

PRIVATE OFFERING MEMORANDUM

Private offering of non-redeemable, non-voting participating shares of

PRIVATE EQUITY (ESG) FUND INC

(a Private Fund incorporated with limited liability under the laws of the Cayman Islands under registration number 385414)

CASTLESTONE MANAGEMENT LLC
(INVESTMENT ADVISOR)

November 2023

This Private Offering Memorandum dated November 2023 is strictly confidential. It is being provided to a restricted number or class of potential investors. It is intended to be read by the potential investor to whom it has been addressed and is made available on the understanding that it will not be passed on to any other person.

The distribution of this Private Offering Memorandum and the offering or purchase of shares in the Fund may be restricted in certain jurisdictions. No person receiving a copy of this Private Offering Memorandum, or the accompanying Subscription Agreement, in any such jurisdiction may treat this Private Offering Memorandum or such Subscription Agreement as constituting an invitation to subscribe for shares in the Fund unless in the relevant jurisdiction such an invitation may be lawfully made without compliance with any registration or other legal requirements.

Potential investors should carefully review this Private Offering Memorandum and obtain their own professional advice before subscribing for shares in the Fund. In particular, potential investors should consult with their legal and financial advisors to determine the possible tax and other consequences of purchasing and holding shares in the Fund.

This Private Offering Memorandum may be updated from time to time.

CONTENTS

DIRECTORY.....	3
IMPORTANT INFORMATION TO POTENTIAL INVESTORS	4
DEFINITIONS	6
SUMMARY	9
MANAGEMENT AND ADMINISTRATION.....	13
SHARES.....	19
SUBSCRIPTIONS	20
TERM AND ALTERNATIVE EXITS	24
NET ASSET VALUE.....	26
FEES AND EXPENSES.....	28
RISK FACTORS	30
TAXATION	35
DATA PROTECTION.....	38
OTHER INFORMATION	39
GENERAL INFORMATION	41

DIRECTORY

Investment Advisor

Castlestone Management LLC
PO Box 510
Ridgewood, NJ 07451
USA

Directors

Angus S.D. Murray
Peter William Schofield

Administrator Registrar and Transfer Agent

Bolder Fund Services (Netherlands) B.V.
Smallepad 30F
3811 MG
Amersfoort
The Netherlands

Bank

The Northern Trust International Banking Corporation
Harborside Financial Centre, Plaza 10
Jersey City, NJ 07311
USA

Auditors

Baker Tilly (Cayman) Ltd.
Governors Square
23 Lime Tree Bay Avenue
P.O Box 888
Grand Cayman – KY1-1103
Cayman Islands

Legal Advisors to the Fund – Cayman Islands

BGA Law (Cayman) Limited
Governors Square
23 Lime Tree Bay Avenue
West Bay Road
P.O. Box 30746
George Town KY1-1203
Cayman Islands

Registered Office

Bolder Corporate Services (Cayman) Limited
Governors Square
23 Lime Tree Bay Avenue
West Bay Road
P.O. Box 30746
George Town KY1-1203
Cayman Islands

Broker/Dealer

Interactive Brokers LLC
One Pickwick Plaza
Greenwich, CT06830
USA

IMPORTANT INFORMATION TO POTENTIAL INVESTORS

Private Offering Memorandum

The Private Offering Memorandum (“Offering Memorandum”) dated November 2023 Offering Memorandum relates to the offering of Participating Shares in the Fund, an exempted company incorporated with limited liability and registered as a company under the Companies Act. The specific terms relating to each Class is set forth in this Offering Memorandum.

The Directors, whose names appear in this Offering Memorandum, accept responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Offering Memorandum is strictly confidential and intended to be read only by the person to whom it has been delivered to enable that person to evaluate an investment in the Fund. It is not to be reproduced or distributed to any other persons except that a prospective investor may provide a copy to its professional advisors.

Reliance on Private Offering Memorandum

The Shares are offered only on the basis of the information contained in this Offering Memorandum. Any further information or representations given or made by any dealer, broker or other person should be disregarded and accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations in connection with the offering of any Participating Shares other than those contained in this Offering Memorandum and, if given or made, such information or representations must not be relied on as having been authorised by the Directors.

Statements in this Offering Memorandum are based on the law, regulations, and practice in force in the Cayman Islands at the date of this Offering Memorandum and are therefore subject to change should that law or practice change. Neither the delivery of this Offering Memorandum nor the issue of the Participating Shares shall under any circumstances create any implication or constitute any representation that the affairs of the Fund have not changed since the date of this Offering Memorandum.

Investor Responsibility

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of an investment in the Fund. No assurance can be given that existing laws will not be changed or interpreted adversely. Potential investors should not construe this Offering Memorandum as investment, or tax advice. No person is authorised to make any representations concerning the Company which are inconsistent with those contained in this Offering Memorandum.

Before making an investment prospective investors should review this Offering Memorandum carefully and in its entirety and consult with their legal, tax and financial advisors in relation to: (i) the legal and regulatory requirements within their own countries for the purchase, holding or disposing of the Participating Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding or disposing of the Participating Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding or disposing of the Participating Shares.

Restrictions on Distribution

Generally: The distribution of this Offering Memorandum and the offering of Shares may be restricted in certain jurisdictions. The information below is for general guidance only, and it is the responsibility of any person or persons in possession of this Offering Memorandum and wishing to make an application for Shares to inform themselves of and observe all applicable laws and regulations of any relevant jurisdiction. Such persons should also inform themselves of any applicable legal requirements, exchange control regulations and taxes in the countries of their respective citizenship, residence, or domicile.

This Offering Memorandum does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation. This Offering Memorandum does not constitute an offer or solicitation to invest in any alternative investment fund mentioned herein other than the Fund.

This Offering Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Fund and should not be reproduced or used for any other purpose.

Regulation

The Fund will be registered as a Private Fund (i.e. closed-ended fund) with the Cayman Islands Monetary Authority under the Private Funds Act, 2021 of the Cayman Islands. No Cayman Islands authority has commented upon the contents of this Offering Memorandum or the merits of an investment in the Shares. Moreover, the investment activities of the Fund will not be regulated or otherwise overseen by the Cayman Islands Government.

ALTHOUGH THE FUND IS REGISTERED UNDER CAYMAN ISLANDS LAW AS A CLOSED-ENDED FUND, NEITHER THE CAYMAN ISLANDS MONETARY AUTHORITY (“CIMA”) NOR THE CAYMAN ISLANDS GOVERNMENT SUPERVISES THE INVESTMENT ACTIVITIES OR THE CONSTITUTION OF THE FUND'S PORTFOLIO, ALTHOUGH CIMA DOES HAVE THE POWER TO INVESTIGATE THE ACTIVITIES OF THE FUND IN CERTAIN CIRCUMSTANCES. NEITHER CIMA NOR ANY OTHER GOVERNMENTAL AUTHORITY IN THE CAYMAN ISLANDS HAS COMMENTED ON OR APPROVED THE TERMS OR MERITS OF THIS OFFERING MEMORANDUM.

Confidentiality

Except as outlined in the Data Protection policy in the Subscription Agreement, any information forwarded to the Fund by a potential investor will be treated on a confidential basis. If required to do so by law or regulation, the Fund may pass on that information to a relevant third party. By subscribing for Participating Shares, each subscriber is deemed to have consented to such release of confidential information pursuant to the Confidential Information Disclosure Act (Revised) of the Cayman Islands.

Risks

Investment in the Fund carries substantial risk. There can be no assurance that the Fund's investment objective will be achieved, and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Prospective investors should carefully consider whether an investment in Shares is suitable for them in light of their circumstances and financial resources (see further under “Risk Factors”).

If you are in any doubt about the contents of this Offering Memorandum you should consult your professional financial advisor.

DEFINITIONS

1933 Act	the Securities Act of 1933 of the United States, as amended;
1940 Act	the United States Investment Company Act of 1940 (as amended);
Administrator	Bolder Fund Services (Netherlands) B.V.;
Advisors Act	the US Investment Advisors Act of 1940, as amended;
AIFM	an alternative investment fund manager, as defined under AIFMD;
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers;
Articles	the Articles of Association of the Fund;
Auditor	Baker Tilly (Cayman) Ltd.;
Broker	Interactive Brokers LLC;
Business Day	any day normally treated as a business day in the Cayman Islands.
Class	a class of shares in the Fund;
Class A US Dollar Share	a non-voting, non-redeemable participating share designated as a Class A Share in the Fund;
Class AA Euro Share	a non-voting, non-redeemable participating share designated as a Class AA Share in the Fund;
Class AAA GBP Share	a non-voting, non-redeemable participating share designated as a Class AAA Share in the Fund;
Class B US Dollar Share	a non-voting, non-redeemable participating share designated as a Class B Share in the Fund;
Class BB Euro Share	a non-voting, non-redeemable participating share designated as a Class BB Share in the Fund;
Class BBB GBP Share	a non-voting, non-redeemable participating share designated as a Class BBB Share in the Fund;
Class C US Dollar Share	a non-voting, non-redeemable participating share designated as a Class C Share in the Fund;
Class CC Euro Share	a non-voting, non-redeemable participating share designated as a Class CC Share in the Fund;
Class CCC GBP Share	a non-voting, non-redeemable participating share designated as a Class CCC Share in the Fund;
Code	the United States Internal Revenue Code of 1986, as amended;
CIMA	the Cayman Island Monetary Authority;
Disposition	the disposing of all or part of the Portfolio Investments;
Disposition Proceeds	means the net proceeds of the sale from the disposal of all or part of Portfolio Investment
Directors	the members of the board of directors of the Fund for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time;
Eligible Investors	any person not prohibited to invest in the Fund;
Euro or €	the lawful currency of the European Union;
Exit Event	An Exit Event creating the Disposition is likely to take the form of: <ul style="list-style-type: none">(i) the sale of the entire issued share capital of the Target Company;(ii) the listing of the Target Company on a publicly traded market in an Initial Public Offering (“IPO”); or(iii) the acceptance of an offer from a third party for the Fund’s entire interest in the Target Company (“Third Party Sale”).
Fund	Private Equity (ESG) Fund Inc.;
Fund Documents	the Offering Memorandum, the Investment Advisory Agreement, the Articles and any other material documents of the Fund;
GBP or £	the lawful currency of the United Kingdom;
Gross Asset Value	the Net Asset Value prior to deduction of the applicable Management Fees and other costs;
IFRS	International Financial Reporting Standards;
Incentive Fee	the incentive fee payable by the Fund to the Investment Advisor;

Initial Offer Period	the period during which Shares are or were offered for subscription at a fixed price, The Initial Offer Period will end on April 30, 2022 or such earlier or later date at the discretion of the Directors;
Initial Offer Price	the fixed price during the Initial Offer Period;
Investment Advisor	Castlestone Management LLC;
Management Fee	the management fee payable by the Fund to the Investment Advisor;
Management Share	a non-participating voting share of par value US\$1.00 in the capital of the Fund designated as a Management Share;
Net Asset Value or NAV	the net asset value of the Fund or Share Class, as the case may be, as determined in accordance with the Articles;
Net Asset Value per Share	the Net Asset Value of the relevant Share Class divided by the number of Shares of the relevant Class in issue or deemed to be in issue;
Non-United States Person	(a) a natural person who is not a resident of the United States, (b) a partnership, corporation or other entity other than an entity organised principally for passive investment (in respect of which paragraph (d) below applies), organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction, (c) an estate or trust, the income of which is not subject to United States income tax regardless of source, (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity; and (e) a pension plan for employees, officers or principals of an entity organised and with its principal place of business outside the United States;
Organisational Expenses	the Fund's offering expenses, marketing costs including travel, lodging, printing, software, legal fees and general expenses related to marketing of approximately £125,000;
Participation Fee	the Investment Advisor may be entitled to receive a Participation Fee from the Fund with respect to Class A, AA, and AAA Shares only at the same time as any Dispositions are made to the Shareholders, provided the Net Proceeds in respect of the Fund exceed the aggregate Subscription Amounts;
Participation Share(s)	a non-voting, non-redeemable participating share of the Fund;
Placement Fee	a fee equal to 20% of the Subscription Price in respect of certain classes of Shares as further described in this Offering Memorandum;
Redemption Day	The Fund is closed-ended and investors are not allowed to voluntarily redeem their shares. The Directors may declare any business day as a Redemption Day under extraordinary circumstances.
Redemption Price	the price per Share at which Shares are compulsorily redeemed calculated in the manner described herein;
SEC	the Securities and Exchange Commission of the United States;
Service Providers	the Advisor, the Administrator, the Broker, the Auditors, the Legal Advisors and the Registered Office Provider, each of which provides services to the Fund;
Shareholder	a person recorded as a holder of Shares in the Fund's register of shareholders;
Share(s)	a non-voting, non-redeemable participating share of the Fund;
Subscription Price	the fixed price during the Initial Offer Period;
Subsequent Subscription Period	the period of twelve (12) months, following the close of the Initial Offer Period, during which Participating Shares are offered for subscription at the Subsequent Subscription Price, or such later date at the discretion of the Directors;

Subsequent Subscription Price	the relevant price per Participating Share at which Participating Shares may be purchased after the close of the Initial Offer Period, during the Subsequent Subscription Period, calculated in the manner described in the section headed “Subsequent Subscriptions and Subscription Price”
Target Company	the early-stage private company that the Fund will initially invest;
Target Company Shares	means shares in the capital of the Target Company.
Term	Three (3) years to seven (7) years, but potentially indefinite;
United States or US	the United States of America, each state therein, the Commonwealth of Puerto Rico and each territory and possession of the United States of America and place subject to its jurisdiction;
US Dollar or US\$	the lawful currency of the United States of America;
US Person	a person who is a US person within the meaning of the Code and within the meaning of Regulation S under the 1933 Act;
Valuation Day	the last business day of each year or any such other day as the Directors may from time to time determine.

Unless otherwise required by the context, the singular shall include the plural and vice versa, the masculine shall include the feminine and the neuter and references to persons shall include corporations and all entities capable of having a legal existence. In addition, other matters of interpretation to note are these:

- (a) a reference to any law is a reference to the most recent revision of such law and a reference to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
- (b) a reference to any document or agreement is to that document or agreement as amended, novated, supplemented or replaced; and
- (c) a reference to ‘including’ or similar expression does not imply any limitation.

Certain defined terms appear in the body of this Offering Memorandum, but do not appear in the Definition section. This is because such defined terms are generally only used within the section where they are so defined. However, where any such defined term is used elsewhere in the Offering Memorandum, the given definition will continue to apply.

The following is a summary should be read in conjunction with the full text of this Offering Memorandum, the Articles and the other documents referred to in this Offering Memorandum and is qualified in its entirety by reference to such documents.

SUMMARY

THE FUND STRUCTURE

The Fund is an exempted company incorporated with limited liability in the Cayman Islands on 4 January 2022 for an unlimited period as a closed-ended investment company. No application has been made to list the Shares on any stock exchange.

INVESTMENT OBJECTIVE AND STRATEGY

The Fund's investment objective is to achieve superior capital appreciation through an investment in the "Target Company" which is an early-stage private company that will have a sustainable, environmental and social impact on the world and where the company's operations are consistent with a number of government policies specifically related to climate change and education.

The "Target Company" is expected to benefit from the economic recovery post Covid-19 and the ongoing economic development and growth of London. The Target Company's corporate board will be diversified and have strong governance policies with independent directors.

The contract note, share certificate or applicable instrument evidencing the Fund's holding in the target company will be safekept by the Investment Advisor. The individual responsible with the Investment Advisor for the custody of the contract note, share certificate or applicable instrument will be Angus Murray.

The investment program followed by the Fund may include investing the Fund's assets in exchange traded funds, certificates of deposit, money market funds, other cash equivalents or any other investment instrument which the Investment Advisor believes will help the Fund meet its investment objective. These assets will be held in custody by the Broker.

The Fund is not leveraged.

The Fund's investment objective and investment approach may be amended by the Directors in consultation with the investment advisor. Such an amendment will not require the consent of the Shareholders, and the Investment Advisor will promptly notify the Shareholders of any such alteration, and update this Offering Memorandum accordingly. Decisions taken by the Directors are to be taken in the best interest and on behalf of the Fund in keeping with their fiduciary responsibilities to the Fund.

There is no guarantee that the Fund will achieve its investment objective.

PRIVATE OFFERING

The purchase of Participating Shares is not open to the general public and Participating Shares will be privately offered only to Eligible Investors. No part of the initial offer or Subsequent Subscription has been underwritten or guaranteed.

Participating Shares carry no voting rights. The Management Shares, which are the voting shares in the Fund, are held by the Investment Advisor.

The Fund will seek subscriptions for Participating Shares from Eligible Investors in an aggregate amount as determined at the launch of the funding round, although the Directors may, in their sole discretion, accept total subscriptions in excess of such designated amount and may close the funding without obtaining such aggregate subscription amounts.

Participating Shares of the Fund may be issued in different Classes. At any time, the Directors may designate additional Classes without notice to, or the consent of, the Shareholders. The Directors may differentiate between Classes on various bases, including as to the operational currency of each Class, the level of fees payable in respect of each Class and the information rights in respect of each Class.

REGULATION

The Fund will be registered as a closed-ended fund under the Private Funds Act, 2021 of the Cayman Islands (the "Private Funds Act") with the Cayman Islands Monetary Authority ("CIMA"). Neither CIMA nor any other governmental or regulatory authority in the Cayman Islands or elsewhere has passed or will pass upon or approve this Offering Memorandum or the offering of the Shares. The Fund has provided CIMA with a summary of the terms of the offering of Shares as well as details of service providers to the Fund by filing this Offering Memorandum. The Fund will also file audited financial statements and certain prescribed information with CIMA on an annual basis. The Fund is also obliged to make certain regulatory reports and pay fees to CIMA.

The Fund must notify CIMA of any material changes in the terms of the offering, including certain changes to the terms of the offering, material agreements, this Offering Memorandum and/or service providers.

The Directors of the Fund confirm the Fund is subject to CIMA's Rule – Corporate Governance for Regulated Entities (the "Rule") and Statement of Guidance – Corporate Governance for Mutual Funds and Privates Funds (the "SOG") and will adopt, implement and maintain all processes necessary to meet its obligations under the Rule and SOG.

MANAGEMENT & ADMINISTRATION

The Directors will meet at least annually to review and assess the investment program and performance of the Fund, and generally to supervise the conduct of its affairs.

Castlestone Management LLC, a Delaware limited liability company, has been appointed as the Investment Advisor. The Investment Advisor is primarily responsible for the investment and re-investment of the assets of the Fund subject to the overall supervision, control and policies of the Directors.

Bolder Fund Services (Netherlands) B.V. has been retained by the Fund to perform certain administrative, accounting and investor services for the Fund and to act as registrar and transfer agent.

RIGHTS OF THE MANAGEMENT SHARES

The holders of the Management Shares have the exclusive right (to the exclusion of the holders of the Participating Shares) to receive notice of, attend and vote at general meetings of the Fund. The holders of each Management Share shall, on a poll, have the right to one vote for each such share registered in its name. The holders of Management Shares shall also have the right to pass a special resolution for the winding up of the Fund and in a winding up to repayment of capital but shall confer no other right to participate in the profits or assets of the Fund. The Management Shares carry no dividend or redemption rights.

The Management Shares carry no right to dividends and on a winding up rank only for the return of the capital paid up thereon after the return of the capital paid up on the Participating Shares. Management Shares are not redeemable.

RIGHTS OF THE NON-REDEEMABLE PARTICIPATING SHARES

The Participating Shares carry an equal right to such dividends and other Dispositions as the Directors may declare. The holders of Participating Shares do not have the right to receive notice of, attend or vote at general meetings of the Fund (including, without limitation, in respect of resolutions to appoint or remove directors of the Fund) but may vote at a separate class meeting convened in accordance with the Articles. On a winding-up, the Participating Shares are entitled, in priority to the Management Shares, to the return of the capital paid up thereon and the surplus assets of the Fund attributable to each Class of Shares will be distributed among the holders of Shares of that Class according to the number of such Shares held by each of them.

SUBSCRIPTIONS

To subscribe for Shares, subscribers must submit their properly completed Subscription Agreement (together with any required additional documentation) by email to the Fund c/o Bolder Fund Services (Netherlands) B.V., email: investors.nl@boldergroup.com by the Cut-off Time (being 12:00 noon (GMT) each Business Day during the Initial Offer Period or Subsequent Subscription Period, as the case may be).

TRANSFER OF SHARES

Subject to the restrictions set out in this section and under "Subscriptions" below, Shares are freely transferable.

TRANSFER OF TARGET COMPANY SHARES

The holders of Participating Shares may receive, at the sole discretion of the Directors of the Fund, Target Company Shares pro rata per such Participating Shareholder's shareholding in the Fund.

ANTI-MONEY LAUNDERING

The Fund reserves the right to request such information as is necessary to verify the source of any subscription monies or party to which a disposition payment is to be made. The Fund may refuse to accept a Subscription Agreement and the subscription monies if an applicant for Shares delays in producing or fails to produce any information required for the purposes of verification of identity or source of funds, and in that event the Fund shall return the subscription monies (without interest and at the expense of the applicant) by wire transfer to the account from which the monies were originally sent.

TERM AND ALTERNATIVE EXITS

Generally, the intended term for the Fund is three (3) years to seven (7) years.

An Exit Event creating the Disposition is likely to take the form of:

- (iv) the sale of the entire issued share capital of the Target Company;
- (v) the listing of the Target Company on a publicly traded market in an Initial Public Offering (“IPO”); or
- (vi) the acceptance of an offer from a third party for the Fund’s entire interest in the Target Company (“Third Party Sale”).

However, this is not guaranteed, and accordingly the term of the Fund should be treated as indefinite. The Directors of the Fund will evaluate the terms of any such offer for the shares in the relevant Portfolio Investment held by the Fund and decide whether or not such offer should be accepted in what they believe are in the best interests of the Shareholders investing in the Fund.

DISPOSITION PROCEEDS

Generally, the Fund will distribute Disposition Proceeds from an Exit Event to Shareholders as soon as practicable after receipt. Disposition Proceeds will, following deduction of provision for payment of any Fund Expenses and other liabilities directly related to the disposal transaction and the Participation Fee, be made to Shareholders in proportion to the number of Participating Shares held.

REDEMPTION OF SHARES

Shareholders will not be permitted to redeem their Participating Shares voluntarily. The Fund may compulsorily redeem Participating Shares in certain circumstances.

CALCULATION OF NET ASSET VALUE

The Directors have delegated responsibility for valuing the Fund’s investments and for the calculation of the Net Asset Value of each Class of Shares of the Fund to the Administrator, subject to the supervision and approval of the Directors. The valuation and the calculation will be performed at the offices of the Administrator. The Administrator may consult with, and is entitled to rely upon, advice from the Investment Advisor and the Fund’s Directors, custodians, brokers, pricing providers and other similar parties in its determination of the value of the Fund’s investments and of the Net Asset Value of the Shares of the Fund.

The valuation of the Fund’s investments and the calculation of the Net Asset Value of the Shares shall normally be made annually on December 31, or at the close of the prior Business Day. Other or special valuations and calculations may be requested by the Directors from time to time in their sole discretion.

The Net Asset Value of the Fund will be equal to its total assets less its total liabilities as of the date of determination.

The Administrator is the person responsible for the Valuation of the Fund’s assets. The Administrator will rely on specialist third party entities in respect of the valuation of the Target Company and/or on prices provided by the representatives of the Target Company.

RISKS

An investment in the Fund entails certain risks. Potential investors should carefully review the discussion under the section headed “Risk Factors” below.

TAXATION

On the basis of current Cayman Islands law, the Fund will not be liable to taxation in the Cayman Islands. The Fund is required to pay certain fees to the Cayman Islands Monetary Authority and to the Registrar of Companies as well as certain other regulatory fees that may be assessed from time to time.

Prospective applicants for Shares should consult their own advisors as to the particular tax consequences of their proposed investment in the Fund.

POTENTIAL CONFLICTS OF INTEREST

Certain inherent conflicts of interest arise from the fact that the Investment Advisor and its affiliates will provide management and investment advisory services to the Fund and may carry on investment activities for other clients, including other investment funds, client accounts and proprietary accounts in which the Fund will have no interest and whose respective investment programs may or may not be substantially similar.

Angus Murray is a Director of the Fund and also a director and owner of the Investment Advisor. Interests may arise in which a decision may be adopted which could benefit more the Investment Advisor than the Fund. Mr Murray will conduct any business between the Fund and the Investment Advisor on an arm's length basis.

SHARE CAPITAL OF THE FUND

The Fund has an authorised capital of US\$ 50,000 divided the following share classes:

Management Shares:

- 100 voting, non-participating Management Shares of US\$1.00 par value each;

Class A, Class AA and Class AAA Shares:

- 400,000 non-voting, participating, non-redeemable Class A Shares of US\$0.01 par value each. The Class A Shares will be issued in US\$;
- 400,000 non-voting, participating, non-redeemable Class AA Shares of US\$0.01 par value each. The Class AA Shares will be issued in EUR; and
- 400,000 non-voting, participating, non-redeemable Class AAA Shares of US\$0.01 par value each. The Class AAA Shares will be issued in GBP.

Class B, Class BB and Class BBB Shares:

- 400,000 non-voting, participating, non-redeemable Class B Shares of US\$0.01 par value each. The Class B Shares will be issued in US\$;
- 400,000 non-voting, participating, non-redeemable Class BB Shares of US\$0.01 par value each. The Class BB Shares will be issued in EUR;
- 400,000 non-voting, participating, non-redeemable Class BBB Shares of US\$0.01 par value each. The Class BBB Shares will be issued in GBP.

Class C, Class CC and Class CCC Shares:

- 400,000 non-voting, participating, non-redeemable Class C Shares of US\$0.01 par value each. The Class C Shares will be issued in US\$;
- 400,000 non-voting, participating, non-redeemable Class CC Shares of US\$0.01 par value each. The Class CC Shares will be issued in EUR;
- 400,000 non-voting, participating, non-redeemable Class CCC Shares of US\$0.01 par value each. The Class CCC Shares will be issued in GBP.

The Articles provide those unissued shares of the Fund are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on the holders of Participating shares in the Fund or Management Shares.

No capital of the Fund is under option or agreed conditionally or unconditionally to be put under option.

CHANGE IN SHARE CAPITAL

The Holders of the Management Shares may increase or reduce the Fund's capital, divide all or any of the Fund's share capital into shares of smaller amount or combine all or any of the Fund's share capital into shares of larger amount, all in accordance with the Companies Act (as amended) as amended from time to time.

For so long as the authorised share capital is divided into different classes of shares, the rights attached to any class may be varied by consent in writing of holders of not less than three quarters of the issued shares of that class or with the sanction of a special resolution (a three quarters majority of votes cast) passed at a general meeting of the holders of the shares of that class and for such purposes the Directors may treat two or more classes of shares as forming one class if they consider that all such classes would be affected in the same way by the proposals under consideration but in any other case shall treat them as separate classes. Any action taken by the holders of the Management Shares in accordance with their rights under the Articles will be deemed not to vary the rights attaching to any class of shares.

REPORTS AND FINANCIAL STATEMENTS

The Fund's financial year ends on 31 December of each year, the first financial year will end on December 31, 2022. Annual financial statements of the Fund will be made up to 31 December in each year. Audited financial statements must be submitted to the Cayman Islands Monetary Authority within six (6) months of the end of the Fund's financial year. An annual report and the audited financial statements of the Fund will be sent to Shareholders as soon as practicable and in any event within six months of the financial year end. The Administrator will make available an unaudited annual NAVs to Shareholders.

ADDITIONAL INFORMATION

Before investing in the Fund, each potential investor should examine this Offering Memorandum, the Subscription Agreement and the Articles and satisfy itself that an investment in the Fund is appropriate. In the event that there is any conflict between this Offering Memorandum and the Articles, or this Offering Memorandum and the Subscription Agreement, then the Articles or Subscription agreement, as the case may be, shall prevail.

Additionally, and prior to a potential investor purchasing any Participating Shares, the Fund will make available to the potential investor or its representative, the opportunity to:

- (a) ask questions of and receive written answers from representatives of the Fund concerning any aspect of an investment; and
- (b) obtain any additional non-proprietary information relating the Fund, to the extent that possesses such information or is available or can be acquired without unreasonable effort or expense.

An investment in the Fund may be considered speculative. It is not intended as a complete investment program. It is designed only for experienced and sophisticated investors who are able to bear the risk that all or a substantial part of their investment in the Fund may be lost.

MANAGEMENT AND ADMINISTRATION

DIRECTORS

The Directors are responsible for the overall investment policies of the Fund although the day-to-day investment, management and administration of the Fund has been delegated to the Investment Advisor and the Administrator respectively.

The Articles provide that the remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors are also entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings or separate Class meetings, or otherwise in connection with the business of the Fund. In addition, a Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with such Director's office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

The Articles provide that no Director shall be disqualified from contracting with the Fund, either as vendor, purchaser or otherwise. Any contract or transaction entered into by or on behalf of the Fund in which any Director is in any way interested will not be voided, and any Director that is party to such contract or is so interested will not be liable to account to the Fund for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relationship thereby established. A Director is at liberty to vote in respect of any contract or transaction in which such Director is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction is disclosed by such Director immediately

upon coming aware of the fact that he is interested in a transaction entered into or to be entered into by the Fund. A general notice to the board of Directors that a Director is a shareholder, director, officer or employee of another named company or other person and is to be regarded as interested in any transaction with such firm or company is sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which such Director has an interest, and after such general notice it is not necessary to give special notice relating to any particular transaction.

The Articles further provide that every Director and officer of the Fund (including any former Director and former officer) is entitled to be indemnified out of the assets of the Fund against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions provided that they acted honestly and in good faith with a view to the best interests of the Fund.

At the date of this Offering Memorandum, the Directors are:

Angus S.D. Murray ~ Director

Angus is the founder and managing principal of the Investment Advisor, Castlestone Management LLC, who has been managing assets since 1997. Castlestone Management LLC currently advises three Maltese regulated UCITS compliant funds. In addition to being a director of the Fund and managing principal of the Investment Advisor, Angus is a director of Cupcake Partners, a single-family office in Hong Kong and is also a director of the Target Company. Castlestone Management LLC was formed in October 1997. Prior to this, Angus held the position as Co-Head of International Equities for NatWest Markets USA. In October 1997, Angus joined Macquarie Bank's equity department in London, before being appointed to be President of Macquarie Holdings (USA) Inc. Between October 1997 and March 2000, Angus held the dual responsibilities as President of Macquarie Holdings (USA) Inc and managing principal of the Investment Advisor. Angus resigned from Macquarie in March 2000 to manage the Investment Advisor. In December 1996, Angus founded Castlestone Management Incorporated, the company was formed to advise a European family office on its alternative investment strategies. Castlestone Management Inc was an independently owned investment manager that managed alternative assets between 1996 and 2020. In addition to being a director of Castlestone Management Incorporated, Angus was the principal fund manager and on the investment committee of a number of British Virgin Islands public, professional and private funds. Angus was born in Sydney, Australia. He received a Bachelor of Financial Economics from the University of London, England.

Peter William Schofield ~ Director

Peter has almost forty (40) years' experience in the financial services industry. He began his career in 1981 as a "blue button" on the floor of the London Stock Exchange for Wood Mackenzie. He spent 6 months working in their research department based in Edinburgh before transferring back to London where he worked on the European trading desk executing trades in equities, foreign exchange & ADR's.

In 1986 Peter moved to New York to set up their local trading desk, quickly establishing a multimillion-dollar business. After a number of takeovers, he was appointed as a managing director of NatWest Securities Inc. In 1996 he moved to HSBC as a managing director & deputy head of sales trading with responsibility for Europe & Australia before spending time as a Vice President at Lehman Brothers.

Peter spent the last 19 years of his career as a partner at ABG Sundal Collier, one of the largest Nordic investment banks, where he ended up as head of sales trading & company secretary for the New York office before retiring in 2020. Throughout his 34 years in the US, he was fully licensed & regulated by FINRA having passed the Series 7, 24, 27, 55 & 63 exams as well as completing annual compliance testing.

Each Director is duly registered under the Directors Registration and Licensing Act, of the Cayman Islands.

Directors' Interests

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Fund and the Shares are set out below:

- a) No shareholding qualification for Directors is required under Cayman Islands acts. The Directors or companies of which they are officers or employees, including the Investment Advisor, may, however, subscribe for Shares. Their applications for Shares will rank pari passu with all other applications.
- b) The Directors may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the Fund.

- c) Save as disclosed herein, Directors may have an interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired or disposed of by the Fund and the Directors have a material interest in the Target Company.

Directors' Remuneration

The Articles of the Fund provide that the remuneration of the Directors in respect of services rendered or to be rendered to the Fund shall be determined from time to time by a resolution of the Directors. Each of the Directors is currently entitled to receive a fee from the Fund in respect of the Fund, although such fee may be increased by resolution of the Directors at any time including, without limitation, to take account of additional board meetings. Any such increased fees will be stated in the subsequent audited financial statements of the Fund. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund or in connection with the business of the Fund.

Transactions with Directors

- d) No agreement or transaction between the Fund and one or more of its Directors or any person in which any Director has a financial interest or to whom any Director is related, including as a director of that other person, is void or voidable for that reason only or by reason only that the Director is present at the meeting of Directors or at the meeting of the committee of Directors that approves the agreement or transaction, or that the vote or consent of that Director is counted for that purpose, provided that the material facts of the interest of each relevant Director in the agreement or transaction, and his interest in or relationship to any other party to the agreement or transaction, are disclosed in good faith to or known by the other Directors.
- e) A Director who has an interest in any particular business to be considered at a meeting of the Directors or Shareholders may be counted for the purpose of determining whether the meeting is duly constituted.

Retirement of Directors

There is no provision for the retirement of Directors on their attaining a certain age and the Articles do not provide for retirement of Directors by rotation.

INVESTMENT ADVISOR

Castlestone Management LLC, a Delaware limited liability company, has been appointed as the Investment Advisor pursuant to the terms of the Investment Advisory Agreement. The Investment Advisor is primarily responsible for the investment and re-investment of the assets of the Fund subject to the overall supervision, control and policies of the Directors. Castlestone Management LLC is ultimately owned by Angus Murray and is a registered investment advisor in the State of New Jersey. The principal address of Castlestone Management LLC is PO Box 510, Ridgewood, NJ 07451, United States of America.

The Investment Advisor's main business is an advisor to UCITS funds established in Malta. The Investment Advisor has previously been retained as investment advisor for a number of Cayman Islands and British Virgin Islands domiciled public, private and professional mutual funds from the period of 2003 to 2020.

Under the terms of the Investment Advisory Agreement, the Directors have delegated to the Investment Advisor sole authority and responsibility for the investment of the Fund's assets. The Investment Advisor will supervise the day-to-day management of the Fund and the conduct of the administration of the Fund by the Administrator. In addition, the Investment Advisor will be responsible for, without limitation:

- financial statement analysis,
- asset allocation,
- stock selection,
- on-going monitoring of investments,
- risk management,
- liquidity management,
- trading, and
- internal research and broker relations.

The Managing Principal of the Investment Advisor is Mr Angus Murray.

The appointment of the Investment Advisor shall continue until either party may terminate the Investment Advisory Agreement effective at the close of business on the last day of any month by giving the other party not less than sixty (60) days written notice subject to, in the case of termination of the Investment Advisory Agreement by the Fund, the unanimous consent of the holders of all issued shares. The Investment Advisory Agreement may also be terminated in certain other circumstances described therein. The Investment Advisor will be entitled to receive the fees described below under "Fees and Expenses".

The Fund has agreed to indemnify the Investment Advisor and/or its principals and affiliates for or against any and all liabilities of whatsoever nature which it may incur in performing its obligations under the Investment Advisory Agreement, including, but not limited to any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on incurred by or asserted against the Investment Advisor in the performance of its duties and responsibilities to the Fund, other than those liabilities resulting from negligence, fraud or wilful default on the part of the Investment Advisor and/ or its principals and affiliates, servants or agents.

The Investment Advisor and/or its principals or affiliates may serve as investment advisor to various other entities and managed accounts. Accordingly, the Investment Advisory Agreement specifically recognises that the Investment Advisor and/or its principals or affiliates may be or become associated with other investment entities and engage in investment advisory for others. Except to the extent necessary to perform their obligations under the Investment Advisory Agreement the Investment Advisor and/or its principals or affiliates are not limited to or restricted from engaging in or devoting time and attention to the management of any other business, whether of a similar or dissimilar nature, or from rendering services of any kind to any other corporation, firm, individual or association.

ADMINISTRATOR

The Fund has appointed Bolder Fund Services (Netherlands) B.V. as administrator, registrar and transfer agent. The Administrator is an affiliate of Bolder Group an international group providing management, accounting, trust, legal, fiduciary and corporate finance services to private clients, companies and institutions.

Pursuant to the administration, registrar and transfer agency agreement (the "Administration Agreement") between the Administrator and the Fund, the Administrator is responsible, inter alia, for the following matters under the general supervision of the Board of Directors:

- communicating with shareholders;
- maintaining the registers of Shares;
- administrative processing of subscriptions, dispositions and transfers of Shares
- preparing and maintaining the Fund's financial and accounting records and statements;
- arranging for settlement of the costs of the Fund being in conformity with regulatory requirements;
- determining the Net Asset Value of the Shares;
- preparing financial statements;
- arranging for the provision of accounting, clerical and administrative services;
- performing all due diligence in respect of the identity of investors and their source of funds
- maintaining corporate records;
- disbursing payments of fees, if any;
- provide services in relation to the United States Foreign Account Tax Compliance Act; and
- provide services in relation to the Organisation for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard.

It should be noted that in providing services as an administrator, the Administrator does not act as a guarantor of the Shares herein described. Moreover, the Administrator is not responsible for any investment decisions of the Fund (all of which will be made by the Investment Advisor) or the effect of such investment decisions on the performance of the Fund. The Administrator shall not, in any way and at any time, be involved with any investment decision to be made on behalf of the Fund, nor with the execution thereof. The Fund agrees that the Administrator shall have full power and discretion to delegate one or more of the administration duties to any director or designated officer of Bolder Group or to an affiliated company of Bolder Group.

Further, the Administrator will not be responsible for verifying that the Investment Objective and Investment Restrictions are being

adhered to by the Fund and/or the Investment Advisor.

The Administrator and its directors, officers, employees, agents and nominees and their respective personal representatives, successors in title and estates shall be indemnified and held harmless by the Fund against all liability, loss, damage, claims, actions, accounts, proceedings, demands and any costs and expenses whatsoever which may be incurred or suffered by the Administrator arising out of its appointment except where the same shall arise through the willful misfeasance, bad faith or gross negligence of the Administrator.

Inquiries concerning the Fund (including information concerning subscription and disposition procedures and current Net Asset Value) should be directed to the Administrator at: investors.nl@boldergroup.com.

The Fund reserves the right to change the administration arrangements described above by agreement with the Administrator and/or in its discretion to appoint an alternative administrator. The Administrator is a third-party service provider and is not responsible for any of the trading or investment decisions of the Fund (all of which are made by the Investment Advisor).

BROKER

The Fund has retained Interactive Brokers LLC as a broker-dealer to facilitate the execution of securities transactions. The services provided by Interactive Brokers LLC to the Fund include, but are not limited to, taking orders, executing trades and providing custody services.

Interactive Brokers LLC is a limited liability company incorporated in Greenwich, Connecticut, United States and is a subsidiary of Interactive Brokers Group, Inc. Interactive Brokers LLC is regulated by the US Securities and Exchange Commission and the Commodity Futures Trading Commission. The principal place of business is at One Pickwick Plaza, Greenwich, CT 06830 USA.

The Fund will pay to the Broker customary brokerage fees as per the terms agreed in the account opening documents. The Broker and any of its respective directors, officers, employees and agents are not responsible for the performance or solvency of the Fund.

The Broker will not provide any investment advisory or management services to the Fund and therefore will not be in any way responsible for the Fund's performance. The Broker will not be responsible for monitoring any investment restrictions or compliance with the investment restrictions or investment ratios and therefore will not be liable for any breach thereof.

The Fund may appoint additional brokers from time to time as the Directors deem fit.

AUDITOR

The Fund has entered into an engagement letter with Baker Tilly (Cayman) Ltd., the Fund's statutory auditors, whereby the Auditor agrees to provide annual audit services to the Fund and to audit the Fund's financial statements (the "Engagement Letter"). Under the terms of the Engagement Letter the liability of Auditor will be limited. Typically, such limitations include a limitation to a multiple of a number of years' fees paid to the Auditor.

LEGAL ADVISORS

BGA Law (Cayman) Limited is legal advisor to the Fund as to matters of Cayman Islands law.

The legal advisor representation of the Fund and the Investment Advisor (each, where applicable) and their affiliates is limited to those specific matters upon which it has been consulted. There may exist other matters which would have a bearing on the Fund, the Investment Advisor or any of their affiliates upon which the legal advisor has not been consulted. The legal advisor does not undertake to monitor the compliance of the Fund and the Investment Advisor with any investment program, valuation procedures, and other guidelines set out herein, nor does it monitor compliance with applicable laws. Additionally, the legal advisor rely upon information furnished to them by the Fund, the Investment Advisor and do not investigate or verify the accuracy and completeness of information set out herein concerning the Fund, the Investment Advisor other service providers, and their affiliates and personnel. The Legal Advisor does not represent the interests of the Shareholders or prospective investors in the Fund. No Attorney-Client relationship is formed between the Legal Advisor and any Shareholder or prospective investor in the Fund.

INDEMNITY

The Directors and other officers of the Fund are entitled to be indemnified by the Fund against all expenses (including legal fees), losses or liabilities which they sustain or incur in or about the execution of their duties, other than those arising out of their negligence, wilful default or actual fraud. The determination of the Directors in this respect is, in the absence of actual fraud, conclusive unless a question of law is involved.

CHANGE OF SERVICE PROVIDERS

The Directors may change any of the service providers of the Fund, including the Auditors, without the consent of the Shareholders. In addition, the Directors may appoint a manager, an investment manager or an investment Advisor and may delegate certain investment management duties to such manager, investment manager or investment Advisor.

The Directors may also appoint a different Administrator for the Fund and may change the Administrator without the consent of the Shareholders.

SHARES

NON-REDEEMABLE PARTICIPATING SHARES

The offering of Shares in this Offering Memorandum only relates to non-voting, non-redeemable participating shares of the Fund.

Each Shareholder will have the right to participate in the profits of the Fund on a pro rata basis with the other Shareholders of the same class. Shareholder meetings may be called by the Directors. The Fund will not, and is not required, to hold annual general meetings.

The Shares of the Fund shall:

- (a) participate in the profits and losses of the Fund;
- (b) have no voting rights (except in the limited circumstances);
- (c) be subject to any restrictions and obligations set forth herein and in the Memorandum and Articles of Association; and

As the Shares have no voting rights, they will not have the ability to vote to amend the Articles and nor will they have the right to appoint or remove Directors or any other service provider. Only the holders of the Management Shares will have the right to make such determinations.

MANAGEMENT SHARES

The Management Shares, which are the voting shares in the Fund, are held by the Investment Advisor. Consequently, it may make any changes to the Articles of the Fund that it considers appropriate, including increasing the share capital, consolidating the shares and sub-dividing the shares. Only the holder of the Management Shares can appoint and remove the Directors of the Fund and, in turn, only the Directors can terminate the services of the service providers to the Fund, including the Investment Advisor.

The Fund may increase or reduce its authorized share capital, divide all or any of its share capital into shares of smaller amount or combine all or any of its share capital into shares of larger amount. The Directors will have the right to create further share classes on different terms to those offered herein.

If the authorized share capital is divided into different classes of shares, the rights attached to any class may be varied by consent in writing of holders of not less than three quarters of the issued shares of that class or with the sanction of a special resolution (a three quarters majority of votes cast) passed at a general meeting of the holders of the shares of that class.

Each Management Share shall:

- (a) not participate in the profits of the Fund;
- (b) have voting power with one vote per share;
- (c) not be redeemable except at the election of the Fund in accordance with the Articles.

The Shares will have no right to participate or vote at any meeting of the shareholders, except in circumstances where the business to be discussed at the meeting includes matters reserved to Shareholders such as a material adverse change to the rights attaching to Shares. There are no conversion or pre-emptive rights attached to the Shares. All Shares of the Fund, when duly issued, will be fully paid and non-assessable.

The Shares will be issued in registered entry form only. No Share certificates evidencing ownership will be issued. The Administrator will issue standard confirmations representing any subscription in the Fund.

SUBSCRIPTIONS

RESTRICTIONS ON SALE OR TRANSFER

Shares may only be offered or sold to investors who are not Ineligible Applicants as described under “Ineligible Applicants” below. Only holders of Class A Shares and/or Class AA Shares and/or Class AAA Shares are eligible to swap some or all of their Class A Shares and/or Class AA Shares and/or Class AAA Shares into an equivalent number of Class C Shares and/or Class CC Shares and/or Class CCC Shares.

INITIAL SUBSCRIPTION

Class A Shares will be offered at an initial offer price of US\$1,000 per Share, Class AA Shares will be offered at an initial offer price of €1,000 per Share and Class AAA Shares will be offered at an initial offer price of £1,000 per Share during the Initial Offer Period.

All subscriptions are subject to acceptance or rejection, in the sole discretion of the Directors.

The Directors may extend or shorten the Initial Offer Period at their discretion.

MINIMUM INVESTMENT

The minimum initial subscription amount per investor with respect to each Class of Shares is:

10,000 US\$, 10,000 Euro or 10,000 GBP for Class A, AA and AAA Shares respectively, or such other amounts as the Directors may determine. All subscriptions are subject to acceptance or rejection, in the sole discretion of the Directors.

SUBSEQUENT SUBSCRIPTIONS AND SUBSCRIPTION PRICES

After the close of the Initial Offer Period, investors may subscribe for Participating Shares of the applicable Class at the Subsequent Subscription Price during the Subsequent Subscription Period.

Class B Shares, Class BB Shares and Class BBB Shares

Class B Shares will be offered at a Subsequent Subscription Price of US\$1,000 per Share, Class BB Shares will be offered at a Subsequent Subscription Price of €1,000 per Share and Class BBB Shares will be offered at a Subsequent Subscription Price of £1,000 per Share during the Subsequent Subscription Period.

The minimum Subsequent Subscription amount per investor with respect to each Class of Shares is:

10,000 US\$, 10,000 Euro or 10,000 GBP for Class B, BB and BBB Shares respectively, or such other amounts as the Directors may determine. All Subsequent Subscriptions are subject to acceptance or rejection, in the sole discretion of the Directors.

Class C Shares, Class CC Shares and Class CCC Shares

Class C Shares will be offered at a Subscription Price of US\$1,000 per Share, Class CC Shares will be offered at a Subsequent Subscription Price of €1,000 per Share and Class CCC Shares will be offered at a Subsequent Subscription Price of £1,000 per Share during the Subsequent Subscription Period.

The minimum Subsequent Subscription amount per investor with respect to each Class of Shares is:

10,000 US\$, 10,000 Euro or 10,000 GBP for Class C, CC and CCC Shares respectively, or such other amounts as the Directors may determine. All Subsequent Subscriptions are subject to acceptance or rejection, in the sole discretion of the Directors.

Only holders of Class A Shares and/or Class AA Shares and/or Class AAA Shares are eligible to swap some or all of their Class A Shares and/or Class AA Shares and/or Class AAA Shares into an equivalent number of Class C Shares and/or Class CC Shares and/or Class CCC Shares.

MANNER OF PAYMENT

Payments for subscriptions into the Fund must be made by wire-transfer. Payments must ordinarily be made from a bank account in the name of the person or entity subscribing for Shares. Personal checks/bank checks/cash or third-party transfers cannot be accepted.

INELIGIBLE APPLICANTS

The application form requires each prospective applicant for Shares to represent and warrant to the Fund that, among other things, it is able to acquire and hold Shares without violating applicable laws.

The Shares may not be offered, issued or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise incur or suffer, or would result in the Fund being required to register under any applicable US securities laws.

Shares may not be issued or transferred to any US Person.

Investors must warrant on the application form that they have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund, are aware of the risks inherent in investing in the assets in which the Fund will invest and the method by which these assets will be held and/or traded and can bear the loss of their entire investment in the Fund. Any transferee of Shares will be required to warrant in like terms before any transfer is registered.

PLACEMENT FEE

A Placement Fee equal to 20% of the Subscription Price or Subsequent Subscription Price, as the case may be, will be charged in respect of subscriptions for Class A, AA and AAA Shares only. The Placement Fee will be credited to the Fund's general assets to cover the marketing and distributions costs. Part of the Placement Fee will be paid by the Fund to the Investment Advisor who in its turn pays brokers and other counterparties (whether or not affiliated with the Investment Advisor) who are responsible for the sale of these Classes of Shares.

For the avoidance of doubt, the Placement Fee is paid by the Fund to the Investment Advisor and the Investment Advisor arranges for the necessary payments to be made to the relevant persons. The Investment Advisor does not intend to retain the Placement Fee for its own benefit. The Placement Fee is payable upfront but charged on the Exit Event NAV.

For the avoidance of doubt, the Placement Fee does not apply to Class B, BB, BBB Shares.

A Placement Fee up to 12% of the Subscription Price, as the case may be, may be, paid in respect of subscriptions for Class C, CC, CCC Shares only. Part of the Placement Fee will be paid by the Fund to the Investment Advisor who in its turn pays brokers and other counterparties (whether or not affiliated with the Investment Advisor) who are responsible for the arrangement of swaps into one of these Classes of Shares.

FORM OF SHARES

All the Shares will be registered shares and will only be issued in registered form, meaning that a Shareholder's entitlement will be evidenced by an entry in the Fund's register of Shareholders, as maintained by the Administrator, and not by a share certificate.

SUSPENSION

The Directors may declare a suspension of the determination of Net Asset Value in certain circumstances as described herein.

TRANSFER OF PARTICIPATING SHARES

Participating Shares are freely transferrable.

Shareholders wishing to transfer Participating Shares must complete a transfer request, which shall be in such form as the Directors may from time to time approve. The completed transfer request, duly stamped, if applicable, must be sent to the Investment Advisor. If the transferee is not already a Shareholder, he will be required to complete a Subscription Agreement and comply with all eligibility and identification requirements for a subscriber for Participating Shares.

The transfer will take effect upon the registration of the transferee in the register of Shareholders. The Directors may suspend the registration of transfers for not more than a total of 30 days in any year.

The transferor and transferee will be responsible for paying any fees, taxes, duties, imposts or levies payable on or in consequence of a transfer of Participating Shares

In the case of the death of any one of joint Shareholders, the survivor(s) will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint Shareholder in the Shares registered in the names of such joint Shareholders.

TRANSFER OF TARGET COMPANY SHARES

The holders of Participating Shares may receive, at the sole discretion of the Directors of the Fund, Target Company Shares pro rata per such Participating Shareholder's shareholding in the Fund. The Directors, should they choose to exercise their discretion, will provide Shareholders with notice of their decision to transfer such Target Company Shares to such Shareholder without further action required by such Shareholder.

ANTI-MONEY LAUNDERING

The Fund is required to comply with the anti-money laundering ("AML") and countering the financing of terrorism ("CFT") legislation of the Cayman Islands. The Fund has outsourced the maintenance of its AML/CFT policies and procedures to the Administrator, which is subject to the AML/CFT regime of the Netherlands, as permitted by, and in accordance with the requirements of, the Anti-Money Laundering Regulations (2023 Revision) (as amended, the "AMLRs"). In accordance with Cayman Islands law, the Fund will be regarded as compliant with the AMLRs and the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands (as amended), if the Administrator complies with the AML/CFT procedures required by the AML/CFT regime of the Cayman Islands.

The Fund has appointed an Anti-Money Laundering Compliance Officer ("AMLCO"), as required by the AMLRs, to ensure the Fund's compliance with the AMLRs. The Fund has also appointed a Money Laundering Reporting Officer ("MLRO") and a Deputy Money Laundering Reporting Officer ("DMLRO" and, together with the AMLCO and the MLRO, the AML Officers), to whom reports of suspicious activity will be made and who will ensure that suspicious activity is disclosed to the Financial Reporting Authority of the Cayman Islands ("FRA") where required by the AMLRs. Each of the AML Officers is an employee of the Administrator. Investors wishing to obtain further information regarding the AML Officers should contact the Administrator.

As part of the Fund's and the Administrator's responsibility for the prevention of money laundering and terrorism financing, the Fund, and the Administrator (including their affiliates, subsidiaries, or associates) will require a detailed verification of each applicant's identity and the source of payment.

The Fund, and the Administrator on the Fund's behalf, reserve the right to request such information as is necessary to verify the identity of a subscriber. The Fund, and the Administrator on the Fund's behalf also reserve the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by a subscriber or transferee to produce any information required for verification purposes, the Fund, or the Administrator on the Fund's behalf, may refuse to accept the application or (as the case may be) to register the relevant transfer and (in the case of a subscription for Shares) any funds received will be returned without interest to the account from which the monies were originally debited.

The Fund, and the Administrator on the Fund's behalf, also reserve the right to refuse to make any disposition payment to a Shareholder otherwise than to the account from which the corresponding subscription funds were paid if the Fund or the Administrator suspect or is advised that the payment might result in a breach or violation of any applicable AML/CFT or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any such laws or regulations in any relevant jurisdiction. In no event will the Fund or the Administrator make any disposition payment or Disposition to any account that is not in the name of the registered shareholder of Shares.

If any person resident in the Cayman Islands knows, suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the FRA, pursuant to the Proceeds of Crime Act (as amended) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a constable or the FRA, pursuant to the Terrorism Act (as amended) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing for Shares, applicants consent to the disclosure by the Fund, the Administrator, and the AML Officers of any information about them to supervisory authorities, regulatory bodies and other relevant persons or agencies upon request in connection with AML and CFT matters both in the Cayman Islands and in other jurisdictions.

The Fund is subject to sanctions obligations which restrict it from dealing with certain persons or persons that are located or domiciled in certain countries. The Fund will require each applicant to represent that they and their beneficial owners/controllers and other connected persons are not (a) named on, or deal with persons named on, lists of prohibited entities and individuals maintained by the US Treasury Department's Office of Foreign Assets Control, the United Kingdom ("UK") or the European Union ("EU"), or (b) operationally based or domiciled in a country or jurisdiction in relation to which sanctions have been issued by the

UK, the EU or the United Nations (collectively, the "Sanctions Lists"). Where an applicant or a Shareholder appears on a Sanctions List, the Fund, or the Administrator on the Fund's behalf, must take steps to comply with the relevant sanctions obligations and may be required to cease any further dealings with that person or their shareholding.

Notwithstanding the above, a Shareholder that is a pension fund will not be required to provide to the Administrator information relating to its pension beneficiaries unless required by the Fund or the Administrator in relation to FATCA, CRS or any other similar legislation and/or regulations.

LEGAL IMPLICATIONS OF INVESTMENT IN THE FUND

The main legal implications of the contractual relationship entered into for the purpose of investment in the Fund are as follows:

- a) By submitting an application form to the Administrator, the investor makes an offer to subscribe for Shares which, once it is accepted by the Fund, has the effect of a binding contract. The terms of this contract are governed by the application form, read together with the Offering Memorandum.
- b) Upon the issue of Shares, an investor becomes a member of the Fund, and the Memorandum of Association and the Articles of the Fund take effect as a statutory contract between the Shareholders and the Fund.
- c) The Articles of the Fund may only be amended by way of a special resolution of the holder of the Management Shares in accordance with the Companies Act (as amended) of the Cayman Islands.
- d) a Shareholder's liability to the Fund will generally be limited to the amount, if any, unpaid on the Shares held by that Shareholder.
- e) The Memorandum of Association of the Fund, the Articles of the Fund and the application form are each governed by and construed in accordance with the laws of the Cayman Islands.

Although there is no statutory enforcement in the Cayman Islands of judgments obtained in a foreign jurisdiction (other than judgments rendered by an Australian superior court which may be enforced under the Foreign Judgments Reciprocal Enforcement Act (as amended) of the Cayman Islands), a judgment imposing a liability to pay a liquidated sum obtained in a foreign jurisdiction will be recognised and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, provided such judgment satisfies certain criteria.

None of the agreements appointing the Investment Advisor, the Administrator, the Auditor, the Legal Advisor or any of the Fund's other service providers provides for any third-party rights for investors.

In the absence of a direct contractual relationship between a Shareholder and a service provider, Shareholders generally have no direct rights against that service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against that service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant service provider is, prima facie, the Fund.

TERM AND ALTERNATIVE EXITS

TERM

Generally, the intended term for the Fund is three (3) years to seven (7) years.

EXIT EVENT

An Exit Event creating the Disposition is likely to take the form of:

- (i) the sale of the issued share capital of the Target Company (“Trade Sale”);
- (ii) the listing of the Target Company on a publicly traded market in an Initial Public Offering (“IPO”); or
- (iii) the acceptance of an offer from a third party for the Investment Portfolio’s entire interest in the relevant Target Company (“Third Party Sale”).

However, this is not guaranteed, and accordingly the term of the Fund should be treated as indefinite. The Directors of the Fund will evaluate the terms of any such offer for the shares in the relevant Portfolio Investment held by the Fund and decide whether or not such offer should be accepted in what they believe are in the best interests of the Shareholders investing in the Fund.

DISPOSITION PROCEEDS

Payment of Disposition Proceeds will be made in the operational currency of the Class (or, with the approval of the Directors, in another currency requested by the Shareholder) by direct transfer to an account in the name of the Shareholder at the expense of the Shareholder. No Dispositions will be paid to a third party. No interest will be paid by the Fund in respect of any Dispositions. Any amounts paid in a currency other than operational currency of the relevant Class, will be converted at the prevailing spot rate on the day of conversion.

Payments from the Fund will only be made by wire-transfer. In-specie redemptions are not permitted.

COMPULSORY REDEMPTIONS

The Directors have the right to compulsorily redeem any holding of Shares at any time, with or without cause, upon twenty (20) days’ notice to the Shareholder whose Shares are being compulsorily redeemed.

The Directors may decide to compulsorily redeem Shares should it receive any dividends from the Target Company, in order to pay return to Investors.

In addition, and without limitation to the foregoing, the Directors have the ability to redeem Shares compulsorily if the Shares are held for the benefit of any Ineligible Applicant, or to give effect to an exchange, conversion or roll up policy. Shares may also be compulsorily redeemed for the purpose of making shareholding adjustments in connection with the payment of any Incentive Fee payable to the Investment Advisor.

The Directors may decide to make compulsory redemptions for monetary payment or by in kind redemption.

In the event of a compulsory redemption for monetary payment, the Redemption Price will be determined as of the close of business on the compulsory redemption date (which may be any Valuation Day) specified by the Directors in its notice to the Shareholder. In the event of a compulsory redemption by in kind redemption, the redeeming Shareholder will receive a transfer of assets of equal value to the Redemption Price for their Shares being compulsorily redeemed.

A Shareholder whose Shares are compulsorily redeemed will have no Shareholder rights after the close of business on the date specified by the Directors in their notice to the Shareholders. The Directors may charge any Shareholder receiving such a notice any legal, accounting, or administrative costs associated with such compulsory redemption.

SUSPENSION

The Directors may declare a suspension of the determination of Net Asset Value and hence the redemption of Shares in certain circumstances.

In addition, the Directors may also suspend the payment of compulsory redemption proceeds to a Shareholder if the Directors suspect or are advised that the payment of any compulsory redemption proceeds to such Shareholder may result in a breach of violation of any anti-money laundering law by any person in any relevant jurisdiction, or if such refusal is necessary to ensure

compliance by the Fund, its Directors or any service provider of the Fund with any anti-money laundering law in any relevant jurisdiction.

NET ASSET VALUE

The Directors have delegated responsibility for valuing the Fund's investments and for the calculation of the Net Asset Value of the Shares of the Fund to the Administrator, subject to the supervision and approval of the Directors. The valuation and the calculation will be performed at the offices of the Administrator. The Administrator may consult with, and is entitled to rely upon, advice from the Investment Advisor and the Fund's Directors, auditors, custodians, brokers, pricing providers and other similar parties in its determination of the value of the Fund's investments and of the Net Asset Value of the Shares of the Fund.

The valuation of the Fund's investments and the calculation of the Net Asset Value of the Shares shall normally be made as at the close of business on each Valuation Day. Other or special valuations and calculations may be requested by the Directors from time to time in their sole discretion.

The Net Asset Value of the Fund will be equal to its total assets less its total liabilities as of the date of determination.

The Net Asset Value per Share is determined by first allocating any increase or decrease in the Gross Asset Value of the Fund (being the Net Asset Value of the Fund prior to deduction of the applicable Management Fees, Incentive Fees and Retrocession Fees, but inclusive all other costs and charges, as described in this Offering Memorandum, properly expensed to each Class of Shares in the Fund, as applicable) among the Class or Classes of Shares pro rata in accordance with the Net Asset Value of each Class at the beginning of that period; then deducting the applicable Management Fee, Retrocession Fee and Incentive Fee, and finally dividing the Net Asset Value of each Class by the number of issued Shares therein.

For the avoidance of doubt, (a) the results of the hedging policy applied by the Fund are specifically allocated to the relevant Class of Shares denominated in a currency other than the US Dollar; (b) any mismatches in hedging attributable to the currency hedge for the benefit of Shares denominated in a currency other than US Dollars, will be allocated to all Shares with the aim of maintaining equal performance across all currency Classes; and (c) any Management Fee and Retrocession Fee or any relevant Incentive Fee determined with respect to a particular Class will be debited against the Gross Asset Value of such Class.

The assets of the Fund at any date shall be valued on the accrual basis of accounting in accordance with IFRS or in accordance with the following principles:

- (a) no value will be assigned to goodwill;
- (b) Organisational Expenses will be amortised over a period of sixty (60) months from the date the Fund commenced operations (unless such treatment results in adverse regulatory consequences in which case the Fund shall be entitled to expense such items on a current basis for financial statement purposes);
- (c) accrued Management Fees, Incentive Fees and other fees will be treated as liabilities;
- (d) estimated annual audit and legal fees will be treated as liabilities;
- (e) dividends payable on the Shares, if any, after the date as of which the total net assets are being determined to Shareholders of record prior to such date will be treated as liabilities;
- (f) any contingencies for which reserves are determined to be required will be treated as liabilities;
- (g) options, futures, equities and all other types of investments shall be valued in accordance with IFRS or as may otherwise be agreed by the Administrator, the Directors, the Investment Advisor and the Fund's auditors;
- (h) in valuing the Fund's investments in other investment vehicles, or with fund managers, the Fund will be entitled to rely on the latest unaudited or audited financial statement or performance report of any such fund or investment vehicle or fund manager unless, following consultation with the Investment Advisor, the Fund's auditor, independent pricing providers, market makers and other similar parties, it is determined that some other valuation is more appropriate and such valuations will be subject to the approval of the Directors. Any contingent fees or allocations to fund managers retained by the Fund or with respect to investments in other investment entities shall be accrued at such times and in such amounts as the Fund shall determine;
- (i) when no market exists for an investment or when there is no price/quote available, the investment shall be valued by the Administrator at fair value following consultation with the Investment Advisor, the Fund's auditor, independent pricing providers, market makers and other similar parties, and such valuations will be subject to the approval of the Directors;
- (j) when the Directors (in consultation with the Investment Advisor) shall determine that the market price as determined above does not fairly represent the value of the investment, the Directors (following consultation with the Administrator, the Investment Advisor and the Fund's auditor) shall value such investment in such manner as they may reasonably determine; and
- (k) with reference to the points above all assets of the Fund shall be valued by the Administrator using generally accepted valuation policies and will be subject to the approval of the Directors.

The Investment Advisor's involvement in determining the value of the Fund's assets may give rise to a potential conflict of interest.

Full details of the valuation policies adopted by the Fund are contained in the Fund's Valuation Policy and Guidelines, a copy of which may be obtained from the Administrator upon request to investors.nl@boldergroup.com

The NAV per Share will be made available on the Administrator's website for those Shareholders who have access to the Administrator's web reporting tool, shortly after each NAV is finalised by the Administrator. Shareholders who have chosen not to have access to the Administrator's web reporting tool shall be sent a statement by email or fax not less frequently than once a month.

Publication of prices

The Directors may apply to newspapers or periodicals for publication of the Net Asset Value per Share at their discretion. The most recent Net Asset Value per Share is available from the Administrator on request.

In no event and under no circumstances shall the Directors, the Investment Advisor, the Fund's auditor or the Administrator incur any individual liability or responsibility for any determination made or other action taken or omitted by them in good faith with respect to the valuation of the Fund's assets. Absent bad faith or manifest error, any valuation made in accordance with the valuation principles disclosed in this Offering Memorandum shall be binding on all persons.

FEES AND EXPENSES

Except as otherwise stated below, this section does not apply to holders of Class B, Class BB and Class BBB Shares and does not apply to holders of Class C, CC and CCC Shares

FEES AND OPERATIONAL EXPENSES

Management Fee

Pursuant to the Investment Advisory Agreement, the Fund will pay to the Investment Advisor a Management Fee equal to 1.75% per annum of the subscription amount with respect to Class A, AA, and AAA Shares only. An amount equal to a minimum term of 5 years will be credited to the Funds general assets to cover future Management Fees upon receipt of subscriptions.

Placement Fee

With respect to Class A, AA, and AAA Shares only, the Fund will be required to pay an up-front Placement Fee to placement agents, brokers or distributors appointed by the Fund or the Investment Advisor, in respect of each subscription under the terms of distribution agreements. Such placement fee payable may vary.

Regardless of whether the subscription was placed by placement agents, brokers or distributors a total fee of 20% of the Subscription Amount received by the Fund will be credited to the Funds general assets to cover the Placement Fee described above.

Payable upfront charged on the Exit Event NAV.

For the avoidance of doubt, the Placement Fee does not apply to Class B, BB, BBB Shares.

A Placement Fee up to 12% of the Subscription Price, as the case may be, may be, paid in respect of subscriptions for Class C, CC, CCC Shares only. Part of the Placement Fee will be paid by the Fund to the Investment Advisor who in its turn pays brokers and other counterparties (whether or not affiliated with the Investment Advisor) who are responsible for the arrangement of swaps into one of these Classes of Shares.

Participation Fee

Pursuant to the Investment Advisory Agreement, the Investment Advisor may be entitled to receive a Participation Fee from the Fund with respect to Class A, AA, and AAA Shares only at the same time as any Dispositions are made to the Shareholders, provided the Net Proceeds in respect of the Fund exceed the aggregate Subscription Amounts. The Participation Fee will be an amount equal to 20% of any capital appreciation received by the Fund and allocable to those Classes of Shares.

The Investment Advisor may be required to pay a portion of the Participation Fee to:

- (a) Placement Agents, Brokers or distributors under the terms of distribution agreements;
- (b) Introducers under the terms of introducer agreements.

For the avoidance of doubt, the Investment Advisor will only receive a Participation Fee equal to 20% of the net capital appreciation received by the Fund, there will be no Participation Fee payable to the Investment Advisor in respect of any changes in the Net Asset Value of the Fund.

Debt/Equity Swap Fee

Currently, the Target Company has an outstanding debt owed to the Fund in the form of repayment of zero coupon convertible bonds (the "Zero Coupon Debt").

With respect to holders of Class A Shares and/or Class AA Shares and/or Class AAA Shares who swap their respective Class A and/or Class AA and/or Class AAA Shares for an equivalent number of Class C Shares and/or Class CC Shares and/or Class CCC Shares only, the holders thereof will have their percentage of the Zero Coupon Debt, of the Class A, AA and AAA Shares, converted into equivalent value of subscription shares of the Target Company at a price to be determined by the listing price of the Target Company at admission to the London Stock Exchange (expected to be £2.00 per share).

Organisational Expenses

The Fund's offering expenses, marketing costs including travel, lodging, printing, software, legal fees and general expenses related to marketing of approximately £125,000 will be amortised over a period of 5 years from the date the Fund commences operations. The Fund is amortising its Organisational Expenses because it believes such treatment is more equitable than expensing the entire

amount of the Organisational Expenses in the Fund's first year of operation, as is required by International Financial Reporting Standards. This may result in the Fund's audited financial statements being qualified in this regard.

Organisational expenses apply to holders of all share classes.

OTHER FEES AND EXPENSES FROM GENERAL ASSETS

The Fund, with respect to Class A, AA, and AAA Shares only will also bear its own on-going operating costs and expenses which are further disclosed below. An amount up to 2.25 % per annum of the subscription amount. An amount equal to a minimum term of 5 years will be credited to the Funds general assets to cover future Administrator, Broker, Auditor and Other Fees and Expenses.

Administrator Fees

The Administrator will receive fees, that will be paid out of the assets of the Fund, based on an agreed schedule of fees. The Administrator will also be reimbursed for all out-of-pocket expense,

Broker Fees

The Fund may pay brokerage commissions and fees to recognized securities brokers for executing and clearing transactions on behalf of the Fund. The Investment Advisor has complete discretion regarding the selection of such brokers and agreeing the amount of brokerage commissions and fees paid to such brokers. Brokerage service fees are charged at customary rates as set out in the brokerage documents.

Other Operating Fees and Expenses

With respect to the Class A, Class AA and Class AAA Shares only, the Fund bears all other expenses consequent to its operations and business. With respect to Class B, BB and BBB and Class C, CC and CCC Shares only, all other expenses consequent to the operations and business of the Fund will be repaid by the Target Company. Such expenses include, but are not limited to:

- (a) Legal and Professional: the costs of any liability insurance obtained on behalf of the Fund and the Directors; the costs of any litigation or investigation involving Fund activities; fees and expenses of the Fund's auditors, accountants, bookkeepers, legal services, company secretarial fees, registered agent/registered office fees, middle office support and other professional expenses;
- (b) Directors Fees and Expenses: Each Director is entitled to such remuneration as the Directors shall determine. The Directors are also entitled to be paid all travelling, hotel and other expenses properly incurred in the performance of their duties as Directors;
- (c) Filing and Reporting Fees: the fees and expenses relating to listing the Fund's Shares on any stock exchange; all government filing, licensing and registration fees; costs of reporting and providing information to existing and prospective shareholders of the Fund; costs of holding any meetings of Shareholders of the Fund; any future cost associated with obtaining any necessary licenses or approvals in any other jurisdictions; and
- (d) Investment Expenses: all investment expenses such as commissions, research fees (including research related travel and lodging), interest on margin accounts and other indebtedness, brokerage fees, custodial fees, and all other expenses reasonably related to the purchase, sale, or transmittal of the Fund's assets.
- (e) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, placement memoranda and similar documents;
- (f) fees and expenses of any service provider including the Investment Advisor, the Administrator(s) and the Auditors;
- (g) all expenses of the termination the winding up of the Fund; and
- (h) any taxes, fees or other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Fund.

- (i) Marketing Expenses: which includes the cost of printing and the distribution of marketing documents and promotional literature, fees for services rendered by marketing companies, conference sponsorships, associated promotional expenses, cost of fund rating provisions, and marketing-related travel and lodging incurred directly or indirectly by the Investment Advisor; and

The Fund may incur the above expenses via companies in which the Directors, as well as directors and/or officers of the Investment Advisor and any future investment advisor, may have a commercial interest. In addition, the Directors as well as directors and/or officers of the Investment Advisor may be subject to a conflict of interest in determining whether to incur the above expenses through such companies. Please refer to “*Conflicts of Interest*” below, in relation to such expenses.

RISK FACTORS

Investors should be aware that the value of Shares may fall as well as rise. The Fund may be deemed a speculative investment and is not intended as a complete investment program. Prospective investors and holders of Shares before investing should ensure that they have sufficient money to cover ordinary living expenses for themselves and their family and enough money for other known liabilities and expenses before making an investment or continuing to invest.

Investment in the Fund involves significant risks. Whilst it is the intention of the Investment Advisor to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in the Fund. As a result, each prospective investor should carefully review this Offering Memorandum and carefully consider whether it can afford to bear the risks of investing in the Fund. Each prospective investor should carefully review the information and matters contained or referred to in this Offering Memorandum, the Subscription Agreement, the Memorandum and Articles and the latest financial statements of the Fund when available. The following discussion of risk factors does not purport to be a complete explanation of the risks involved in investing in the Fund.

A prospective or continuing investor should not invest in the Fund unless satisfied that it and/or its investment representative or professional advisor has/have asked for and received all information which would enable it or both of them to evaluate the risks in terms of an investment or continued investment in the Fund.

The risks of investing in the Fund include, but are not necessarily limited to, the following:

Absence of US Regulation

The Fund is not required, and does not intend, to register as an investment company under the 1940 Act, in reliance upon an exception available to privately offered investment funds. Accordingly, the provisions of the 1940 Act (which may provide certain regulatory safeguards to investors) are not applicable to the Fund. As a result, certain protections of the 1940 Act will not be afforded to the Fund or its shareholders. Among other provisions, the 1940 Act requires investment companies to have at least a majority of its directors qualify as “disinterested”, regulates the relationship between the investment company and its advisor, requires investor approval before fundamental investment policies can be changed and imposes certain requirements relating to the custody of a fund’s securities. The Fund may maintain accounts at brokerage firms that may not separately segregate the Fund’s securities, as would be required in the case of registered investment companies. The Fund is not subject to the US Sarbanes-Oxley Act of 2002, and accordingly the Fund will not be subject to the provisions thereof relating to, among other things, internal accounting controls.

Availability of Investment Strategies

The success of the Fund’s investment activities depends on the success of Target Company. No assurance can be given that the Investment Advisor will be able to locate suitable investment opportunities in which to deploy all of the Fund’s assets or to exploit discrepancies in the securities and derivatives markets. A reduction in liquidity or the pricing inefficiency of the markets in which the Fund seeks to invest, as well as other market factors, will reduce the scope for the Fund’s investment strategies.

The Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

Broad Indemnification and Exculpation

The Fund has entered into and/or will enter into various agreements and other documents which may contain provisions broadly limiting the liability of the Investment Advisor and other service providers, and counterparties and provide broad indemnification and exculpation to such persons. The Fund’s assets may then be subject to claims for indemnity that could be material and could have an adverse effect on the Fund’s returns. Notwithstanding anything in this Offering Memorandum to the contrary, no provision of this Offering Memorandum (or any of the various agreements and documents referenced herein) shall be construed so as to provide for the indemnification or exculpation of any party (including, the Investment Advisor or their affiliates) for any liability

(including liability under US federal securities laws which, under certain circumstances, impose liability even on persons that act in good faith), to the extent (but only to the extent) that such indemnification or exculpation would be in violation of applicable law, but shall instead be construed so as to effectuate such provision to the fullest extent permitted by law.

Business Risk

There can be no assurance that the Fund will achieve its investment objective. There is no operating history by which to evaluate its likely future performance. The investment results of the Fund are reliant upon the success of the Investment Advisor.

Concentration of Investments

The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

Counterparty Risk

The Fund is subject to the risk of the inability of any counterparty (including the Prime Broker) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Cross Class Liabilities

Although the Articles require the establishment of separate Class Accounts for each Class of Shares and the attribution of assets and liabilities to the relevant Class Account, in the event that there is more than one Class in issue, and if the liabilities of a Class exceed its assets, creditors of the Fund may have recourse to the assets attributable to the other Classes.

Currency Exposure

The investments of the Fund that are denominated in a currency other than the base currency of the Fund are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency rates are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The Investment Advisor may but is not obligated to try to hedge these risks by investing in currencies, currency futures contracts and options thereon, forward currency exchange contracts, or any combination thereof. To what extent a foreign currency exposure will be hedged will be determined by the Investment Advisor in its absolute discretion. It may not always be possible to completely hedge against such currency risks, nor can there be any assurances that such strategies will be implemented, or if implemented, be successful.

Currency exchange rates are highly volatile and subject to severe event risks, as the political situation with regard to the relevant foreign government may itself be volatile. Moreover, if the cash flow of the assets is contingent, it may be difficult to quantify the attendant cross-currency risk, compounding the risk of changes in underlying currencies by the other risks in the portfolio. Correlations between these risks are difficult to quantify and, therefore, difficult to hedge. An inaccurate estimation of the correlation may lead to a faulty hedge and a consequent move in the portfolio. It should also be noted that, in highly volatile markets, predictions of correlation based on historical data can diverge dramatically from observed market moves.

Automatic Exchange of Tax Information

The Cayman Islands has implemented a legal and regulatory regime that the Organisation for Economic Co-operation and Development (“OECD”) has recognised as generally complying with internationally agreed standards for transparency and exchange of information for tax purposes. Furthermore, the Cayman Islands is currently treated by the OECD as a jurisdiction that has substantially implemented the internationally agreed tax standard (as developed by the OECD in co-operation with non-OECD countries and endorsed by G20 Finance Ministers and by the United Nations Committee of Experts on International Co-operation in Tax Matters). The implementation of this standard, which requires automatic exchange of information in all tax matters for the administration and enforcement of domestic tax law without regard to a domestic tax interest requirement or bank secrecy for tax purposes, has involved the Cayman Islands entering into a number of bilateral tax information exchange agreements, and also the enactment of a unilateral mechanism for the Cayman Islands to provide relevant information on request to certain other specified jurisdictions.

Consequently, the Fund, or any of its directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law, such as by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Act (as amended), or by the Cayman Islands Tax Information Authority (the “Cayman TIA”), under the Tax Information Authority Act (as amended) or Reporting of Savings Income Information (European Union) Law (2014 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws

will not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund and its directors or agents may be prohibited from disclosing that the request has been made.

Accordingly, each Shareholder should be aware that in accordance with such arrangements (as extended or varied from time to time to comply with then current international standards, to the extent adopted by the Cayman Islands or any other relevant jurisdiction), relevant information concerning it and/or its investment in the Fund may be provided to any relevant tax authority.

General Economic and Market Conditions

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses.

Handling of Mail

Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Fund to be dealt with. None of the Fund, its Directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund).

Illiquidity of Participating Shares.

Shareholders will not be permitted to redeem from the Company upon their request.

Information, Reporting and Side Arrangements

Subject to applicable law, the Investment Advisor and/or the Fund may, in their sole discretion, negotiate and enter into agreements or other arrangements ("Side Arrangements") with certain Shareholders including, without limitation, those deemed to involve a significant or strategic relationship, that will result in different terms of investment in the Fund from the terms applicable to other Shareholders. As a result of such Side Arrangements, certain Shareholders may receive additional or different information, reporting and/or other benefits which other Shareholders will not receive. Such information and reporting may provide the recipient greater insights into the Fund's activities than is included in standard reports to Shareholders, thereby enhancing the recipient's ability to make investment decisions with respect to the Fund and with respect to the investment of its own assets. Except as described in this Offering Memorandum or as required by law or regulation, none of the Investment Advisor or the Fund are required to notify any or all of the other Shareholders of any such arrangements or any of the rights and/or terms or provisions thereof, nor is the Investment Advisor or the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders. As a result, Shareholders which have entered into Side Arrangements may be able to act on additional information (for example, to request redemptions) that other Shareholders do not receive.

Liquidity and Market Characteristics

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

Market Crisis and Governmental and Regulatory Intervention

The global financial markets continue to undergo pervasive and fundamental disruptions which have led to extensive and unprecedented governmental and regulatory intervention. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments and regulators have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental or regulatory restrictions may be imposed on the markets and/or the effect of such restrictions on the Investment Advisor's ability to fulfil the Fund's investment objective. However, there is a high likelihood of significantly increased regulation of the global financial markets, and such increased regulation could be materially detrimental to the performance of the Fund's portfolio.

Market Disruptions

The Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnection with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Fund from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. In the past, a sudden restriction of credit by the dealer community has resulted in forced liquidations and major losses for a number of investment funds and other vehicles. Because market disruptions and losses in one sector can cause ripple effects in other sectors, many investment funds and other vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Fund to close out positions.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of the Fund's investments. A Shareholder may not fully recover his investment upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price or Subsequent Subscription Price paid by such Shareholder.

Broker Insolvency

The Fund is at risk of the Broker entering into an insolvency procedure. During such a procedure (which may last many years) the use by the Fund of assets held by or on behalf of the Broker may be restricted and accordingly (a) the ability of the Investment Advisor to fulfil the investment objective may be severely constrained, (b) the Fund may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, the Fund is likely to be an unsecured creditor in relation to certain or all assets and accordingly the Fund may be unable to recover such assets from the insolvent estate of the Prime Broker in full, or at all.

Regulatory Risks

The regulatory and tax environment for financial instruments is evolving and may be subject to modification by government or judicial action which may adversely affect the value of the investments held by the Fund. The effect of any future regulatory or tax change on the Fund is impossible to predict.

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during the past decade have led to increased governmental as well as self-regulatory scrutiny of the financial services industry in general. Certain legislation proposing greater regulation of the industry, such as the recently enacted Dodd-Frank Act, is considered periodically by the US Congress, as well as by the governments of non-US jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to the Fund, the Investment Advisor, the markets in which the Fund trades and invests or the counterparties with which it does business may be instituted in the future. Any such laws or regulations may materially adversely affect the Fund's ability to continue to pursue its investment objective and adhere to its investment guidelines, as described herein, as well as require increased transparency as to the identity of the Shareholders.

The Dodd-Frank Act seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of markets, market participants and financial instruments. Because many provisions of the Dodd-Frank Act require rulemaking by the applicable regulators before becoming fully effective and the Dodd-Frank Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the impact of the Dodd-Frank Act on the Fund, the Investment Advisor and the markets in which the Fund trades and invests or the counterparties with which it does business. The Dodd-Frank Act could result in certain investment strategies in which the Fund engages or may have otherwise engaged becoming non-viable or non-economic to implement. The Dodd-Frank Act and regulations adopted pursuant to the Dodd-Frank Act may materially adversely affect the Fund's ability to continue to pursue its investment objective and adhere to its investment guidelines as described herein.

In addition, securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organizations, including but not limited to the CFTC, and exchanges are authorised to take extraordinary actions in the event of market emergencies including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of swaps, futures and/or other derivative transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental, regulatory and judicial actions. The effect of any future regulatory change on the Fund could be substantial and

adverse including, for example, increased compliance costs, the prohibition of certain types of trading and/or the inhibition of the Fund's ability to continue to pursue its investment objective and adhere to its investment guidelines as described herein.

Tax Considerations

The Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Fund is incorporated, established or resident for tax purposes. The Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the Fund or the counterparty to a transaction involving the Fund is incorporated, established or resident for tax purposes. Where the Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such tax and so any change could have an adverse effect on the Net Asset Value of the Shares.

Where the Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the Fund (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the Fund.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Offering Memorandum and consult with their own legal, tax and financial advisors before deciding to invest in the Fund.

TAXATION

The following is based on the Fund's understanding of certain aspects of the law and practice currently in force in the Cayman Islands and the United States. There can be no guarantee that the tax position or proposed tax position at the date of this Offering Memorandum or at the time of an investment will endure indefinitely.

Investors should consult their professional advisors on the possible tax and other consequences of their subscribing for, purchasing, holding, selling, exchanging Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Cayman Islands

The Fund may, if required, obtain from the Governor-in-Cabinet of the Cayman Islands an undertaking that, in accordance with section 6 of the Tax Concessions Act (as amended), for a period of 20 years from the date of the undertaking no laws of the Cayman Islands imposing any tax on profits, income, gains or appreciation shall apply to the Fund and that no tax in the nature of estate duty or inheritance tax shall be payable on the shares, debentures or other obligations of the Fund.

Under current Cayman Islands law no tax will be charged in the Cayman Islands on profits or gains of the Fund and dividends (if any) of the Fund will be payable to Shareholders resident outside the Cayman Islands without deduction of tax. No stamp duty is levied in the Cayman Islands on the transfer or redemption of Shares. An annual registration fee is payable by the Fund in the Cayman Islands which is calculated by reference to the nominal amount of its authorised share capital.

United States Federal Income Taxation

The Fund should not be subject to US federal income taxes on any US source income or gains from its trading (except in respect of any dividends received in the course of such trading) provided that it does not engage in a trade or business within the US to which such income or gains are effectively connected. Dividends or substitute dividends will be subject to a 30 per cent US withholding tax if paid by US corporations or otherwise arise from US sources. Pursuant to a safe harbour under the United States Internal Revenue Code of 1986, as amended, a non-US corporation which trades stock or securities or commodities for its own account should not be treated as engaged in a trade or business within the US provided that the non-US corporation is not a dealer in stock or securities or commodities. The Fund intends to conduct its business in a manner so as to meet the requirements of this safe harbour. If the activities of the Fund are not covered by the foregoing safe harbour, there is a risk that the Fund (but not any investor) will be required to file a US federal income tax return for such year and pay tax at full US corporate income tax rates as well as an additional 30 per cent branch profits tax.

The Fund should not be subject to US federal income or withholding tax on US source interest income (other than in the case of certain contingent interest or interest received from a borrower of 10 per cent or more of the equity of which is owned by the Fund, neither of which the Fund anticipates receiving) provided that it is not engaged in a trade or business within the US to which such interest income is effectively connected, and provided that its interest-bearing securities qualify as registered obligations and that it periodically supplies a US Internal Revenue Service Form W-8BEN-E or its equivalent.

The Fund will not elect to be treated as a partnership for US federal income tax purposes.

FATCA and Similar Measures

The Cayman Islands have signed a Model 1 inter-governmental agreement with the United States (the "US-Cayman IGA") to give effect to the United States Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and US Treasury Regulations promulgated thereunder (together, as amended from time to time, "FATCA"). Pursuant to the US-Cayman IGA and the related Cayman Islands legislation, regulations and guidance, the Fund is required to report certain information about "Specified US Persons" (as defined in the US-Cayman IGA) that own, directly or indirectly, an interest in the Fund. If the Fund does not comply with these obligations, it may be subject to a 30 per cent withholding tax on certain payments to it of US source income (including interest and dividends) (from 1 July 2014) and proceeds from the sale of property that could give rise to US source interest or dividends (from 1 January 2019), and to financial penalties or other sanctions under the relevant Cayman Islands legislation (each a "FATCA Deduction").

Under the terms of the current US-Cayman IGA, the Fund will not generally be required to withhold tax on payments made to an account holder (i.e. a Shareholder) or to close recalcitrant accounts. The Fund will be required to report certain information in respect of any "Specified US Persons" to the Cayman Islands Tax Information Authority (the "Cayman TIA") and the Cayman TIA will exchange this information, on an automatic basis annually, with the US Internal Revenue Service.

While the Fund will seek to satisfy their obligations under the US-Cayman IGA and the associated implementing legislation in the Cayman Islands to avoid the imposition of any FATCA Deductions, the ability of the Fund to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). There can be no assurance that the Fund will be able to satisfy such obligations. If a Shareholder, or any related

party, causes the Fund to suffer a FATCA Deduction or other financial penalty, cost, expense or liability, or the Fund is required to make a FATCA Deduction from such Shareholder, the Fund will use commercially reasonable endeavours to take any action available to it to ensure that the FATCA Deduction or other financial penalty and associated costs, expenses and liabilities are economically borne by such Shareholder. Such action may (without limitation) include the compulsory redemption of any Shares held by such Shareholder and the Fund reducing or refusing to make payment to such Shareholder of any redemption or dividend proceeds.

The Cayman Islands have also signed an inter-governmental agreement with the United Kingdom (the "UK-Cayman IGA") that imposes similar requirements to the US-Cayman IGA and enacted legislation to implement the UK-Cayman IGA in the Cayman Islands. Under the terms of the UK-Cayman IGA, the Fund will be required to identify accounts held directly or indirectly by "Specified United Kingdom Persons" and report information on such Specified United Kingdom Persons to the Cayman TIA, which will exchange such information, on an automatic basis annually, with UK HM Revenue & Customs.

The Common Reporting Standard

The Cayman Islands are one of multiple jurisdictions which have agreed to the automatic exchange of financial account information on the basis of the standard published by the Organisation for Economic Co-operation and Development (the "Common Reporting Standard" or the "CRS"). Financial institutions resident in jurisdictions which have agreed to the CRS, should report certain account holder information to their local tax authorities who will then exchange such information with jurisdictions where account holders are tax residents. It can provide timely information on non-compliance where tax has been evaded, particularly where tax administrations have had no previous indications of non-compliance.

For the purposes of efficiency, the CRS was deliberately built on the framework of FATCA and replicates many of its principles, although there is no withholding tax regime or requirement for reporting financial institutions to register with Foreign Tax Authorities (as defined below). Furthermore, certain CRS client classification, due-diligence and reporting requirements differ from or are more expansive to those deriving from FATCA. Further intergovernmental agreements will therefore be entered into with other third countries by the Cayman Islands government from time to time to enable reporting to such third countries' tax authorities ("Foreign Tax Authorities") as provided in the CRS.

By investing or continuing to invest in the Fund, Shareholders shall be deemed to acknowledge that:

- (i) the Fund is considered to be a reporting financial institution under the CRS and the Fund (or its agent) will be required to disclose to the competent tax authority of the Cayman Islands certain confidential information in relation to the Shareholder, including but not limited to the Shareholder's name, address, tax identification number (if any), social security number (if any) and certain information relating to the Shareholder's investment;
- (ii) the competent tax authority of the Cayman Islands will be required to automatically exchange information as outlined above with the Foreign Tax Authorities;
- (iii) the Fund (or its agent) will be required to disclose to the Foreign Tax Authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
- (iv) the Fund may require the Shareholder to provide additional information and/or documentation which the Fund will be required to disclose to the competent tax authority of the Cayman Islands;
- (v) in the event a Shareholder does not provide the requested information and/or documentation, whether or not that actually leads to breach of the applicable laws and regulations by the Fund, a risk for the Fund or the Fund's Shareholders being subject to withholding tax or penalties under the relevant legislative or intergovernmental regimes, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the Shareholder concerned;
- (vi) no Shareholder affected by any such action or remedy shall have any claim against the Fund (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with the CRS, any further intergovernmental agreements or any of the laws and regulations related to the CRS; and
- (vii) all information to be reported under CRS will be treated as confidential and such information shall not be disclosed to any persons other than the competent tax authority of the Cayman Islands and the Foreign Tax Authorities or as otherwise required by law.

Shareholders should ensure that their tax affairs are compliant with the laws and regulations applicable in their jurisdiction(s) of residence and/or citizenship (as applicable).

EU Savings Directive

Under EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "Directive"), dividends and other Dispositions of income made by the Fund and payment of the proceeds of sale and/or redemption of Shares, may (depending on the investment portfolio of the Fund) be subject to the withholding tax and/or information providing regime imposed by the Directive, where payment is made to a Shareholder who is an individual resident in a Member State of the European Union for the purposes of the Directive (or a "residual entity" established in a Member State) by a paying agent resident in another such Member State. A withholding tax regime is being operated for a transitional period by Austria, although Shareholders can notify their paying agent to provide information about the payments to the Austrian tax authority rather than withhold tax. The rate of withholding tax in Austria is 35 per cent. Certain dependent and associated territories and "third countries" have, or are proposing to introduce, an equivalent withholding tax and/or information providing regime ("equivalent legislation") in respect of payments made through a paying agent established in such jurisdictions. The Cayman Islands operate an information providing regime whereas certain dependent and associated territories and other "third country" jurisdictions (including Switzerland) operate a withholding tax regime.

Under the terms of the relevant equivalent legislation and/or bilateral agreements entered into, or proposed to be entered into, by the Cayman Islands, the Directive or relevant equivalent legislation applies to a fund established in the Cayman Islands only if, unlike the Fund, it is registered under Section 5 of the Mutual Funds Law (2015 Revision) of the Cayman Islands and so is equivalent to a UCITS. Accordingly, it appears that the Cayman Islands, Ireland, the United Kingdom and Switzerland do not regard the Directive as applicable to the Fund, so that a paying agent established in those jurisdictions would not have any obligations under the Directive. It is unclear whether other jurisdictions will adopt the same interpretation of the Directive or the Cayman Islands' classification of Cayman Islands mutual funds.

The European Council on 24 March 2014 adopted a new directive amending the Directive, with a view to closing existing loopholes and eliminating tax evasion. These changes, which are material, in particular relate to the scope of, and mechanisms implemented by, the Directive, including the categorisation of the Fund for such purposes. On 10 November 2015, the European Council adopted a further directive repealing the Directive with effect from 1 January 2016, subject to transitional arrangements.

Other Jurisdictions

Income and capital gains received by the Fund from sources outside the Cayman Islands, the United Kingdom and the United States may give rise to withholding or other taxes imposed by other jurisdictions.

General

The receipt of redemption, redesignation or transfer of Shares and any Disposition on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Fund. The Directors, the Fund and the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders.

DATA PROTECTION

The Fund and the Investment Advisor respect and protect the Shareholders' rights to privacy and its personal data or personal data of individuals related to the Shareholders (the "Personal Data"). The Fund will process the Personal Data in accordance with the provisions of the European General Data Protection Regulation ("GDPR") and other applicable privacy laws.

The following types of Personal data may be processed by the Fund:

- a) Name, address, e-mail address, telephone number and other contact information;
- b) Date and place of birth;
- c) Nationality;
- d) Gender;
- e) Copies of identity documents (such as passport, national ID card, driver's license or employee identification numbers);
- f) Source of wealth;
- g) Utility bills and/or bank statements;
- h) Tax residency; and
- i) Investment amount.

The Fund collects, controls and processes personal data as follows:

- The Fund collects personal Data directly from Shareholders for the purposes of investments in the Fund and/or to meet certain legal requirements;
- The Fund collects and processes Personal Data from publicly accessible sources such as the internet, social networks, World-Check or commercial or any other available registers; and
- The Fund may receive Personal Data from third parties in connection with the applicable legal requirements.

The Personal Data may be collected, recorded, stored, adapted, transferred or otherwise processed and used by the Fund acting as a data controller, the Administrator, acting as joint controller, the board members, the service providers and the financial intermediaries (including their respective Advisors, auditors, delegates, agents and service providers) and any other subsidiary or affiliated company that is part of the group of companies of the Fund and the other recipients of the Personal Data.

The Personal Data may be processed for the purposes of the organisation and operation of the Fund, administration and to comply with legal obligations under applicable company law, anti-money laundering and terrorism financing identification, tax identification and, as the case may be, reporting, under the EUSD, FATCA, Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU), CRS or any other exchange of tax information regimes to which the Fund may be subject to from time to time, maintaining the register of Shareholders processing subscription, redemption and conversion orders and payments of dividends to Shareholders to provide client related services for fraud prevention purposes, to manage litigation, for accounting and marketing purposes (relating to the products and services of the Fund or any of the member of its group or affiliates) and to the extent required to comply with the applicable laws and regulations.

Each Shareholder, including the individual related to the Shareholder, who's Personal Data has been processed has the following rights:

- a) To access the processed Personal Data;
- b) To request a copy of the processed Personal Data;
- c) To ask to update and correct or rectify any outdated or incorrect Personal Data;
- d) To request a deletion of/his Personal Data, to the extent that the Fund has no legal and/or regulatory obligations to keep such Personal Data;
- e) To, at times, ask to restrict the processing of his/her Personal Data;
- f) To object at any time to the processing of his/hers Personal Data for any direct marketing and related profiling purposes by the Fund.

Any Shareholder who would like to exercise any of the above rights can contact either the Fund or the Administrator at investors.nl@boldergroups.com. In addition to the aforementioned, each Shareholder has a right to make a complaint with the

local supervisory authority in relation to the way the Fund is processing the Personal Data or the way the Fund is handling his/her rights.

OTHER INFORMATION

REPORTS AND FINANCIAL STATEMENTS

The financial year of the Fund will end on 31 December in each year.

An annual report and audited financial statements for the Fund in respect of each financial year prepared in accordance with International Financial Reporting Standards ("IFRS") will be sent to Shareholders as soon as practicable and in any event within six months of the end of the Fund's financial year.

No audited financial statements have been prepared in respect of the Fund at the date of this Offering Memorandum and the Fund is in compliance with CIMA's requirements in relation to audited financial statements.

All financial statements, notices and other documents will be sent, in the case of joint holders of Shares, to the holder who is named first in the register of Shareholders of the Fund at his registered address.

PRIVATE FUNDS ACT

The Fund is registered under the Private Funds Act, 2021 (as amended). CIMA has supervisory powers to ensure compliance with the Private Funds Act. Regulation under the Private Funds Act entails, inter alia, the filing of prescribed details and audited accounts annually with CIMA. As a registered Private Fund, CIMA may at any time instruct the Fund to have its accounts audited and to submit them to CIMA within such time as CIMA specifies. Failure to comply with these requests by CIMA may result in substantial fines on the part of the Directors, as applicable, and may result in CIMA applying to the court to have the Fund wound up.

The Fund is not subject to supervision in respect of their investment activities by CIMA or any other governmental authority in the Cayman Islands, although CIMA does have power to investigate the activities of the Fund in certain circumstances. Neither CIMA nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this Memorandum. There is no investment compensation scheme available to Shareholders in the Cayman Islands.

CIMA may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of CIMA include the power to require the substitution of the Directors, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund, as the case may be. There are other remedies available to CIMA including the ability to apply to court for approval of other actions.

REQUESTS FOR INFORMATION

The Fund, or any of its or their directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g., by CIMA, either for itself or for a recognized overseas regulatory authority, under the Monetary Authority Act (as revised), or by the Tax Information Authority, under the Tax Information Authority Act (as revised) or Reporting of Savings Income information (European Union) Law (as revised) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws will not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund and any of its or their directors or agents, may be prohibited from disclosing that the request has been made. The Fund may also be required to provide information regarding Shareholders to U.S. governmental and regulatory authorities, including the SEC and the U.S. Internal Revenue Service.

The Fund may also be required to report to the Cayman Islands authorities (and the IRS with respect to reporting obligations arising under FATCA or in compliance with law to any other tax authority) about the Shareholder's holdings in the Fund.

CONFLICTS OF INTEREST

Investors' attention is drawn to the following potential conflicts of interest:

The Investment Advisor and any of their directors, officers, employees, agents and affiliates ("Interested Parties" and each, an "Interested Party") may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the Fund. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisors, or agents of other funds or other companies. The Investment Advisor may provide services to third parties similar to those provided to the Fund and shall not be liable to account for any profit earned from any such services. Where a conflict arises the Investment Advisor will endeavour to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including the Fund, the

Investment Advisor may be faced with conflicts of interest with regard to such duties but will ensure that investment opportunities in those circumstances will be allocated fairly. The Fund may also incur expenses, as detailed in this Offering Memorandum, via companies in which the Directors, as well as directors and/or officers of the Investment Advisor, may have a commercial interest.

The Investment Advisor and/or any company affiliated with it reserves the right to effect transactions by or through the agency of another person with whom the Investment Advisor and/or any company affiliated with it have an arrangement under which that party will from time to time provide to or procure for the Investment Advisor and/or any company affiliated with it goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the performance of the Fund or of the Investment Advisor and/or any company affiliated with it in providing services to the Fund and for which no direct payment is made but instead the Investment Advisor and/or any company affiliated with it undertake to place business with that party.

The Fund may acquire securities from, or dispose of securities to, any Interested Party or any investment fund or account advised or managed by any such person, but only with the approval of one of the Directors. Any Director or Interested Party may hold Shares and deal with them as it thinks fit. An Interested Party may buy, hold and deal in any investments for its own account notwithstanding that similar investments may be held by the Fund or any subsidiary for the account of the Fund.

Any Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the Fund affected by it for the account of the Fund and which may or may not be for the benefit of the Fund.

In certain circumstances the Investment Advisor or its principals may find it necessary or desirable to incur or fund unexpected expenses or other amounts as part of the Investment Advisor's rendering services to or for the Fund. The Investment Advisor may have the Fund advance funds needed to enable the Investment Advisor to pay such amounts, provided such advance is on terms and subject to documentation (providing for repayment of such advance) that is reasonably acceptable to the Directors.

The Management Shares are held by Castlestone Management LLC., for which Angus Murray is the sole member, the holder of the Management Shares which may receive a Participation Fee and any surplus general assets distributed from time to time.

The Directors are also Directors of Cupcake Partners Limited, a company registered in Hong Kong who holds the controlling shares of the Target Company.

Where a conflict of interest does arise in respect of the Fund, the Directors will endeavour to ensure that it is resolved fairly.

The above is not necessarily a comprehensive list of all potential conflicts of interest.

GENERAL INFORMATION

The information in this section includes a summary of some of the provisions of the Memorandum and Articles of Association of the Fund described below and is provided subject to the general provisions of each of such documents.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Offering Memorandum, the Memorandum and Articles of Association of the Fund and the latest annual report of the Fund may be obtained, free of charge, upon request at the registered office of the Fund.

NOTIFICATION OF CHANGE OF INVESTOR STATUS

Shareholders are required to notify the Fund and the Administrator immediately in writing if at any time they become US Persons or hold Shares for the account or benefit of US Persons.

Any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer or, where possible, redeem his Shares shall indemnify and hold harmless each of the Directors, the Fund, the Investment Advisor, the Administrator and the Shareholders (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.