securities can fall below their Specified Denomination and Issue Price.

Other factors which may influence the market value of the Securities include changes in market expectations regarding the performance and/or creditworthiness of the Collateral and/or the Securities. Volatility will be affected by a wide range of factors, including economic, political and market conditions.

If, following the purchase of the Securities, the market value of the Securities falls below the purchase price paid for the Securities, Investors should not expect the market value of the Securities to increase to or above the purchase price paid by the Investor.

Investors should be aware that the performance linked bonds representing the Collateral will not be held by the Issuer for the benefit of the Investors and Investors will not have any claim in respect of any such assets or any rights of ownership, including, without limitation, any voting rights or rights to receive any distributions in respect of the relevant underlying assets. In addition, Investors will have no claim against the Collateral Obligor in relation to any asset representing the Collateral. The Collateral Obligor has no obligation to act in the interests of Investors.

1.14 MARKET PRICE OF THE COLLATERAL

Investors should be aware that they may be exposed to fluctuations in the market price or value of the Collateral. If the Collateral Obligor defaults on payment, the Issuer will have no other assets with which to meet its obligations to the Investors and the Issuer may have to sell the Collateral at its market price at that time. The market price of the Collateral will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the Collateral Obligor.

1.15 HEDGING

Investors intending to purchase Securities to hedge against the market risk associated with investing in a product linked to the performance of the Collateral should recognise the complexities of utilising Securities in this manner. Due to fluctuating supply and demand for the Securities and various other factors, Investors should be aware of the risk that the value of the Securities may not correlate with movements of assets representing the Collateral.

1.16 COUNTRY AND REGIONAL RISK

The price and value of the Collateral may be influenced by the political, financial and economic stability of: (i) St Vincent and the Grenadines – that is, the country in which the Collateral Obligor is incorporated and has its principal place of business; and/or (ii) the Euro Area – insofar as the Collateral is denominated in Euros.

The value of securities and other assets issued by entities located in, or governments of, emerging market countries is generally more volatile than the value of similar assets issued by entities in well-developed markets. However, in certain cases the price and value of assets originating from countries not ordinarily considered to be emerging markets countries may behave in a manner similar to those of assets originating from emerging markets countries.

1.17 REDEMPTION

If the Issuer is not able to redeem or realise the Collateral, the Issuer will be unable to redeem the Securities. In this case, to the extent that the Issuer or any other person would not be able to realise the Collateral on the secondary market or only at a lower price than the Issue Price, Investors will only receive a *pro rata* share of the realisation proceeds in respect of the Collateral. Such amounts may be substantially lower than the Issue Price of the Securities and may be zero.

1.18 INFORMATION REGARDING THE COLLATERAL

Certain information regarding the Collateral and the Collateral Obligor is contained in this Securities Note. Such information has been extracted from information published by the Collateral Obligor. The Issuer confirms that such information has been accurately reproduced. No further or other responsibility in respect of such information is accepted by the Issuer. The Issuer has not separately verified such information. Accordingly, other than as stated above, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by the Issuer as to the accuracy or completeness of the information concerning the Collateral Obligor contained in this Securities Note.

Potential Investors should conduct their own investigations and, in deciding whether or not to purchase Securities, should form their own views on the creditworthiness of the Collateral Obligor based on such investigations and not in reliance on any information given in this Securities Note.

1.19 TAXATION

Potential Investors should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are acquired or transferred.

Investors will not receive grossed-up amounts to compensate for any withholding or other tax or duties suffered.

Any change in the Issuer's (as appropriate) tax status or in taxation legislation in Malta or any other tax jurisdiction could affect the value of the Collateral or affect the Issuer's ability to achieve its investment objective for the Securities or alter the post-tax returns to Investors. If, on the occasion of a payment due in respect of the Securities, the Issuer would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount due, the Issuer will use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction as the principal obligor or to change its residence for taxation purposes or, to the extent permitted by law, change its domicile to another jurisdiction.

Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Securities. Any such change may cause the tax treatment of the Securities to change from the tax position at the time of purchase. It is not possible to predict the precise tax treatment which will apply at any given time and changes in tax law may give the Issuer the right to amend the Terms & Conditions of the Securities, or redeem the Securities.

The US Foreign Account Tax Compliance Act, 2010 ("**FATCA**") is particularly complex. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and to learn how this legislation might affect each Investor in his or her particular circumstance, including how FATCA may

apply to payments received under the Securities.

1.20 LEGALITY OF PURCHASE

No person (including the Issuer) has or assumes responsibility for the lawfulness of the acquisition of Securities by a prospective Investor, whether under the laws of the jurisdiction of its incorporation or residence or the jurisdiction in which it operates (if different), or for compliance by that prospective Investor with any law, regulation or regulatory policy applicable to it.

1.21 MALTESE LAW

The Issuer is a public limited liability company (plc) incorporated under Malta law. The Terms & Conditions of the Securities are binding on the Issuer and the Investors and are valid as against third parties in the event of the liquidation of Linked Compartment 4 or any segregated compartment maintained by the Issuer, of bankruptcy proceedings in respect of the Issuer or more generally in determining the competing rights for payment of creditors, except that they are not binding on any creditors of the Issuer who have not expressly agreed to be bound by such Terms & Conditions.

1.22 POTENTIAL CONFLICTS OF INTEREST

Potential conflicts of interest arising in the context of the transactions contemplated in this Prospectus are highlighted and addressed in the immediately succeeding section 2 of this Securities Note.

2. POTENTIAL CONFLICTS OF INTEREST

The Issue Price of the Securities may include certain fees, commissions and expenses payable to, or incurred by the Agents.

The Issuer is not affiliated to any Agent.

However, one (1) or more Directors may also hold shares in and/or may be appointed to the board of directors (whether as executive or non-executive directors) of any Agent or Agents. Potential conflicts of interest may arise as a result. In fact, any such person may have an interest in securing maximum profits for the Agent/s in which he holds shares or of which he is a director to the detriment of the Issuer and Investors. The Issuer aims to avoid any conflict of interest arising as such by disclosing fees chargeable by the Agent/s in this Securities Note.

In addition to the aforesaid, the Collateral Obligor is constituted as a wholly owned subsidiary of the Issuer. The Collateral Obligor is constituted as such as a special investment vehicle to acquire and hold: (i) investments in an account managed by Sparkasse Bank Malta plc; (ii) registered, non-listed bonds directly; and (iii) Securities directly.

The Collateral Obligor shall issue performance linked bonds which shall, in turn, be acquired by the Issuer in the course of a securitisation transaction. In effect, the securitised bonds would be comprised in Linked Compartment 4 and shall represent the Collateral backing the Securities.

The Collateral Obligor shall accordingly secure Investors' access to the assets underlying the Collateral when direct access to the same is otherwise unavailable or unfeasible. Investors may accordingly acquire Securities backed by the relevant performance linked bonds which would, in turn, be linked to the said underlying assets.

At any rate, no conflict of interest should arise in the circumstances given that the Collateral Obligor shall have a very limited and defined scope and function. Furthermore, in view that the Collateral Obligor shall be a wholly owned subsidiary of the Issuer, there can be no motivation to shift profits to the Collateral Obligor – insofar as such profits would ultimately be distributed to the Issuer.

As noted above, the Collateral Obligor may acquire and hold Securities. Such Securities may be acquired by the Collateral Obligor prior to the lapse of the Offering Period and shall have an aggregate value not exceeding five million Euros (€5,000,000). Such Securities shall be held by the Collateral Obligor to secure some liquidity on the secondary market. As such, should an Investor require any additional Securities, the Collateral Obligor may transfer such Securities to the Investor on the secondary market at the prevailing (that is, current) market price. The proceeds of any such transfer of Securities shall be applied exclusively by the Collateral Obligor to finance the acquisition of additional assets underlying the Collateral – such assets being allocated to the abovementioned managed account held at Sparkasse Bank Malta plc and/or otherwise being registered and non-listed bonds held by the Collateral Obligor.

Securities held by the Collateral Obligor for liquidity purposes will not constitute Collateral backing the Securities – insofar as such Collateral shall be comprised exclusively of performance linked bonds issued by the Collateral Obligor and in view that any Securities held by the Collateral Obligor will NOT be taken into account in the calculation of the value of the Collateral and, as a result, in the calculation of the Redemption Amount.

The Agents, along with their respective affiliates, whether by virtue of the types of relationships described herein or otherwise, may acquire non-public information with respect to the Collateral that is or may be material in the context of the Securities. None of the Agents, along with their respective affiliates, undertakes to disclose any such information to any Investor.

In addition, subject always to their regulatory or other obligations in performing each or any role or

function, the Issuer, its affiliates and the Agents shall not act on behalf of, or accept any duty of care or any fiduciary duty to, any Investor. The Issuer and each of its affiliates and each Agent will pursue actions and take steps that it deems appropriate to protect its interests without regard to the consequences for the Investors or any other person.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY SECURITIES. YOU SHOULD ALSO READ CAREFULLY THE INFORMATION SET OUT ELSEWHERE IN THIS PROSPECTUS (INCLUDING ANY DOCUMENTS INCORPORATED BY REFERENCE) AND REACH YOUR OWN VIEWS (TAKING SUCH ADVICE AS YOU THINK NECESSARY AND APPROPRIATE) BEFORE YOU INVEST IN THE SECURITIES.

3. GENERAL INFORMATION

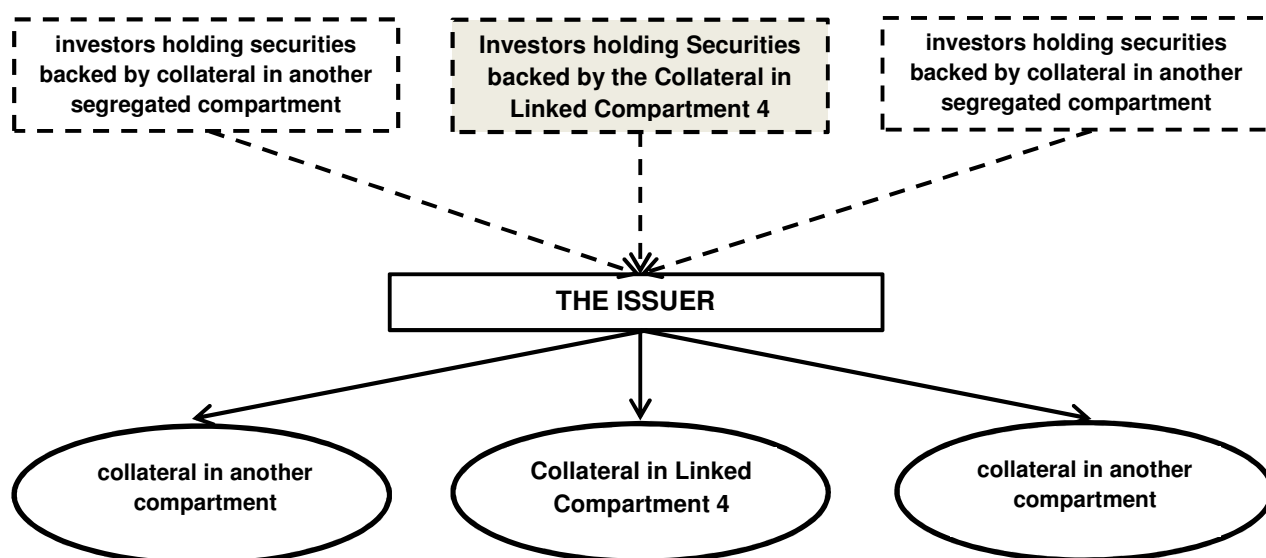
3.1 NATURE OF THE SECURITIES

In terms of the Securitisation Act, the value or yield of the Securities shall be linked to the securitized Collateral comprised in Linked Compartment 4. The Securities are limited recourse obligations of the Issuer which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral.

The Securities shall represent non-interest bearing debt obligations incumbent upon the Issuer. The Securities are asset backed securities in terms and for the purposes of the Listing Rules and the Prospectus Directive insofar as they represent a real interest in the Collateral actually acquired and held by the Issuer in the course of a securitisation transaction. The payment of principal under the Securities would be subject to the Issuer having received payments and/or realisation proceeds from the Collateral comprised in Linked Compartment 4. The Securities shall accordingly provide exposure, amongst other things, to the credit risk of the Collateral comprised in the Linked Compartment 4.

In terms of Article 16 of the Securitisation Act, Investors have a privilege over the Collateral and such privilege shall rank prior to all other claims at law – except for other securitisation creditors who enjoy a prior ranking granted to them with the consent or knowledge of the Investors. The Issuer understands that the said privilege appertaining to an Investor should be effective limitedly to Collateral comprised in Linked Compartment 4. The said privilege should not, accordingly, extend over assets comprised in any other segregated compartment linked to any other securities issued by the Issuer – see Section 1.1 of the Registration Document for an elaboration of Risk Factors arising in connection with the said privilege.

ILLUSTRATION OF THE COMPARTMENT STRUCTURE



1. *The Securities are linked to the Collateral comprised in Linked Compartment 4 such that Investors holding Securities should have a privilege over and the right to receive income and realisation proceeds derived from the Collateral.*
2. *Other securities issued by the Issuer shall be linked to collateral comprised in separate and segregated compartments such that investors holding such securities should have a privilege over and the right to receive income and realisation proceeds derived from such collateral comprised in the relevant linked compartment.*

3.2 SECURITISATION TRANSACTIONS

The money raised by the Issuer from the initial sale of the Securities shall, as soon as is reasonably practicable, be applied by the Issuer to purchase the Collateral, after deduction of the costs of the issue and the Issuer's (*pro rata*) general administrative costs and initial fees payable to Agents, the Clearing System and the Trustee – the net amount being the “**Aggregate Nominal Amount**”. Such purchase shall be made directly from the Collateral Obligor.

The Collateral shall be exclusively allocated to Linked Compartment 4 established by the Directors in respect of the Securities and will be kept separate from the other assets of the Issuer.

Linked Compartment 4 shall be maintained by the Issuer as a separate, distinct and segregated compartment linked to the Securities.

The Issuer will acquire the Collateral in an amount sufficient to ensure that it is in a position to meet its obligations under the Securities.

On or pursuant to any redemption of Securities, the Collateral shall either be redeemed by the Collateral Obligor or otherwise realised by the Issuer as may be necessary to generate sufficient funds to settle the Redemption Amount. The Issuer shall use the proceeds from the redemption, cancellation, surrender or other disposal of the Collateral to pay the Redemption Amount and to settle any other liabilities properly attributable to Linked Compartment 4 and/or the Securities.

None of the Securities issued shall be linked to assets other than assets of the Issuer.

3.3 THE COLLATERAL

Within five (5) Business Days from the Issuer's receipt of the proceeds from the issue of Securities in terms hereof, the Issuer will use all the Aggregate Nominal Amount to subscribe for the Collateral. As such, the level of collateralisation shall be approximately 100%.

Subscription monies shall be paid to an account of the Collateral Obligor held with a credit institution established and/or operating within the European Economic Area.

The Collateral shall be comprised of performance linked bonds issued by the Collateral Obligor in bearer form. Such performance linked bonds are linked to the performance of: (i) a managed account held at Sparkasse Bank Malta plc; and (ii) registered, non-listed bonds held directly by the Collateral Obligor.

Investors and prospective investors may, by written request delivered to the Arranger (contact details of the Arranger are reproduced in the Directory hereto), request the Arranger to verify:

- (i) the nature of the underlying assets comprised in the said managed account held at Sparkasse Bank Malta plc; and/or
- (ii) the investment policies/parameters governing the said managed account held at Sparkasse Bank Malta plc; and/or
- (iii) pertinent details of any registered, non-listed securities held directly by the Collateral Obligor.

The Arranger shall, within five (5) Business Days subsequent to its receipt of any such request in writing, provide the inquiring Investor or prospective investor with a written statement identifying all such underlying assets and/or investment policies/parameters and/or pertinent details as the case may be. Any information requested by a prospective investor shall be provided by the Arranger before any investment is made.

The Collateral Obligor may hold Securities directly with a view to securing some liquidity on the secondary market – see section 2 of this Securities Note. **Securities held by the Collateral Obligor for liquidity purposes will not constitute Collateral backing the Securities – insofar as such Collateral shall be comprised exclusively of performance linked bonds issued by the Collateral Obligor and in view that any Securities held by the Collateral Obligor will NOT be taken into account in the calculation**

of the value of the Collateral and, as a result, in the calculation of the Redemption Amount. Such Securities may be acquired by the Collateral Obligor prior to the lapse of the Offering Period and shall have an aggregate value not exceeding five million Euros (€5,000,000).

Any income, redemption or other proceeds derived by the Collateral Obligor from any assets underlying the Collateral shall be paid directly to an account of the Collateral Obligor held with Sparkasse Bank Malta plc.

The Collateral shall be issued by the Collateral Obligor in the normal course of its business and is governed by the laws of St. Vincent and the Grenadines.

The Collateral does not bear interest and has no maturity date.

The Collateral Obligor shall repay the Collateral upon the redemption thereof by the Issuer at the repayment value of the Collateral. Such repayment value shall accordingly be linked to the performance of the underlying assets comprised in the aforementioned managed account held at Sparkasse Bank Malta plc or otherwise held directly by the Collateral Obligor.

Upon a redemption or disposal of Collateral, the Collateral Obligor or any purchaser of the Collateral on the secondary market will be required to pay the redemption/purchase price to an account of the Issuer held with Bank of Valletta plc and/or Sparkasse Bank Malta plc. Specifically, in the context of a redemption of Collateral, the Collateral Obligor shall procure the transfer of the repayment value of the redeemed Collateral to an account of the Collateral Obligor held with Sparkasse Bank Malta plc and then, immediately, from such account to an account of the Issuer held with Sparkasse Bank Malta plc.

The Collateral is unrated and not admitted to trading on any regulated or equivalent market. The principal terms and conditions applicable in respect of the Collateral are described in Annex I to this Securities Note.

The Collateral Obligor shall give no significant representations or collaterals in connection with the Collateral.

The value of Collateral purchased will be equivalent to the Aggregate Nominal Amount of the Securities issued on the Issue Date.

The Collateral has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Securities. The Issuer shall be entitled (with notice to the Trustee and Investors but without requiring their approval) to substitute the Collateral, in whole or in part, should the Issuer deem, at any time and in its exclusive discretion, that the Collateral may not, for any reason or reasons whatsoever, produce funds to service any payments due and payable on the Securities.

In the circumstances, the Issuer shall be entitled to substitute the Collateral for any alternative performance linked bonds (whether issued by the Collateral Obligor or any other obligor/s) which the Issuer deems, in its exclusive discretion, would produce funds to service any payments due and payable on the Securities. Provided however that no such substitution shall be effected or effective except subsequent to the second Redemption Day pursuant to the notification of the Trustee and Investors as aforesaid – so as to allow affected Investors an opportunity to redeem their Securities prior to any such substitution.

The Collateral is denominated in Euros. However any alternative eligible collateral may be denominated in a currency other than the currency in which the Securities are issued.

The Collateral comprised in Linked Compartment 4 may, for liquidity reasons and/or the investment of temporary liquidity surpluses (including pursuant to receipt by the Issuer of proceeds of the issue of Securities but prior to the Issuer's acquisition of the Collateral) and in the exclusive discretion of the Issuer, also consist of cash held in one (1) or more bank accounts with credit institutions within the European Economic Area and/or money market funds and/or asset backed securities having a maturity of

less than one (1) year and principal protection.

The Issuer shall not issue further securities backed by the same Collateral. However, the Issuer may issue new securities to finance the acquisition of additional Collateral allocated to Linked Compartment 4.

In fact, the Securities to be issued in terms and by virtue hereof represent a second issue of Securities to finance the acquisition of additional Collateral allocated to Linked Compartment 4. The first issue of Securities was effected in terms and by virtue of a securities note published by the Issuer on the 9th February, 2014, and the said Securities were admitted to listing on the EWSM on the 13th February, 2015.

An Investor shall have a privilege over the Collateral in terms of Article 16 of the Securitisation Act. The said privilege should be limited to the Collateral comprised in Linked Compartment 4 (see section 1.1 of the Registration Document) and the said privilege ranks prior to all other claims at law.

3.4 THE COLLATERAL OBLIGOR

The Collateral Obligor is constituted as a wholly owned subsidiary of the Issuer and as a special investment vehicle having, as its sole business activity, the issuance of performance linked bonds and the execution of hedging transactions.

Legal & Commercial Name of Collateral Obligor:	AI Undertaking XII Inc.
Place of Registration:	St. Vincent and the Grenadines
Registration Number:	21874 IBC 2013
Date of Incorporation:	18 December, 2013
Length of Life of the Collateral Obligor:	Indefinite
Domicile:	St. Vincent and the Grenadines
Legal form:	Company limited by Shares ("public limited company")
Operating under the laws of:	St. Vincent and the Grenadines
Registered Office:	112 Bonadie Street, Kingstown, St. Vincent and the Grenadines
Principal Place of Business:	112 Bonadie Street, Kingstown, St. Vincent and the Grenadines
Telephone:	00356-20107-357
Auditors:	No auditor appointed yet
Director:	Argentarius Investment Solutions Inc.
Business Address of Director:	112 Bonadie Street, Kingstown, St. Vincent and the Grenadines
Sole Shareholder	Delta1 Securities plc

Conflict of interest:	<p>The Collateral Obligor is a subsidiary of the Issuer and is expected to engage the same Agents as the Issuer – as may be required. The shares held by the Issuer in the Collateral Obligor are not part of the Collateral but are held in the general account of the Issuer.</p> <p>The Collateral Obligor may acquire and hold Securities prior to the lapse of the Offering Period and having an aggregate value not exceeding five million Euros (€5,000,000). Such Securities shall be held to secure some liquidity on the secondary market (see section 2 of this Securities Note) and would not, in the circumstances, create any conflict of interest.</p>
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The Collateral Obligor did not commence operations subsequent to its incorporation except and until it issued performance linked bonds (ISIN: AT0000A1BK74) on the 21st January, 2015. Such performance linked bonds were securitised by the Issuer by virtue of the first issue of securities referred to in Section 1.5 and Section 3.3 of this Securities Note. The Collateral Obligor has not been party to any further transaction nor carried on any further activity. As a result, and in terms of applicable laws of St Vincent and the Grenadines, no audited financial statements are available yet in respect of AI Undertaking XII Inc.

There has been no material adverse change in the prospects of AI Undertaking XII Inc. since its incorporation. In addition, no significant change in the financial or trading position of the Collateral Obligor has occurred since the Collateral Obligor's incorporation.

There were no governmental, legal or arbitration proceedings since the incorporation of AI Undertaking XII Inc. Furthermore, there are no material contracts that were not entered into within the Collateral Obligor's ordinary business.

Argentarius Investment Solutions Inc. is the sole director of the Collateral Obligor and does not undertake any activity whatsoever save for acting as sole director of several companies incorporated as special investment vehicles in St. Vincent and the Grenadines (including the Collateral Obligor) and the provision of certain services to such companies.

To the best of the Issuer's knowledge and belief, no potential conflicts of interest exist or may arise between the Collateral Obligor and Argentarius Investment Solutions Inc.

Insofar as the Collateral Obligor is constituted as a wholly owned subsidiary of the Issuer, the Collateral Obligor is dependent on the Issuer. As such, the Issuer is exclusively entitled to remove and/or replace any director of the Collateral Obligor and generally to seek to control the administration of the Collateral Obligor. The Issuer is also exclusively entitled to adjust the Collateral Obligor's constitutive documents as well as to procure the merger, division or dissolution of the Collateral Obligor.

For the life of this Prospectus, copies of the following documents will be available for inspection or for collection by physical means, free of charge, at the registered office of the Issuer during normal business hours:

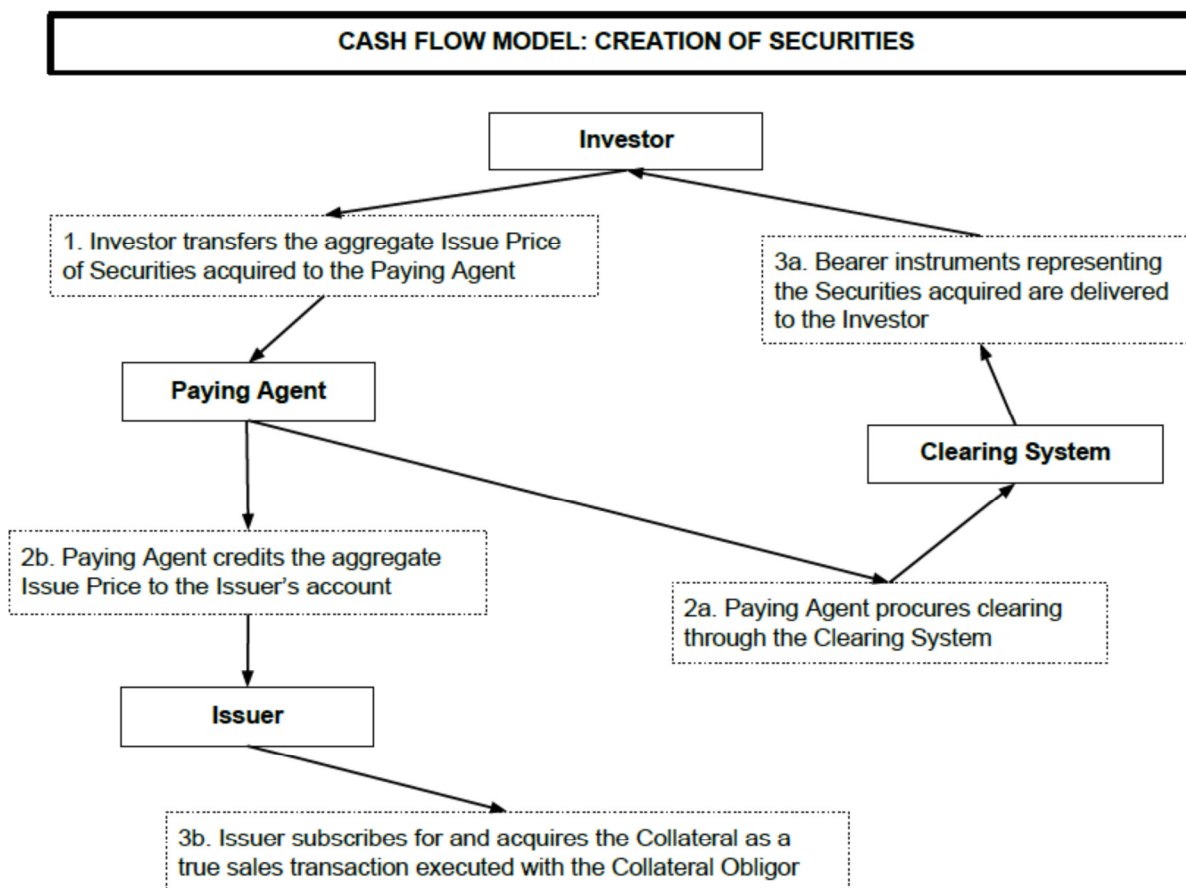
- (i) the memorandum and articles of association of the Collateral Obligor;
- (ii) all future financial statements and audit reports issued in respect of the Collateral Obligor.

3.5 CASH FLOW MODEL - CREATION OF SECURITIES

Pursuant to an application for Securities by a prospective Investor, the said Investor shall transfer funds in

settlement of the aggregate Issue Price of the Securities allocated to him within three (3) Business Days from the date on which such allocation is notified to him. Such funds shall be transferred to the Paying Agent. Clearing is done by and through the Clearing System.

The Paying Agent shall act as settlement agent and would accordingly credit the issue proceeds to the account of the Issuer held at the Paying Agent. The Issuer thereafter, and within five (5) Business Days, shall subscribe for the Collateral by virtue of a true sale transaction and shall accordingly acquire the Collateral directly from the Collateral Obligor against cash consideration.



3.6 REDEMPTION AT THE OPTION OF THE INVESTOR OR THE ISSUER

Investors shall be granted an option to redeem Securities at such periods and on such terms specified in section 4 of this Securities Note.

The Issuer also reserves an option to redeem Securities on such terms specified in section 4 of this Securities Note.

3.7 MAIN BANK ACCOUNTS

The main accounts relating to the transactions contemplated in this Securities Note are held with:

Name: Bank of Valletta plc	Name: Sparkasse Bank Malta plc
Registration Number: C2833	Registration Number: C27152
Date of Incorporation: 21 March, 1974	Date of Incorporation: 24 October, 2000
Registered Address: 58, Zachary Street, Valletta	Registered Address: 101, Townsquare, ix-Xatt ta'

VLT 1130, Malta	Qui-si-Sana, Sliema SLM 3112, Malta.
<p><i>Brief Description:</i></p> <p>Bank of Valletta plc Bank of Valletta p.l.c. is licensed to carry out the business of banking and investment services in terms of the Banking Act, Chapter 371 of the laws of Malta, and the Investment Services Act, Chapter 370 of the laws of Malta. Bank of Valletta plc is an enrolled tied insurance intermediary of MSV Life p.l.c. under the Insurance Intermediaries Act, Chapter 487 of the laws of Malta.</p> <p>Bank of Valletta plc offers the entire range of retail banking services as well as the sale of financial products such as units in collective investment schemes. The Bank also offers investment banking services, including underwriting and management of initial public offerings as well as custodianship and trustee services.</p>	<p><i>Brief Description:</i></p> <p>Sparkasse Bank Malta plc is licensed as a credit institution in terms of the Banking Act, Chapter 371 of the laws of Malta.</p> <p>In addition to banking services, Sparkasse Bank Malta plc also provides investment services and fund custody services by virtue of a Category 2 and Category 4 investment services license issued by the MFSA in terms of the Investment Services Act, Chapter 370 of the laws of Malta.</p>

4. TERMS & CONDITIONS

*The following text in this section comprises the terms and conditions (the “**Terms & Conditions**”) of the Securities.*

The Issuer is a public limited liability company incorporated in Malta. The Issuer was established as a special purpose vehicle for the purpose of issuing asset backed securities in the context of securitisation transactions as permitted in terms of the Securitisation Act. The Issuer shall avail itself of the facility afforded to it by virtue of Article 22(3) Securitisation Act to issue financial instruments whose value or yield which is linked to the securitized collateral comprised in separate compartments.

The term “Exchange Traded Instrument” and “ETI” are used to describe Securities whose value is linked 1:1 to underlying Collateral comprised in Linked Compartment 4.

These Terms & Conditions must be read in conjunction with the remaining sections of the Prospectus. Any decision to invest in Securities should be based on consideration of the Prospectus as a whole, including any information incorporated by reference.

4.1 THE SECURITIES

Securities Name:	Solid Venture P2P ETI
Identification Code:	ISIN: AT0000A1CV47
Type:	Asset Backed
Currency:	Euro
Form:	Bearer
Specified Denomination:	€100,000 per Security
Issue Price:	€105,000 per Security
Maximum Number of Securities:	100
Issue Date:	9 October, 2015
Offering Period:	6 October, 2015, up to 9 October, 2015
Redemption Day:	Every last Business Day of every week
Redemption Notice Period:	5 Business Days prior to a Redemption Day
Linked Compartment:	4
EUSIPA Code:	1300

Applications to subscribe for Securities may be made on a Business Day prior to the lapse of the Offering Period.

Within five (5) Business Days from the issue of all one hundred (100) units or the lapse of the Offering Period, whichever is the earlier, the Issuer shall make an announcement, in accordance with section 4.19, confirming the number of Securities issued and the Issuer shall notify the Listing Authority of such number of Securities issued in accordance with the requirements of the Listing Rules.

The Issuer reserves the right for any reason to: (i) close the Offering Period early; (ii) reduce the number of Securities offered; and/or (iii) cancel the issuance of Securities.

The Issuer will use the proceeds from the issue of the Securities solely for the purpose of investing in the Collateral to be allocated to Linked Compartment 4 – and in the settlement of the Issuer’s (*pro rata*) general administrative expenses and initial fees chargeable by the Agents, the Clearing System and the Trustee.

The Securities shall constitute direct, secured (by virtue of the privilege referred to in section 1.1 of the Registration Document) and unsubordinated obligations of the Issuer and rank equally among themselves and with all other outstanding secured and unsubordinated obligations of the Issuer with respect to the

Collateral comprised in Linked Compartment 4, unless mandatory legal provisions require otherwise.

The Securities shall accordingly be identified by reference to Linked Compartment 4.

The Securities are not insured or guaranteed by any government or government agency.

The Securities will be issued in bearer form and shall be deposited as a variable global certificate representing up to 100 units with and held with the Clearing System identified in section 4.4 hereunder. The Securities are transferable in accordance with applicable law and in accordance with the OeKB Rules. Title to Securities will pass upon registration of the transfer in the books of the Clearing System.

The Issuer and the relevant Agents shall (except as otherwise required by law or ordered by a court of competent jurisdiction) deem and treat the holder of any bearer instrument representing a Security as the absolute owner of that Security for all purposes and no person shall be liable for so treating the holder.

As far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.

4.2 AGENTS

The Issuer shall engage Agents in respect of the Securities. Such Agents shall act solely as such in respect of the Issuer and shall not assume any obligation or duty to, or any relationship of agency or trust for or with, any Investor. The Issuer reserves the right to vary or terminate the appointment of the Agents and to appoint additional or other Agents.

The cost of Agents (see section 4.5 hereunder) will be paid directly out of the proceeds derived from the Collateral comprised in Linked Compartment 4. Such costs will reduce the value and yield of the said Collateral and, as a result, the value of the Securities.

The agreements executed with the Agents and including the instrument appointing the Trustee shall be available for inspection by Investors at the Issuer's registered office during normal office hours.

The Agents shall be released from the restrictions set out in article 181 of the German Civil Code.

4.2.1 ARRANGER

Arranger: Argentarius ETI Management Ltd

Argentarius ETI Management Ltd provides technical and management services to securitisation vehicles or assets or risks thereof.

The Arranger shall secure the conclusion of all agreements and transactions contemplated in this Prospectus in connection with the issue of Securities and including, but not limited to, agreements and transactions securing the Issuer's acquisition of the Collateral and agreements engaging the Agents and the Clearing System.

4.2.2 PAYING AGENT

Paying Agent: Bluerock Financial Services S.A.

The Paying Agent will be responsible to disburse, or cause to be disbursed, all amounts due to Investors, subject to those amounts being received by the Paying Agent from the Issuer. The Issuer will generally procure the transfer of any payments receivable from the Collateral Obligor to be made to the Paying Agent prior to payment to Investors.

The Issuer is entitled to replace the Paying Agent at any time with any other bank or financial services institution having its head office or a branch office within a country of the European Economic Area, as well as to appoint one or several additional paying agents and revoke their appointment. Notice of such replacement, appointment and revocation shall be promptly published in accordance with section 4.19 hereunder.

4.2.3 CALCULATION AGENT

Calculation Agent: Argentarius ETI Management Ltd

The Calculation Agent shall be responsible to determine the value of the Securities on a Redemption Day and the resulting Redemption Amount due to an Investor pursuant to his redemption of Securities. The Calculation Agent shall make all relevant determinations and/or calculations accordingly.

The Issuer is entitled to replace the Calculation Agent with any other person in accordance with the terms and conditions set out in an agreement between the Issuer and the Calculation Agent.

4.2.4 LISTING AGENT

Listing Agent: Argentarius ETI Management Ltd

In terms of the Listing Rules, the Listing Agent shall, *inter alia*, liaise with the Listing Authority.

4.3 TRUSTEE

Trustee: SOLV International Ltd

In terms of the Listing Rules, a deed of trust shall be executed by and between the Issuer and the Trustee. In terms of the deed of trust, the Trustee shall represent the interests of Investors and shall have the right of access to appropriate and relevant information relating to the Securities and the Collateral comprised in Linked Compartment 4.

The Issuer shall not be entitled to remove the Trustee without the Trustee's consent. However, the Trustee may be removed by means of a resolution approved by Investors holding more than fifty per cent (50%) of the Securities and attending a meeting of Investors duly convened in terms of section 4.20 hereunder.

As soon as is reasonably practicable subsequent to the removal of the Trustee by the Investors, the Issuer shall secure the appointment of a replacement trustee. Any such replacement trustee shall be a bank or financial services institution or authorized trustee having its head office or a branch office within a country of the European Economic Area.

4.4 CLEARING SYSTEM

The Securities are deposited with and held on the clearing system established and maintained by OeKB.

The agreement executed with the Clearing System shall be available for inspection by Investors at the Issuer's registered office during normal office hours.

4.5 FEES

In terms of agreements executed with the Agents and the Clearing System and including the instrument appointing the Trustee, the Agents, Clearing System and the Trustee shall, together, be entitled to aggregate fixed fees of up to thirty thousand Euros (€30,000) *per annum* plus volume-based fees of up to 2% of placed volume.

The Agents (other than the Listing Agent) and the Trustee will also be entitled to a full reimbursement by the Issuer of all properly incurred and approved out-of pocket expenses.

4.6 RIGHTS APPERTAINING TO INVESTORS

The Securities do not bear interest but they give each Investor the right to receive a potential return (that is, the Redemption Amount) on the Securities upon redemption together with certain ancillary rights such as the right to receive notice of certain determinations and events and the right to vote on future amendments to these Terms & Conditions.

The Securities shall have a value or yield which is linked to the securitized Collateral comprised in Linked Compartment 4. Such value or yield shall be calculated and published by the Calculation Agent in accordance with section 4.12 of these Terms & Conditions.

An Investor shall have a right to receive the Redemption Amount upon a redemption of the Securities.

In terms of Article 16 of the Securitisation Act, Investors shall have a privilege over the Collateral and such privilege shall rank prior to all other claims at law – except for other securitisation creditors who enjoy a prior ranking granted to them with the consent or knowledge of the Investors. The Issuer understands that the said privilege appertaining to an Investor should be effective limitedly to Collateral comprised in Linked Compartment 4 – but see, in particular, Section 1.1 of the Registration Document for an elaboration of Risk Factors arising in connection with the said privilege.

4.7 COLLATERAL COMPRISED IN LINKED COMPARTMENT 4

The Collateral comprised in Linked Compartment 4 shall have characteristics that demonstrate capacity to produce funds to service the Issuer's obligations to make payments due and payable under the Securities.

Such Collateral comprised in Linked Compartment 4 shall (unless substituted) consist of performance linked bonds issued by AI Undertaking XII Inc.

The Collateral comprised in Linked Compartment 4 may, for liquidity reasons and/or the investment of temporary liquidity surpluses (including pursuant to receipt by the Issuer of proceeds of the issue of Securities but prior to the Issuer's acquisition of the Collateral) and in the exclusive discretion of the Issuer, also consist of cash held in one (1) or more bank accounts with credit institutions within the European Economic Area and/or money market funds and/or asset backed securities having a maturity of less than one (1) year and principal protection.

4.8 TERM OF THE SECURITIES

The Securities are constituted for an unlimited duration but may be redeemed by the Investor as set out in section 4.11 of these Terms & Conditions or by the Issuer as set out in section 4.15 of these Terms & Conditions.

The Redemption Amount ultimately payable to Investors pursuant to the redemption of Securities shall not be subject to amortisation.

4.9 RATING

The Securities are unrated.

4.10 TRANSFERS

Transfers of Securities may only be effected through the Clearing System and only in accordance with the OeKB Rules.

4.11 REDEMPTION OF SECURITIES BY INVESTORS

Investors may seek to redeem all or part of their Securities by submitting a Redemption Notice to the Issuer prior to the Redemption Notice Period. Such a request for the redemption of Securities must contain the following information:

- (i) full name and address of the Investor;
- (ii) the International Security Identification Number (ISIN) of the Securities to be redeemed;
- (iii) the quantity of Securities to be redeemed; and
- (iv) the account of the Investor with a bank in a member state of the European Economic Area, to which any payments owed under the Securities are to be credited.

The Redemption Notice may be obtained from the Issuer.

No Redemption Notice may be withdrawn once received by the Issuer and, if accepted, will be effective as at the next Redemption Day.

A Redemption Notice must be received at the Issuer's registered office during office hours prior to commencement of the Redemption Notice Period. Redemption Notices received at any time during the Redemption Notice Period will, unless the Issuer otherwise determines, be held over until the following applicable Redemption Day.

Notwithstanding the aforesaid, a Redemption Notice shall have no effect whilst redemptions are temporarily suspended in the circumstances identified in section 1.4 of this Securities Note.

4.12 REDEMPTION AMOUNT

On or as soon as is reasonably practicable subsequent to a Redemption Day, the Calculation Agent shall calculate the Redemption Amount and shall publish the same in accordance with section 4.19 of these Terms & Conditions. The calculations are (in the absence of manifest error) final and binding upon all parties.

The amount payable to an Investor pursuant to his redemption of Securities (the "**Redemption Amount**") shall be determined *pro rata* as follows:

$$\text{Redemption Amount} = \frac{\text{VoLC}(t)}{\text{Aggregate Nominal Amount}} * \text{Denomination}$$

VoLC(t): Value of Linked Compartment 4 as at the Redemption Day

Value of Linked Compartment 4: means the value of cashflows derived by the Issuer from the securitised Collateral comprised in Linked Compartment 4 less fees and any liabilities attributable in whole or in part to the Securities and Linked Compartment 4 as computed by the Calculation Agent

The Redemption Amount shall be determined by the Calculation Agent by reference to such factors as the Calculation Agent considers in good faith to be appropriate including, without limitation:

- (i) market prices or values for the assets representing the Collateral comprised in Linked Compartment 4 and other relevant economic variables (such as interest rates and, if applicable, exchange rates) at the time;
- (ii) internal pricing models; and
- (iii) the costs, losses and expenses which may be or which are incurred by or on behalf of the Issuer in

connection with the disposal or realisation of the Collateral comprised in Linked Compartment 4 and/or the redemption of the Securities.

4.13 REDUCTION OF AMOUNTS PAYABLE; LIMITED RECOURSE

The claims of Investors against the Issuer under the Securities may be satisfied only from the Collateral comprised in Linked Compartment 4.

The Redemption Amount shall be paid from the proceeds received from the Collateral comprised in Linked Compartment 4 or from the redemption, cancellation, surrender or other disposal of such Collateral. As a result, the redemption of the Securities is dependent on payments received by the Issuer from the Collateral comprised in Linked Compartment 4 or upon its redemption, cancellation, surrender or other disposal of the said Collateral.

If the Issuer is not able to redeem or realise the Collateral, the Issuer may be unable to redeem the linked Securities. If the Collateral comprised in Linked Compartment 4 or the proceeds from the disposal thereof are insufficient for the final and full settlement of the claims of Investors, the Issuer will not be liable for any shortfalls.

In the circumstances, the Investors cannot assert any further claims against the Issuer. In such case, the claim to full repayment of capital is lost without compensation. Investors cannot take recourse against other accounts or assets of the Issuer. The Investors are not entitled to any direct legal claims whatsoever against the Collateral Obligor.

In case the realised Collateral should not be sufficient to pay out all parties, the proceeds from the Collateral shall be distributed at the following ranking:

1. Investors
2. Trustee
3. Paying Agent
4. Calculation Agent
5. Arranger

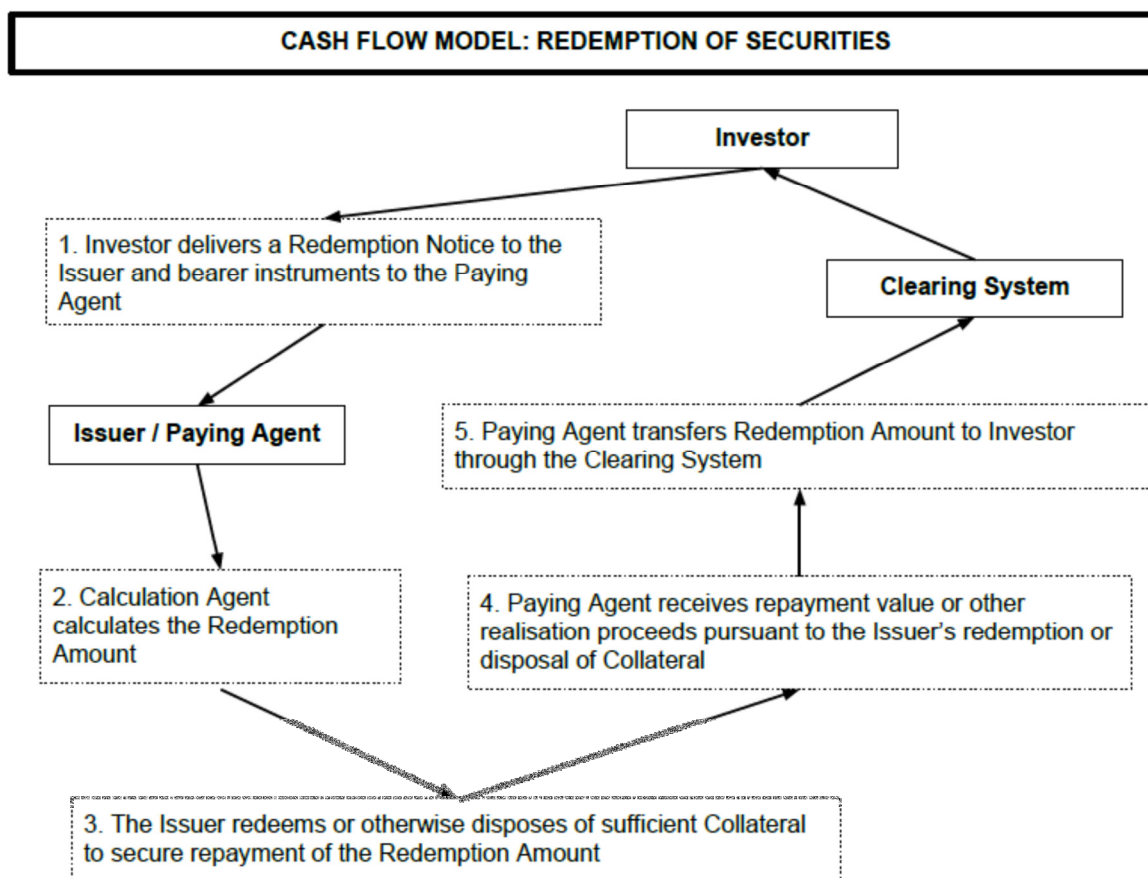
By subscribing for Securities or otherwise acquiring the Securities, an Investor expressly acknowledges and accepts that the Issuer: (i) acts in compliance with the Securitisation Act; and (ii) has created a specific compartment (that is, Linked Compartment 4) in respect of the Securities to which all assets, rights, claims and agreements relating to the Securities will be allocated.

Furthermore, an Investor acknowledges and accepts that it only has recourse to the Collateral comprised in Linked Compartment 4 and not to the assets allocated to other compartments created by the Issuer or to any other assets of the Issuer. The Investor accordingly acknowledges and accepts that once all the assets allocated to Linked Compartment 4 have been realised, he shall not be entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sum shall be extinguished.

The Investor hereby accepts not to attach or otherwise seize the assets of the Issuer allocated to Linked Compartment 4 or to other compartments of the Issuer or other assets of the Issuer. In particular, the Investor shall not be entitled to petition or take any other step for the winding-up, liquidation or bankruptcy of the Issuer, or any similar insolvency related proceedings.

If an Investor makes an application for the dissolution of the Issuer, insolvency proceedings against the assets of the Issuer, or the institution of similar proceedings aimed at liquidating the Issuer, or if an Investor joins such application made by a third party, such Investor will *ipso jure* lose all rights under the Securities.

4.14 CASH FLOW MODEL – REDEMPTION OF SECURITIES BY INVESTORS



4.15 ADJUSTMENT OR EARLY REDEMPTION BY THE ISSUER

If a Disruption Event occurs, the Issuer shall determine whether an appropriate adjustment can be made to these Terms & Conditions or any other provisions relating to the Securities to account for the economic effect of the relevant Disruption Event on any Securities and to preserve substantially the economic interests of Investors.

Should the Issuer determine that any such adjustment/s may be made, the Issuer shall determine the effective date of such adjustment/s, notify the said Investors of any such adjustment/s and take the necessary steps to effect such adjustment/s. The Issuer shall notify Investors of any such adjustment/s as soon as reasonably practicable after the nature and effective date of the adjustment/s are determined.

On the other hand, should the Issuer determine that no adjustment that could be made would produce a commercially reasonable result and preserve substantially the economic interests of Investors, the Issuer shall, on giving Investors irrevocable notice for not less than the Redemption Notice Period, cancel all of the Securities and pay to each Investor, in respect of the Securities held by it, an amount equal to the Redemption Amount.

All determinations made by the Issuer in terms hereof shall be conclusive and binding on the Investors and on any person generally, except in the case of manifest error.

The Issuer shall also be entitled to terminate all outstanding Securities on any Redemption Day by giving at least one month's notice to Investors.

4.16 PAYMENTS

Payments made in respect of the Securities shall not be subject to any waterfall structure or mechanism.

The Redemption Amount will normally be paid within three (3) Business Days subsequent to the Issuer's receipt of the proceeds (including pursuant to realisation as the case may be) from the Collateral comprised in Linked Compartment 4 as would suffice to finance the settlement of the Redemption Amount. Once sufficient proceeds are received as aforesaid, the Paying Agent will arrange for the transfer and payment, through the Clearing System, of the Redemption Amount to the account of the Investor.

Payments of the Redemption Amount will be made against and subject to the presentation and surrender (or, in the case of part payment, endorsement) of the relevant bearer instruments representing the redeemed Securities at the specified office of the Paying Agent. Neither the Issuer nor the Paying Agent are required to verify the authority of persons surrendering Securities.

If the number of Securities to be redeemed as specified in the Redemption Notice differs from the number of bearer instruments surrendered to the Paying Agent, the Redemption Notice shall be deemed to have been made only for the smaller of both numbers of Securities. Any bearer instruments surrendered in excess shall be re-transferred to the Investor at its exclusive risk and expense.

All currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up). For these purposes 'unit' means the lowest amount of such currency that is available as legal tender in the country of such currency.

Any payment effected by or on behalf of the Issuer in respect of Securities shall be subject to deduction, or conditional upon payment by the relevant recipient/s, of any applicable taxes, settlement expenses, bank charges and any other amounts payable as specified in these Terms & Conditions.

If the date on which any amount is payable is not a Business Day then payment will not be made until the next succeeding day which is a Business Day and the recipient of any such payment shall not be entitled to any further payment in respect of such delay.

Redemption of the Securities and any payments by the Issuer and/or the Paying Agent will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at such time (including, without limitation, any relevant exchange control laws or regulations and the OeKB Rules) and none of the Issuer, the Clearing System or the Paying Agent shall incur any liability whatsoever if it is unable to effect any payments or deliveries contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices.

Neither the Issuer nor the Paying Agent shall under any circumstances be liable for any acts or defaults of the Clearing System in the performance of their respective duties in relation to the Securities.

If the Issuer determines that any condition to payment to be satisfied by an Investor has not been satisfied in respect of the Securities on or prior to the date on which payment would otherwise have been scheduled to occur, such payment shall not become due until the date on which all conditions to payment have been satisfied in full. No additional amounts shall be payable or deliverable as a result of any such delay or postponement. The conditions to payment to be satisfied by an Investor may include, without limitation, receipt of all instructions, certifications, documentation and information by the Issuer, any Agent and the Clearing System, as applicable, required by the Issuer, the relevant Agent and/or the Clearing System to effect such payment to the Investor (or to its order) within the required time period.

4.17 PRESCRIPTION – STATUTE OF LIMITATIONS

Any claim for the Redemption Amount shall be prescribed (time-barred) upon the lapse of thirty (30) years.

4.18 POST ISSUANCE REPORTING

The Issuer does not intend to provide post issuance transaction information regarding the Securities or the performance of the Collateral.

4.19 NOTICES TO INVESTORS

All notices to Investors will be deemed to have been duly given and valid:

- (i) if published on www.argentarius-group.com and will be deemed to have been given on the date of first publication; and
- (ii) if given in accordance with the rules and regulations of the EWSM and will be deemed to have been given on the first date of transmission or publication.

Notices to Investors may also be duly given and valid if given to the Clearing System in which the relevant Securities are held.

Failure to give notice where required will not invalidate any determination, calculation or correction, as applicable.

4.20 MODIFICATIONS

The terms of this Securities Note (excluding these Terms & Conditions) relating to the Securities may be amended by the Issuer without the consent of the Investors if, in the reasonable opinion of the Issuer, the amendment: (i) is of a formal, minor or technical nature; (ii) is made to correct a manifest or proven error or omission; (iii) is made to comply with mandatory provisions of any applicable law; (iv) is made to cure, correct or supplement any defective provision contained herein; and/or (v) will not materially and adversely affect the interests of Investors. Any such modification shall be binding on Investors and any such modification shall take effect by notice to Investors.

These Terms and Conditions may be adjusted, by the Issuer, in its exclusive discretion and without the consent of Investors, pursuant to a Disruption Event.

For the avoidance of any doubt any Agent may be appointed or engaged and any such appointment or engagement may be terminated or the terms of any such appointment or engagement may be adjusted without notice to the Investors and without requiring their approval.

Notwithstanding the aforesaid, any proposed amendment, modification, adjustment, appointment, engagement or termination referred to in the preceding paragraphs of this section shall be notified to the Trustee but the Trustee's consent thereto shall not be required.

Furthermore, any substitution of Collateral comprised in Linked Compartment 4 or of the Collateral Obligor may be effected with notice to affected Investors (subject to such Investor's entitlement to procure the redemption of their Securities prior to any such substitution) and the Trustee but without requiring their approval.

Notwithstanding anything contained in this Securities Note, but subject to the requirements of the Prospectus Directive, these Terms & Conditions may be amended subsequent to the lapse of the Offering Period by a resolution of the Directors. The Directors shall notify the Trustee of any such resolution and the amendment/s approved thereby shall not take effect unless approved by the Trustee in writing and until the amendment/s and the Trustee's approval thereof are notified to Investors by means of an announcement in accordance with section 4.19. Provided that the Trustee shall be entitled to require the

Issuer to convene a meeting of Investors to consider any amendment/s to these Terms & Conditions and any such amendment shall not take effect unless it is approved by Investors holding more than fifty per cent (50%) of the Securities at the time of that meeting.

Provided further that the procedure to amend these Terms & Conditions set out in the immediately preceding paragraph shall also apply should the Issuer seek to remove the Trustee.

4.21 PURCHASES AND CANCELLATIONS

The Issuer may at any time purchase Securities in the open market or otherwise at any price. The Issuer shall not be obliged to inform Investors of any such purchase of Securities. Securities so purchased may be held, surrendered for cancellation or resold, all in accordance with applicable laws and regulations.

4.22 OTHER OBLIGATIONS OF THE ISSUER

The Issuer is authorised to issue, at any time and without the consent of Investors, further Securities with other conditions, other bonds, participation certificates, common stock, preferred stock or other financial instruments and the Issuer is unlimited in obtaining bank or other third party finance. No Investor shall be entitled to any subscription or pre-emption entitlement in respect or upon any issue of such further Securities.

4.23 ADMISSION TO LISTING

Application has been made for the Securities (up to one hundred (100) units having a denomination of one hundred thousand Euros (€100,000) each) to be admitted to trading on the EWSM. The EWSM is a regulated market in terms of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

Trading on the market as well as over the counter shall be effected in unit quote.

4.24 USE OF PROCEEDS

The Issuer expects to derive up to €10,500,000 pursuant to the issue of Securities.

In turn, the Issuer estimates that total expenses related to the admission of the Securities to trading on the EWSM would not exceed €20,000. Such expenses (and the Issuer's *pro rata* general administrative costs and the Agent's initial fees) will be settled by the Issuer out of the proceeds of the issue of Securities and the net proceeds of the issue shall represent the Aggregate Nominal Amount.

No fees or expenses will be charged directly to Investors.

The Aggregate Nominal Amount shall be applied to the fullest extent possible in the acquisition of the Collateral by no later than the 14 October, 2015.

4.25 MISCELLANEOUS

The form and contents of the Securities as well as all rights and duties arising from the matters provided for in these Terms & Conditions shall be governed in all respects by the laws of Germany.

The place of jurisdiction for any suit or other legal proceedings against the Issuer arising out of or in connection with the Securities is Frankfurt, Germany.

Should any provisions of these Terms & Conditions be or become wholly or partly invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision, which reflects the economic purpose of the invalid provision as far as legally possible.

5. DEFINITIONS

In this Securities Note, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

"Agents"	The Paying Agent, the Calculation Agent, the Arranger and the Listing Agent.
"Aggregate Nominal Amount"	Shall have the meaning given to it in section 3.2 of this Securities Note.
"Business Day"	A Clearing System Business Day.
"Calculation Agent"	Argentarius ETI Management Ltd, a private limited liability company incorporated in Malta with registration number C55597.
"Clearing System"	OeKB.
"Clearing System Business Day"	Any day on which the Clearing System is open for the acceptance and execution of settlement orders.
"Collateral"	The performance linked bonds (specified as such in section 3.3 and 4.7 of this Securities Note) issued by the Collateral Obligor and comprised in Linked Compartment 4 and including any alternative performance linked bonds acquired by the Issuer to substitute the said bonds.
"Collateral Obligor"	AI Undertaking XII Inc., a public limited company incorporated in St. Vincent and the Grenadines with registration number 21874 IBC 2013.
"Companies Act"	The Companies Act, Chapter 386 of the laws of Malta.
"Currency"	Euro.
"Currency Disruption"	The occurrence or official declaration of an event impacting one or more currencies that the Issuer determines would materially disrupt or impair its ability to meet its obligations, in whole or in part, under the Securities.
"Directors"	The directors for the time being of the Issuer.
"Disruption Event"	Shall have the meaning given to it in section 1.8 of this Securities Note.
"Duty on Documents and Transfers Act"	The Duty on Documents and Transfers Act, Chapter 364 of the laws of Malta.
"EU"	The European Union.
"EUSIPA"	European Structured Investment Products Associations.
"EUSIPA Code"	1300 - Tracker Certificates. A Code published by EUSIPA to set standards for a uniform categorization of structured investment

products.

"Extraordinary Market Disruption"	An extraordinary event or circumstance, including any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), a natural disaster, an act of war, strike, blockade, boycott or lockout which the Issuer determines has prevented it from performing its obligations, in whole or in part, under the Securities.
"EWSM"	The European Wholesale Securities Market.
"FATCA"	The US Foreign Account Tax Compliance Act, 2010.
"Income Tax Act"	The Income Tax Act, Chapter 123 of the laws of Malta.
"Investor"	A person holding Securities.
"Issue Date"	9 October, 2015.
"Issue Price"	€105,000 Euro per Security.
"Issuer"	Delta1 Securities plc, a public limited liability company incorporated in Malta with registration number C 59190.
"Linked Compartment 4"	The separate and distinct compartment designated as such by the Issuer and comprising the Collateral linked to the Securities.
"Listing Agent"	Argentarius ETI Management Ltd, a limited liability company incorporated in Malta with registration number C55597.
"Listing Authority"	MFSA.
"Listing Rules"	The listing rules issued by the Listing Authority (as may be amended from time to time) setting out, <i>inter alia</i> , the procedures, formalities and requirements prescribed in connection with a listing on the EWSM.
"MFSA"	The Malta Financial Services Authority.
"OeKB"	The Clearing and Settlement system in Austria established and maintained by Oesterreichische Kontrollbank AG.
"OeKB Rules"	The rules and procedures governing access to and the use of OeKB, as updated from time to time.
"Offering Period"	6 October, 2015 up to 9 October, 2015.
"Paying Agent"	Bluerock Financial Services S.A., a public limited company incorporated in Bucuresti, Romania with registration number PJR01SSIF/190057.
"Prospectus"	The Registration Document together with this Securities Note.
"Prospectus Directive"	Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are

offered to the public or admitted to trading and amending Directive 2001/34/EC (as amended by Directive 2010/73/EU of the European Parliament and of the Council and Commission).

"Prospectus Regulation"

Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (as amended by delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission delegated regulation (EU) No. 862/2012 of 4 June, 2012, Commission delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission delegated Regulation (EU) No. 382/2014 of 7 March 2014).

"Redemption Amount"

Shall have the meaning given to it in Section 4.12 of this Securities Note.

"Redemption Day"

Every last Business Day of every week.

"Redemption Notice"

The notification form which shall made available to Investors and which is to be completed and duly executed by an Investor for submission to the Issuer in order to request that the Issuer redeem all or part of that Investor's Securities.

"Redemption Notice Period"

Five (5) Business Days prior to a Redemption Day.

"Registrar of Companies"

The Malta Registrar of Companies.

"Registration Document"

The registration document issued by the Issuer dated 13 October, 2014, and forming part of the Prospectus.

"Securities"

Certificates issued pursuant to and in terms of this Securities Note.

"Securities Act"

The US Securities Act, 1933.

"Securities Note"

This Securities Note as issued by the Issuer and as may be amended from time to time.

"Securitisation Act"

The Securitisation Act, Chapter 484 of the laws of Malta.

"Specified Denomination"

€100,000 per Security.

"Terms & Conditions"

The terms and conditions regulating the Securities as set out in this Securities Note in the section entitled "Terms & Conditions".

"Trustee"

SOLV International Ltd., a private limited liability company incorporated in Malta with registration number C52096.

"US"

The United States of America.

"US Person"

As defined in Regulation S of the Securities Act.

A reference to a 'person' in this Prospectus includes any person, firm, company, corporation, government,

state or agency of a state or any association, trust or partnership (whether or not having separate legal personality).

A reference in this Prospectus to a provision of law is a reference to that provision as amended or re-enacted.

References in this Prospectus to a company or entity shall be deemed to include a reference to any successor or replacement thereto.

6. TAXATION

Investors and prospective Investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Securities, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Investors insofar as taxation in Malta is concerned.

This information below is being given solely for the general information of Investors and does not constitute legal or tax advice and does not purport to be exhaustive.

The said information is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of this Prospectus. Investors are reminded that tax law and practice and their interpretation may change from time to time.

Malta Capital Gains on Disposals or Redemptions of Securities

To the extent that the Securities would not fall to be characterised as constituting chargeable 'securities' in terms of the provisions of Article 5(1)(b) of the Income Tax Act, any disposal or redemption of Securities would not trigger Malta tax on capital gains.

Chargeable 'securities' are defined in Article 5(1)(b) of the Income Tax Act as comprising "shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return".

At any rate, no Malta tax would be chargeable on any disposal of Securities by an Investor who is not resident in Malta and provided that:

- (i) the Investor is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta; and
- (ii) the Issuer shall not own immovable property situated in Malta or any real rights thereon or, directly or indirectly, shares or other interests in any entity or person, which owns immovable property situated in Malta or any real rights thereon where five percent (5%) or more of the total value of the said shares or other interests so held is attributable to such immovable property or rights.

Furthermore, no Malta tax may be chargeable on any disposal of Securities listed on the EWSM in terms of the provisions of Article 5(6)(b) of the Income Tax Act.

Unless otherwise exempt from Malta tax on capital gains, a disposal or redemption of Securities would trigger a Malta tax liability on the gains derived as a result. Such gains would be computed by the deduction of the transferring Investor's cost of acquisition of the Securities from the consideration received therefor.

Malta Duty on Documents and Transfers

To the extent that the Securities would not fall to be characterised as constituting 'marketable securities' in terms and for the purposes of the Duty on Documents and Transfers Act, any disposal or redemption of Securities would not trigger Malta duty. 'Marketable securities' are defined in Article 2 of the Duty on Documents and Transfers Act as "a holding of share capital in any company and any document representing the same".

In addition, in terms of Article 50 of the Financial Markets Act, Chapter 345 of the laws of Malta, a disposal or redemption of the Securities listed on the EWSM should be wholly exempt from Maltese duty which may otherwise be chargeable in terms of the Duty on Documents and Transfers Act.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF SECURITIES MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED MALTA TAX TREATMENT APPLICABLE TO THE SECURITIES AND TO INVESTORS.

THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO INVESTORS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

7. SELLING RESTRICTIONS

No representation is made that any action has been or will be taken by the Issuer in any jurisdiction that would permit a public offering of any of the Securities or possession or distribution of the Prospectus or in relation to any Securities in any country or jurisdiction where action for that purpose is required (other than actions by the Issuer to meet the requirements of the Prospectus Directive for offerings contemplated in this Prospectus). No offers, sales, re-sales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction and/or to any individual or entity except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), the Issuer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (i) if the Issuer expressly specifies that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than one hundred (100) or, if the Relevant Member State has implemented the relevant provisions of Directive 2010/73/EU, one hundred and fifty (150), natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression 'an offer of Securities to the public' in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

The Grand Duchy of Luxembourg

In addition to the cases described immediately above when the Issuer may, in terms of the Prospectus Directive, make an offer of Securities to the public in an EEA Member State (including the Grand Duchy of Luxembourg) ("**Luxembourg**"), the Issuer may also make an offer of Securities to the public in Luxembourg:

- (i) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (ii) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including credit institutions, investment firms, other authorised or regulated financial institutions,

undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and

- (iii) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Prospectus 235 Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the *Commission de surveillance du secteur financier* as competent authority in Luxembourg in accordance with the Prospectus Directive.

Switzerland

The Securities may not be publicly distributed in Switzerland. This Prospectus shall not be dispatched, copied to or otherwise made available to, and the Securities may not be offered for sale to any person in Switzerland, except to 'qualified investors' as defined in Article 10 of the Swiss Act on Collective Investment Schemes ("**CISA**").

This document is neither a prospectus according to Article 652a or Article 1156 of the Swiss Code of Obligations nor a simplified prospectus according to Article 5 of the CISA nor a listing prospectus according to the Listing Rules of the SIX Swiss Exchange.

United Kingdom

The Issuer has represented and agreed that:

- (i) it has only communicated or caused to be communicated, and it will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) in connection with the issue or sale of the Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA) with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

United States of America

The Securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Securities are being offered and sold outside the United States to non-US persons in reliance on Regulation S under the Securities Act. Subject to exceptions contained in the said Regulation S under the Securities Act, Securities may not be offered or sold within the United States or to US persons (as defined in the said Regulation S).

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ANNEX I – TERMS & CONDITIONS OF THE COLLATERAL

Name Performance Linked Bond - ISIN AT0000A1BK74 TERMS & CONDITIONS OF THE PERFORMANCE LINKED BONDS

These Performance Linked Bonds may only be sold to sophisticated investors being Financial Vehicle Corporations in terms of Regulation 24/2009/ECB

§ 1 Right under the obligations

AI Undertaking XII Inc. (the "**Company**"), hereby grants the Holder (the "**Holder**") of each performance linked bond with ISIN AT0000A1BK74 named AI Undertaking XII Performance Linked Bond (the "**Securities**" or the "**Performance Linked Bonds**") with a denomination of 5000 Euro each ("Denomination"), relating to the underlying whole business of the Company (the "**Underlying**") calculated and published by the "**Calculation Agent**" in accordance with §10, the right to receive the Redemption Amount as specified in § 2 (the "**Right under the Performance Linked Bonds**").

§ 2 Calculations and Payment of Cash Amounts

2.1. The Redemption Amount is calculated by the Calculation Agent (§ 9) and published in accordance with § 10. The calculations are (in the absence of manifest error) final and binding upon all parties.

2.2. On the Repayment Date (§ 3), the Company will arrange for the transfer of the Redemption Amount to the accounts of the Holders of the Securities redeemed as to the relevant Valuation Date (§ 3). The amounts transferred are commercially rounded to two decimal places.

2.3. All taxes, fees or other charges arising in connection with the payment of cash amounts must be borne and paid by the Holder. The Company and/or the Paying Agent are entitled to withhold taxes, fees or charges payable by the Holder in accordance with the preceding sentence, if any, from cash amounts.

2.4. The Redemption Amount is determined as follows:

$$\text{Redemption Amount} = \frac{\text{Underlying}(t)}{\text{Underlying}(t_0)} * \text{Denomination}$$

Underlying(t): Value of the underlying at valuation day(t);

Underlying(t₀): Value of the underlying at Initial Valuation Date

§ 3 Definitions

"**Business Day**" means every day (except Saturday and Sunday) on which the TARGET system is open and the Clearing System settles payments.

"**TARGET System**" means the Trans-European Automated Real-time Gross settlement Express Transfer System.

"**Closing Price**" means the official closing level of the Underlying published by the Calculation Agent.

"**Currency**" is Euro

"**Initial Valuation Date**" means the first valuation date following the issue date.

"**Issue Date**" means 21 January, 2015.

"**Repayment Date**" for Securities redeemed on a certain Valuation Date means the later of the following two days: (i) the third Business Day following the relevant Valuation Date, or (ii) the day on which the Company actually receives the proceeds from the Underlying Assets.

"**Underlying**" means all the assets of the Company.

"**Underlying Level**" means, in respect of the Underlying, the level of such Underlying determined by the Calculation Agent.

"Valuation Date" means the last Business Day of each week.

"Valuation Time" means in respect of the Underlying, the time at which the Closing Price of such Underlying is calculated and published by the Calculation Agent and is within two (2) Business Days.

§ 4 Coupon Payments

No coupon payments are made on the Securities.

§ 5 Status

The Securities create direct, unsecured and unsubordinated obligations of the Company ranking pari passu among themselves and with all other outstanding secured and unsubordinated obligations of the Company unless mandatory legal provisions require otherwise.

§ 6 Term of the Securities; Redemption

Subject to termination by the Holder in accordance with § 11 or termination by the Company in accordance with § 12, the Securities are constituted for an unlimited duration.

§ 7 Description of the Company's Assets

The Company's assets will consist of:

- (i) cash and financial instruments held at Sparkasse Bank Malta plc; and/or
- (ii) non-listed, registered bonds held directly.

The Company's assets may also comprise cash held at banks within the European Union as well as Exchange Traded Instruments named Solid Venture P2P ETI and issued to securitise the Securities. Such Exchange Traded Instruments may be held by the Company with a view to securing the liquidity thereof on the secondary market. Notwithstanding anything contained in these Terms & Conditions, any such Exchange Traded Instruments held by the Company will not be taken into account in the calculation of the Redemption Amount.

Furthermore, up to ten percent of company's assets may comprise assets not disclosed in §7.

§ 8 Form of the Securities; Transferability

8.1 The Securities are represented by up to 10,000 definitive, physical securities. Securities will be issued in bearer form. The Securities are transferable in accordance with applicable law.

8.2 Any Holder has to prove to be a sophisticated investor and submit a valid bank account held within the European Union, a valid email address for all notices of the issue as well as a valid certificate of incorporation. Payments are only accepted from and done to an account held in the name of the security holder within the European Union.

§ 9 Paying Agent and Calculation Agent

9.1. No Paying Agent shall be appointed. The payments are done by the Company to the Holders directly.

9.2. The Company has appointed Argentarius Investment Solutions Inc as the Calculation Agent.

§ 10 Notices, Investments & Fees

10.1. All notices shall be done via publication to the securities holders via email.

10.2 The Redemption Amount shall be published on the website www.portfoliolinkednotes.com

10.3 The costs of operating the Company (and for the avoidance of doubt this includes any costs of the remuneration of the directors of the Company and any costs of an investment manager (if appointed) and promotor) will reduce the performance of the compartment and such the performance of these Securities.

§ 11 Termination by Holders

11.1. Subject to the following provisions, each Holder shall be entitled to redeem the Securities held by it in whole or in part by giving notice to the Company no less than three (3) Business Days effective on a Valuation Date.

11.2. Termination in accordance with § 11.1 is valid only if the Company has received a notice of termination in accordance with § 11.3.

11.3. Notice of termination must be given in writing and must contain the following information:

- (i) name and address of the Holder;
- (ii) the International Security Identification Number (ISIN), the quantity of Securities to be redeemed and the valuation date at which the termination shall be effective; and
- (iii) the account of the Holder with a bank in a member state of the European Economic Area, to which any payments owed under the Securities are to be credited;.

11.4. If the number of Securities to be redeemed as specified in the notice of termination differs from the number of Securities transferred to the Company, the notice of termination shall be deemed to have been made only for the smaller of both numbers of Securities. Any Securities transferred in excess shall be re-transferred to the Holder at its risk and expense.

§ 12 Termination by the Company; Maturity

12.1 The Company shall be entitled to terminate all outstanding Securities on any Valuation Date by giving at least one month's notice to the Holders in accordance with § 10.

12.2 The Securities are constituted for an unlimited duration.

§ 13 Statute of Limitations

The entitlement to the capital is barred after thirty years.

§ 14 Admission to Trading

14.1 No application for admission of trading of these securities will be done.

14.2. Over the counter trading is done in a unit quote and without accrued interest calculation.

§ 15 Miscellaneous

15.1. Form and contents of the Securities as well as all rights and duties arising from the matters provided for in the Terms and Conditions of the Securities shall be governed in all respects by the laws of St. Vincent and the Grenadines.

15.2. Place of performance is St. Vincent and the Grenadines.

15.3. Place of jurisdiction for any suit or other legal proceedings against the Company arising out of or in connection with the Securities, is St. Vincent and the Grenadines.

15.4. Should any provisions of these Terms and Conditions of the securities be or become wholly or partly invalid, the remaining provisions shall remain valid. The invalid provision shall be replaced by a valid provision, which reflects the economic purpose of the invalid provision as far as legally possible.