

**THIS SUPPLEMENTARY OFFERING MEMORANDUM (“SUPPLEMENT”) FORMS PART OF AND IS SUPPLEMENTARY TO THE CONTENTS OF THE OFFERING MEMORANDUM DATED 7 JUNE 2021 (“MEMORANDUM”) IN RESPECT OF VALISA CAPITAL MARKETS SPC (“COMPANY”). THIS SUPPLEMENT SHOULD ONLY BE READ IN CONJUNCTION WITH THE MEMORANDUM.**

**THIS SUPPLEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO SUBSCRIBE FOR PARTICIPATING SHARES IN THE COMPANY ATTRIBUTABLE THIS FUND IN ANY JURISDICTION OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE. AN INVESTMENT IN THIS FUND IS SPECULATIVE AND IS NOT INTENDED AS A COMPLETE INVESTMENT PROGRAM. NEITHER THE MEMORANDUM NOR THIS SUPPLEMENT SHALL BE REDISTRIBUTED, REPRODUCED, DISPLAYED IN PUBLIC, USED OR CIRCULATED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE.**

## **SUPPLEMENTARY OFFERING MEMORANDUM**

relating to Class A, Class B and Class C Participating Shares in

### **Valisa Capital FX Fund SP**

**(the “Fund”)**

a segregated portfolio of

### **Valisa Capital Markets SPC**

**(the “Company”)**

(an exempted company with limited liability registered as a segregated portfolio company under the laws of the Cayman Islands)

**4 July 2023**

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# SUPPLEMENTARY OFFERING MEMORANDUM

in respect of

## Valisa Capital FX SP

The Supplement must be read in conjunction with the full text of the Offering Memorandum of Valisa Capital Markets SPC. In the event of a conflict or inconsistency between any provision of this Supplement and any provision of the Memorandum, the terms of this Supplement shall prevail in respect of the Fund.

### 1. INTERPRETATION AND DEFINITIONS

1.1 In this Supplement words and expressions shall have the same meanings as ascribed to them in the Memorandum, except that the words and expressions set out below shall have the following meanings:

<b>Administrator and NAV Calculation Agent</b>	means Grassi Fund Services, or such other entities as appointed as administrator, NAV calculation agent and registrar and transfer agent of the Fund by the Directors from time to time, including (as the context may require) any other Affiliate of the Administrator and NAV Calculation Agent to which it may delegate its duties and obligations;
<b>Articles</b>	means the Memorandum and Articles of Association of the Company, as amended, substituted or supplemented from time to time;
<b>Base Currency</b>	has the meaning given to it in section 7;
<b>Benchmark Series</b>	means, in respect of a Class, the oldest Series of such Class;
<b>Class(es)</b>	means any or all the class or classes of the Participating Share designated by the Directors for and in respect of the Fund;
<b>Class A Shares</b>	means Participating Shares designated as Class A Shares attributable to the Fund, for which the Subscription Price is denominated in US dollars;
<b>Class B Shares</b>	means Participating Shares designated as Class B Shares attributable to the Fund, for which the Subscription Price is denominated in Pounds Sterling;
<b>Class C Shares</b>	means Participating Shares designated as Class C Shares attributable to the Fund, for which the Subscription Price is denominated in Euros;
<b>Company</b>	means Valisa Capital Markets SPC, an exempted company incorporated in the Cayman Islands on 6 June

2019 and re-registered as a segregated portfolio company under Part XIV of the Companies Act on 19 April 2021;

<b>Cross Trades</b>	has the meaning given to it in section 15.3;
<b>Engagement Letter</b>	means the engagement letter for the time being subsisting between the Administrator and NAV Calculation Agent and the Company, as amended, varied, supplemented or novated from time to time;
<b>Fund</b>	means Valisa Capital FX Fund SP, a segregated portfolio created by the Company;
<b>High Water Mark</b>	means, in respect of a Series of a Class of Participating Shares, the higher of: <ul style="list-style-type: none"><li>(a) the highest Net Asset Value per Participating Share of such Series of such Class (after the accrual of the Performance Fee attributable to such Series of such Class of Participating Shares) as at the Valuation Point of any previous Performance Calculation Day on which a Performance Fee has been accrued or paid; and</li><li>(b) the subscription price per Participating Share of such Series of such Class on the date such Participating Share was first issued;</li></ul>
<b>Initial Subscription Day</b>	means the first Business Day immediately following the close of the Initial Subscription Period;
<b>Initial Subscription Period</b>	means the period commencing and ending on such dates as the Directors may determine in their sole and absolute discretion;
<b>Initial Subscription Price</b>	means US\$100 per Class A Share, £100 per Class B Share and €100 per Class C Share, save that, subject to any applicable Lock-up Period, a discount to such prices may be offered at such rate and for such part of the Initial Subscription Period as the Directors may determine in their sole and absolute discretion as an incentive to significant early investors;
<b>Investment Manager</b>	means the members of the Board for the time being;
<b>Lock-up Period</b>	means any period during which restrictions on redemption are imposed at the sole and absolute discretion of the Directors in relation to Shares purchased by significant early investors who have been offered a discount to the Initial Subscription Price paid for such Shares;
<b>Management Fee</b>	has the meaning given to it in section 14.2;

<b>Management Fee Period</b>	means each one (1) month period, in respect of which an instalment of Management Fee will be calculated and become payable in accordance with section 14.2, provided that the first Management Fee Period will commence from the Initial Subscription Day (inclusive) and expire on the last day of that month (inclusive);
<b>Minimum Holding</b>	means the minimum Net Asset Value of Participating Shares held by an investor, being US\$100,000 in respect of Class A Shares, £100,000 in respect of Class B Shares and €100,000 in respect of Class C Shares;
<b>Minimum Initial Investment</b>	means the minimum initial subscription amount in the Fund from an investor, being US\$100,000 in respect of Class A Shares, £100,000 in respect of Class B Shares and €100,000 in respect of Class C Shares, provided that the Directors may in their reasonable discretion raise or lower such amount in respect of a particular Class, subject always to the applicable minimum amount as prescribed in the Mutual Fund Act;
<b>Minimum Additional Investment</b>	means the minimum additional subscription amount from an existing investor, being US\$1,000 in respect of Class A Shares, £1,000 in respect of Class B Shares and €1,000 in respect of Class C Shares;
<b>Minimum Redemption Amount</b>	means the minimum Net Asset Value of Shares that may be redeemed by a Participating Shareholder, being US\$10,000 in respect of Class A Shares, £10,000 in respect of Class B Shares and €10,000 in respect of Class C Shares, unless otherwise approved by the Directors;
<b>Memorandum</b>	means the Offering Memorandum of the Company, as amended from time to time;
<b>Participating Shareholder</b>	means the person registered as the holder of Shares in the register of members of the Fund;
<b>Performance Fee</b>	has the meaning given to it in section 14.3;
<b>Performance Period</b>	means each calendar quarter ending on 31 March, 30 June, 30 September and 31 December in each year, except in a quarter in which the Fund commences or is terminated when a pro rata calculation will apply;
<b>Previous Series</b>	means, for a Performance Calculation Day, the oldest Series of a Class in respect of which the Performance Fee has accrued;
<b>Redemption Day</b>	means, subject to the restrictions as set out herein, under the Memorandum and in the Articles, (a) the first Business Day of each calendar month; and

(b) such other day or days as the Directors may determine in their reasonable discretion from time to time on a case by case basis or generally,

on which Participating Shares of any Class are available for redemption at the option of the Participating Shareholders in accordance with the Memorandum, this Supplement and the Articles;

**Redemption Request**

means the written redemption request in the form attached to this Supplement or in such other form as the Directors may from time to time determine;

**Shares**

means Class A, Class B or Class C Shares;

**Subscription Day**

means, subject to the restrictions as set out herein, under the Memorandum and in the Articles,

(a) the Initial Subscription Day; and

(b) after the Initial Subscription Day, the first Business Day of each calendar month or such other day or days as the Directors may determine in their sole and absolute discretion from time to time on a case by case basis or generally,

on which Participating Shares of any Class are available for subscription by the investors in accordance with the Memorandum, this Supplement and the Articles;

**Subscription Form**

means the written subscription form in the form attached to this Supplement or in such other form as the Directors may from time to time determine;

**Subsequent Subscription Price**

means, following the close of the Initial Subscription Period, Shares of each Class will be issued at a subscription price equal to the Net Asset Value per Share of the relevant Class at the Valuation Day immediately preceding the Subscription Day on which the application is effective;

**Supplement**

means this Supplementary Offering Memorandum;

**Valuation Day**

means the day upon which the Net Asset Value is calculated, being the last Business Day of a calendar month, or such other day or days as the Directors may from time to time determine in their sole and absolute discretion either generally or in any particular case.

1.2 In this Supplement unless otherwise stated:

(a) references to the Fund taking an action, such as entering into an agreement or making a payment, should be read as the Company (or the service provider to whom such responsibility has been delegated) taking such action on behalf of and for account of the Fund;

- (b) words and expressions used in this Supplement but not defined have the same meanings as in the Memorandum;
- (c) unless otherwise stated, references to time are to time in London, United Kingdom;
- (d) a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day, unless otherwise expressly provided;
- (e) "in writing" and "written" includes printing, type, telex, facsimile, electronic mail, photography and all other modes of representing or reproducing words in permanent visible form;
- (f) words importing the singular include the plural and vice versa, and words importing one gender include both genders and the neuter and vice versa; and
- (g) references to (a) US dollars or US\$ are references to the lawful currency of the United States, (b) references to Pounds Sterling or £ are references to the lawful currency of the United Kingdom, and (c) references to Euros or € are references to the lawful currency of the European Union.

## **2. SEGREGATED PORTFOLIO**

- 2.1 The Fund is a segregated portfolio of the Company having the investment objectives and investment strategies set out in this Supplement.
- 2.2 The Company has created Class A, Class B and Class C Shares attributable to the Fund, having the rights, privileges and restrictions as set out in the Articles, the Memorandum and this Supplement.
- 2.3 The Company may from time to time establish or re-designate or re-classify other classes of shares attributable to the Fund which may be subject to different terms, conditions, rights and restrictions as the Directors determine in their sole and absolute discretion.

## **3. INVESTMENT OBJECTIVE AND STRATEGY**

### **3.1 Investment Objective**

The principal objective of the Fund is to deliver capital growth. There can be no assurance that the Fund will achieve its investment objectives.

### **3.2 Investment Strategy**

The Fund intends to operate a range of algorithm strategies at any given time, each having its own unique trading system, time frame, and risk profile. By combining these strategies, the Fund aims to provide a balanced and positive return for its Investors. The Investment Manager will continually monitor, amend, add and remove strategies depending on the market situations.

The Investment Manager will have broad and flexible investment authority to identify opportunities in positions in cash spot forex pairs, and CFD's (contracts for difference) on broad market indices and commodity spot prices. In general, the Fund expects to be fully invested, subject to maintaining appropriate cash or cash equivalent balances.

The Fund may also hold and/or invest in, or seek exposure to, cash or cash equivalents, interest bearing accounts of a bank or broker, money market securities, certificates of deposit and such other assets (including cash or liquidity funds or other forms of cash or liquidity

vehicles) if, in the opinion of the Investment Manager, this is considered appropriate or necessary in order to achieve the investment objective of the Fund or for efficient portfolio management purposes.

The Fund may conduct hedging strategies, where necessary, in respect of the Portfolio. In order to exercise such hedging strategies, the Fund may employ derivative instruments linked to interest rates, currency, credit or other markets.

The Fund may invest subscription monies or commitments temporarily in short-term obligations of, or securities guaranteed by, the United States Government, its agencies or instrumentalities or in high quality obligations of banks or corporations or in short term certificates of deposits or notes issued by banks or corporations in developed markets. In addition, the Fund may on occasion also invest in money market funds containing similar underlying investments. There can be no assurance that the Fund will achieve its objectives or avoid substantial losses. Investors are urged to consult with their professional advisors in connection with any investments in Shares. There can be no assurance that Investments made by the Fund will be profitable, and if it is not, it cannot serve as an effective means of diversifying an overall portfolio. Please refer to the section titled "Risk Factors" in the Memorandum and the section titled "Additional Risk Factors relating to the Fund" in this Supplement (if any) for more detailed discussion in respect of the risks of investment in the Fund.

The Investment Manager may also consider employing other strategies when the Investment Manager thinks fit. When applying multiple strategies on the Fund, the Investment Manager may adjust the weight of different strategies based on the analysis of market conditions, volatility, liquidity, hedging costs and other factors.

Investors are urged to consult with their professional advisors in connection with any investments in Participating Shares. There can be no assurance that Investments made by the Fund will be profitable, and if it is not, it cannot serve as an effective means of diversifying an overall portfolio. Please refer to the section titled "Risk Factors" in the Memorandum and the section titled "Additional Risk Factors relating to the Fund" in this Supplement (if any) for more detailed discussion in respect of the risks of investment in the Fund.

#### **4. DIVIDEND POLICY**

- 4.1 The Directors have no present intention of declaring dividends in relation to the Fund and profits and gains will be reinvested. However, each Participating Share carries the right to participate in any dividend declared by the Directors from time to time out of profits and gains of the Fund legally available for distribution to the Participating Shareholders as permitted by the Articles and applicable laws of the Cayman Islands.

#### **5. BORROWING POLICY**

- 5.1 Subject to any restrictions in the Memorandum and the Articles, The Fund may engage in borrowing from brokerage firms in order to increase the amount of capital available for investment, and from banks or other financial institutions to provide liquidity for funding withdrawals or redemptions and their associated costs And, as a result, the level of interest rates at which the Fund can borrow could affect the operating results of the Fund.
- 5.2 The assets of the Fund may be used to provide security for any the borrowings, as the Investment Managers thinks fit.

## **6. INVESTMENT RESTRICTIONS**

- 6.1 Subject to sections 3 and 5 of this Supplement, investments made by the Fund are not subject to any investment restrictions.
- 6.2 The Directors reserve the right to impose investment restrictions and amend, vary or remove any of such investment restrictions of the Fund so imposed from time to time.

## **7. BASE CURRENCY**

The Base Currency of each Class of Participating Shares attributable to the Fund is the currency in which the respective Subscription Price is denominated.

## **8. VALUATION**

- 8.1 The Administrator and NAV Calculation Agent is responsible for the valuation of the Fund's assets on each Valuation Day in accordance with the principles as set out in the section headed "Determination of Net Asset Value" under the Memorandum.
- 8.2 Subject to section 8.1, In calculating any Net Asset Value related to the Fund, the Net Asset Value per Participating Share shall be rounded naturally to two (2) decimal places.
- 8.3 The Administrator and NAV Calculation Agent will provide each of the Shareholders with a copy of the Net Asset Value report in respect of the Fund on a monthly basis.

## **9. SUBSCRIPTION FOR PARTICIPATING SHARES**

### **9.1 Subscription for Participating Shares**

- (a) Participating Shares are available for subscription at the Initial Subscription Price during the Initial Subscription Period.
- (b) Participating Shares are available for subscription at the applicable Subscription Price on each Subscription Day after the Initial Subscription Period.

### **9.2 Minimum Investment**

- (a) The minimum investment amount in the Fund from each investor shall be the Minimum Initial Investment, provided that the Directors may in their reasonable discretion raise or lower such Minimum Initial Investment, subject to the absolute minimum amount of US\$100,000 (or the equivalent in other currencies) prescribed under the Mutual Funds Act.
- (b) A Participating Shareholder may increase his investment in multiples of the Minimum Additional Investment, or at such other amount as may be agreed by the Directors in their sole and absolute discretion from time to time.
- (c) A Participating Shareholder must hold Shares valued at not less than the Minimum Holding.

### **9.3 Subscription Procedure**

Subscribers for Shares during the Initial Offer Period must send their completed Subscription Agreement, together with any supporting documents, to be received by the Administrator by no later than the Close of Business on the Business Day which is three (3) Business Days

before the last Business Day of the Initial Offer Period. Subscription monies must be sent by electronic transfer so that cleared funds are received in the bank account of the Fund by no later than Close of Business on the last Business Day of the Initial Offer Period.

After the Initial Subscription Period, subscribers for Participating Shares of any Class and Participating Shareholders wishing to apply for additional Participating Shares of the Class they already hold must send their completed Subscription Agreement, together with any supporting documents, to be received by the Administrator by no later than the Close of Business on the Business Day which is three (3) Business Days before the applicable Subscription Day. Subscription monies must be sent by electronic transfer so that cleared funds are received in the bank account of the Fund by no later than the Close of Business on the Business Day before the applicable Subscription Day.

The Investment Manager may waive the requirements specified above, either generally or in any particular case but in any event applications must be received by no later than the Close of Business on the last Business Day of the Initial Subscription Period or the Business Day before the applicable Subscription Day. Unless the Investment Manager determines otherwise, if the completed Subscription Agreement and subscription monies in cleared funds are not received by the applicable time referred to above, the application will be held over to the Subscription Day following receipt of the outstanding documentation and/or subscription monies, as the case may be. Shares will then be issued at the relevant Subscription Price on that Subscription Day.

Subscription Agreements accompanied by all relevant supporting documents and should be sent to the Administrator at the address, facsimile number or email address or by other secured electronic means set out in the Subscription Agreement. If the Subscription Agreement and relevant supporting documents are sent to the Administrator via fax, email or other electronic means, the original documents must be sent to the Administrator promptly thereafter. Applicants should be aware of the risks associated with sending faxed applications and that the Administrator accepts no responsibility for any loss caused due to the non-receipt of any fax.

Unless otherwise directed by the Investment Manager, once a completed Subscription Agreement has been received by the Administrator, it is irrevocable. The Fund may reject any application in whole or in part and without giving any reason for doing so. If an application is rejected, the subscription monies paid, or the balance thereof in the case of a partial rejection, will be returned (without interest) as soon as practicable to the account from which the subscription monies were originally remitted. Any costs incurred in returning the subscription monies will be borne by the subscriber.

#### 9.4 **Issue of Participating Shares in Series**

- (a) Shares will be issued in Series.
- (b) The "Benchmark Series" within each Class will be issued on the Initial Subscription Day (if not a Business Day, the next Business Day immediately after the Initial Subscription Day) and a new subsequent Series of Participating Shares (referencing to month and year of issue) will be issued on each Subscription Day after the Initial Subscription Period.
- (c) At the end of each Performance Calculation Day, all such Series, in respect of which the Performance Fee is accrued and payable, will be converted into the Previous Series of the same Class, so that after the Performance Calculation Day, all Shares of a Class (that the Performance Fee is accrued on the relevant Performance Calculation

Day) will be those of the Previous Series and thus have the same High Water Mark as the Previous Series. Subject to the Companies Act, such conversion shall be effected by way of the compulsory redemption of Participating Shares of each Series to be converted and an issue of an appropriate number of Participating Shares of the Previous Series without any action by the Directors or Participating Shareholders. The redemption price applicable to such conversion being the Net Asset Value (after accrual of the Performance Fee) of the Shares being redeemed and the issue price applicable to such conversion being the Net Asset Value (after accrual of the Performance Fee) per Share of the Previous Series, each Net Asset Value calculated by reference to the Valuation Point of such Performance Calculation Day. The conversion may result in the number of Shares held by a Participating Shareholder changing, but the value of the Shareholder's investment will not change due to such conversion. Any Series of a Class which are not converted on the Performance Calculation Day will remain in existence as a separate Series of such Class until conditions of paying the Performance Fee are satisfied, in which event such Series will be converted to Previous Series of such Class in accordance with the foregoing provisions. For the avoidance of doubt, the Benchmark Series will be the same as the Previous Series of the same Class if a Performance Fee has been accrued on the Benchmark Series.

- (d) The Administrator may, upon the consent of the Directors, determine that a particular Series of Shares of a Class should not be consolidated, so as to ensure proper records are kept for any lock-in period (if any) or any other provision applicable to such Series of such Class.

#### 9.5 **Subscription Fee**

The Fund will not charge any subscription fee on subscriptions by investors.

#### 9.6 **Register of Participating Shares**

The register of the Participating Shares is maintained by the Administrator.

#### 9.7 **Subscription at other times**

The Directors may in their sole and absolute discretion permit subscription of Participating Shares at any other times either generally or in any particular case.

### 10. **REDEMPTION**

#### 10.1 **Notice Period**

Subject to the applicable Lock-up Period, if any, a Redeeming Shareholder may redeem Shares in the Fund by completing the Redemption Request in writing and returning it by email (originals to be followed by mail or courier) to the Administrator to be received no later than the Close of Business on a Business Day at least seven (7) Business Days prior to the relevant Redemption Day or such earlier date and time as the Directors may permit.

#### 10.2 **Redemption Price**

The price per share at which any Series of Shares will be redeemed shall be equal to the Net Asset Value per share of such Series of Shares (after the deduction of the relevant Management Fee and Performance Fee, if any) as of the Valuation Point of the Valuation Day relevant to the Redemption Day.

### 10.3 **Payment of Redemption Proceeds**

Redemption proceeds will be paid in base currency or, at the discretion of the Investment Manager, in-kind by the appropriation of assets of the relevant value (determined conclusively by the Investment manager or its delegate in good faith), or partly in cash and partly in-kind, provided that the interests of the remaining shareholders are not thereby materially prejudiced. Payments will normally be made within twenty (20) Business Days from the relevant Redemption Day and remitted by wire transfer to the bank account designated by and in the name of the Redeeming Shareholder as set forth in his Redemption Request. No interest will accrue on the redemption proceeds pending payment.

### 10.4 **Redemption Fee**

No redemption fee is charged by the Fund for the redemption of Shares.

### 10.5 **Redemption Gate**

- (a) If the Fund receives the Redemption Requests in relation to Shares in respect of any Redemption Day with an aggregate Net Asset Value of more than twenty percent (20%) of the Net Asset Value of the Fund at the latest Valuation Point of the Valuation Day that is relevant to such Redemption Day, the Investment Manager may, in its reasonable discretion, reduce each request for redemptions on a pro rata basis by reference to the Net Asset Value of the Shares held by the relevant Redeeming Shareholders, so that only the Shares with an aggregate Net Asset Value equal to twenty percent (20%) (or such higher percentage as the Investment Manager in its reasonable discretion may determine) of the Net Asset Value of the Fund are redeemed on such Redemption Day.
- (b) A Redeeming Shareholder whose request for a redemption of Shares is reduced in accordance with the preceding section 10.5(a) will be deemed to have submitted a Redemption Request to have the remaining balance of the Shares as specified in the original Redemption Request redeemed on the next following Redemption Day without the need to submit a further Redemption Requests provided always that redemptions on any such subsequent Redemption Day shall always be subject to the reasonable discretion of the Investment Manager to reduce each request for redemptions on a pro rata basis as aforesaid to ensure that no more than twenty percent (20%) of the Net Asset Value of the Fund shall be redeemed on any Redemption Day, unless the Investment Manager reasonably determines otherwise.
- (c) If any unsatisfied balance of Redemption Requests in connection with the restriction of redemption gate are carried forward to the next following Redemption Day, the priority of these carried forward Redemption Request shall be senior to the Redemption Requests made in respect of such Redemption Day.

### 10.6 **Minimum Holding**

Unless otherwise reasonably determined by the Directors, the minimum amount of Net Asset Value of the Participating Shares that each Shareholder shall hold at the latest Valuation Day is the Minimum Holding. The Directors may compulsorily redeem holdings of Participating Shares where the Net Asset Value of such shares is less than the Minimum Holding.

### 10.7 **Minimum Redemption Amount**

The minimum redemption amount in respect of each Redemption Request by a Participating Shareholder shall be no less than the Minimum Redemption Amount.

#### **10.8 Redemption at Other Times**

The Investment Manager may in its reasonable discretion permit redemption of Shares at any other times either generally or in any particular case.

#### **10.9 Preferential Redemption Arrangement**

If the Fund or the Investment Manager has granted preferential treatment (e.g. by side letters) to any or certain Participating Shareholder(s), it will disclose such fact and the material terms in relation to redemption in the side letters to all relevant potential investors and existing Participating Shareholders of the Fund.

### **11. SIDE POCKETS**

11.1 The Investment Manager may, in its sole and absolute discretion, designate certain investments that do not have a readily ascertainable value or which are not freely transferable as "Special Investments". If the Investment Manager designates an existing investment as a Special Investment, Investors at that time will have a portion of their Participating Shares automatically converted (on a pro rata basis) into Class S Shares, which are not redeemable at the option of the holder. Each Special Investment will be represented by a series of Class S Shares.

11.2 Any Investor who redeems their Class A Shares, Class B Shares or Class C Shares during the life of the side pocket will retain their Class S Shares until the relevant Special Investment is realized. Upon the occurrence of a liquidity event in respect of the Special Investment in question (generally a sale or its becoming liquid): (a) if the holder of the Class S Shares still holds Class A Shares, Class B Shares or Class C Shares, the net proceeds will be used to subscribe for additional Class A Shares, Class B Shares or Class C Shares at the then current Net Asset Value per share, or (b) if the holder no longer holds Class A Shares, Class B Shares or Class C Shares, the net proceeds paid out to the holder.

11.3 The purpose and effect of such side pocketing is to segregate illiquid or hard-to-value assets from the remaining liquid portion of the Fund's investment portfolio with the intention of allowing the Investment Manager to manage cash outflows where the Fund has received substantial redemption requests in situations where a material percentage of its portfolio is illiquid.

11.4 Generally, until Class S Shares are converted back into Participating Shares from which they were originally converted no performance will be paid in respect of the Class S Shares.

### **12. LIQUIDITY MANAGEMENT POLICY**

12.1 The Investment Manager will establish, implement and maintain appropriate and effective liquidity management policies and procedures to monitor the liquidity risk of the Fund by taking into account the investment strategy, liquidity profile, underlying assets and obligations, and redemption policy of the Fund.

12.2 To manage the liquidity of the Fund, the Investment Manager will:

- (a) anticipate and evaluate the incomes generated from the Fund's Investments compared to funding needs;
- (b) use liquidity measurement ratios for evaluation of liquidity risk of the Investments (e.g. any stocks or bonds) and comparison of the Fund's liquid assets and short-term

liabilities and take steps to reduce the gap between its cash on hand and its debt obligations;

- (c) rate the liquidity based upon, but not limited to, an assessment of the availability of assets readily convertible to cash without undue loss, the adequacy of liquidity sources compared to present and future needs and the ability to securitize and sell certain pools of assets; and
- (d) reserve an appropriate amount to meet the Fund's financing obligation under its payment obligations to relevant counterparties on a timely basis.

### **13. TRANSFER RESTRICTION**

13.1 No Shares may be transferred, assigned, disposed of, or imposed any security, pledge, mortgage, guarantee, lien, charge or other encumbrance, whether directly or indirectly, legal or beneficial, voluntary or involuntary, without the prior written consent of the Directors, which consent may be withheld or delayed in their sole and absolute discretion provided that such consent shall not be unreasonably withheld or delayed in respect of a proposed transfer to an affiliate of such Participating Shareholder.

13.2 Any application for transfer of Shares shall be made to the Administrator in writing at least thirty (30) days prior to the proposed transfer with the particulars of such transfer, including:

- (a) number of Shares to be transferred;
- (b) the Fund to which the Participating Shares are attributed;
- (c) the amount and form of consideration for such transfer (for non-cash consideration, its fair value and the basis of valuation);
- (d) name of the transferee and beneficial owner, as well as other relevant information requested by the Investment Manager; and
- (e) other material terms related to such transfer.

13.3 The transferee of any Shares shall execute a deed of adherence or other similar documents with such form and substance satisfactory to the Investment Manager, in which the transferee shall (i) represent and warrant that the transferee has received and understood the Memorandum and this Supplement (as amended); (ii) agree to be abided by all terms and conditions related to such Shares as provided in the Memorandum and this Supplement (as amended) and (iii) make such representations and warranties and provide such information that are substantially similar with those as set out in the Subscription Form before being registered as a Participating Shareholder of the Fund Portfolio in respect of such Shares.

### **14. INVESTMENT MANAGER**

#### **14.1 Investment Manager**

The Fund will be self-managed by the Board and any references to the Investment Manager in this Supplement are to the Directors of the Company for the time being.

Biographical details of the Directors are provided in the Memorandum.

#### **14.2 Management Fee**

The Investment Manager is entitled to receive, and the Fund will pay, a management fee (the "**Management Fee**") in accordance with the following terms:

- (a) The Management Fee is calculated on a Class-by-Class basis at an annual rate of 2% for each Class of Shares.
- (b) The Fund will pay the Investment Manager a management fee (which, for so long as the Fund is managed by the Board, will be allocated amongst the Directors holding office at the relevant time as may be determined by the Board) of one-twelfth (1/12) of 2 per cent (2%) of the Net Asset Value of each Class of Shares per month (before deduction of that month's management fee and before making any deduction for any accrued performance fee) as at the last Valuation Day in each month, in each case adjusted for subscriptions and redemptions of the applicable Class during the month;
- (c) If any Participating Share is redeemed at any time other than the last Business Day of a Management Fee Period, the Management Fee in respect of such Participating Share for the current Manager Period shall cease accruing on its Redemption Day; and
- (d) If the Investment Manager Agreement is terminated, the Fund shall pay to the Investment Manager the Management Fee calculated up to the date of termination of such agreement.

#### 14.3 **Performance Fee**

The Investment Manager is entitled to receive, and the Fund will pay, a performance fee (the "**Performance Fee**") in accordance with the following terms:

- (a) The Performance Fee is calculated on a Class-by-Class basis at an annual rate of 20% for each Class of Shares.
- (b) in respect of each Class of Shares, the Performance Fee for each Performance Calculation Day shall be calculated in accordance with the following formula and subject to the remaining provisions under this section 14.3:

$$PF = (X - Y) \times Z$$

Where:

- (A) **PF** is the amount of the Performance Fee crystallized with respect to a Series of Shares;
- (B) **X** is the Net Asset Value of such Series of Shares at the Valuation Point of the Performance Calculation Day;
- (C) **Y** is the high water mark; and
- (D) **Z** is equal to 20%

For the avoidance of any doubt:

- (E) the Performance Fee in respect of a Series of Shares is payable only if the difference of **X** and **Y** above is positive; and

- (F) in order to ensure that the Performance Fee is properly charged only to those Shares that have appreciated in value above the High Water Mark thereof, Shares will be issued in Series and the Series of Shares are subject to consolidation in accordance with the provisions of section 9.4 of this Supplement.
- (c) The Fund will pay the Performance Fee to the Investment Manager (which, for so long as the Fund is managed by the Board, will be allocated amongst the Directors holding office at the relevant time as may be determined by the Board). For each Performance Period, the Performance Fee in respect of each Class of Shares will be twenty per cent (20%) of the appreciation in the Net Asset Value of the relevant Class (adjusted for any applicable subscriptions or redemptions) during the Performance Period above the High-Water Mark. The Performance Fee during the Performance Period will be calculated by reference to the Net Asset Value per Share before deduction for any accrued Performance Fee. The Performance Fee will be calculated as at each Valuation Day.
- (d) If Shares are redeemed during a Performance Period, the Performance Fee will be calculated as though the relevant Redemption Day was the end of a Performance Period and an amount equal to any accrued Performance Fee in respect of such Shares will be paid to the Investment Manager. In the event of the partial redemption, Shares will be treated as redeemed on a first in, first out basis for the purposes of calculating the Performance Fee. The accrued Performance Fee in respect of those Participating Shares will be paid to the Investment Manager as soon as reasonably practicable after the relevant Redemption Day.
- (e) If the Investment Manager is removed during a Performance Period, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period.

#### **14.4 Shareholder Acknowledgement**

Each Participating Shareholder acknowledges that the Management Fee and the Performance Fee are based in part upon unrealised gains (as well as unrealised losses) and that such unrealised gains and/or losses may never be realised.

### **15. CONFLICT OF INTEREST**

#### **15.1 Disclosure of Conflict of Interests**

The Investment Manager will by appropriate safeguards and measures manage and minimise any actual or potential conflicts that arise and ensure fair treatment of all the Participating Shareholders. Any such material interest or conflict will be disclosed to all the Participating Shareholders in a proper manner.

#### **15.2 Transactions with related persons**

- (a) The Investment Manager will not carry out any transaction on behalf of the Fund with a party which is related to the Investment Manager.
- (b) The Investment Manager will not, on behalf of the Fund, deposit funds with or borrow funds from a related party unless:

- (i) in the case of a deposit, interest is received at a rate not lower than the prevailing commercial rate for a deposit of that size and term; and
- (ii) in the case of a loan, interest charged and fees levied in connection with the loan are no higher than the prevailing commercial rate for a similar loan.

### 15.3 **Cross Trades and House Account**

- (a) The Investment Manager will only undertake sale and purchase transactions between the Fund's account and other client accounts (the "**Cross Trades**") where:
  - (i) the sale and purchase decisions are in the best interests of both the Fund and other clients of the Investment Manager and fall within the investment objective, restrictions and policies of both such parties;
  - (ii) the trades are executed on arm's length terms at current market value;
  - (iii) the reasons for such trades are documented prior to execution; and
  - (iv) such activities are disclosed to both the Fund and other clients.
- (b) Cross Trades between the House Accounts (as defined below) and the Fund's account(s) will not be permitted without the prior written consent of the Fund, to whom any actual or potential conflicts of interest will be disclosed. Cross Trades between the Investment Manager's staff personal accounts and the Fund's account(s) shall be prohibited. For purpose of this section 15.3, the "House Account" means an account owned by the Investment Manager or any related party over which it can exercise control and influence.

### 15.4 **Mark-ups on Transactions**

- (a) All charges, fees and mark-ups affecting the Fund and the Participating Shareholders will be fair and reasonable in the circumstances.
- (b) In connection with mark-ups levied on transactions on behalf of the Fund, the Investment Manager will, acting as principal, disclose the circumstances to the Fund and the Participating Shareholders and report transactions in periodic statements or transaction advice.
- (c) The Investment Manager will not levy mark-ups on any transaction on behalf of the Fund as agent.

## 16. **CONFIDENTIALITY**

- 16.1 Each Participating Shareholder acknowledges and undertakes to maintain the confidentiality of all the information and documents (the "**Confidential Information**") received by it from the Fund and the Investment Manager. Each Participating Shareholder undertakes not disclose any such confidential information received by it without the prior written consent of the Fund and/or the Investment Manager (using the same degree of care to protect its own confidential information), provided that the Participating Shareholder may disclose such information:
  - (a) if such disclosure is made to its directors, shareholders, members, partners, employees or service providers to the extent necessary to be in compliance with this Supplement, the Subscription Form, the Memorandum and the Articles;

- (b) if such disclosure is required by any applicable law and such Participating Shareholder has communicated such requirement to the Fund and/or the Investment Manager in advance and such disclosure genuinely reflects the concerns of all other parties; or
- (c) such information is already known to the recipient as evidenced by written records maintained in the ordinary course of its business or is generally available to the public at the time of disclosure.

16.2 Each Participating Shareholder acknowledges that the improper use or disclosure of the Confidential Information may cause any loss, claims, damages, liabilities, expenses, fines or demands, actions, suits, or proceedings (the “**losses**”) to the Fund, the Directors and/or the Investment Manager. And each Participating Shareholder hereby indemnifies and holds harmless from and against the Fund, the Directors and/or the Investment Manager for any such losses caused by its improper use or disclosure of the Confidential Information.

## **17. INVESTMENT ADVISOR (IF APPLICABLE)**

17.1 The Investment Manager may at its discretion retain an advisor to provide investment advisory services in respect of the Fund in accordance with an investment advisory agreement.

17.2 The Investment Manager will bear the relevant advisory service fees payable to any such advisor at its own costs.

## **18. SERVICE PROVIDERS**

### **18.1 Administrator and NAV Calculation Agent**

Grassi Fund Services have been appointed to provide administration and valuation services respectively to the Company and each Segregated Portfolio. Details of the services to be provided and the principal terms of the Engagement Letter are provided in the Memorandum.

### **18.2 Prime Broker**

Stirling Gent and MultiBank FX International have been appointed as prime brokers to execute trades, lend funds in connection with trades, clear and settle the Fund’s transactions, and to maintain custody of its securities (together with any other such prime brokers as the Board may add, from time to time, collectively known as the “Prime Brokers”). The Prime Brokers may appoint sub-custodians, nominees, agents or delegates as may be required, from time to time. The Prime Brokers will not be responsible for monitoring any investment guidelines or compliance with the investment guidelines that may be included in this Memorandum.

Brokers will be entitled to fees for services provided for the benefit of the Fund. Brokers may, in their sole discretion, pay all or any portion of the fees payable to any affiliate or third party (including for avoidance of doubt, any affiliate of the Investment Manager) in connection with distribution or other services

### **18.3 Other Service Providers**

The Directors may in their sole and reasonable discretion determine from time to time to terminate or replace the above-mentioned service providers or engage any additional service providers to provide certain services to the Fund, including without limitation brokers, custodians, placement agents, etc., taking into account of various factors including, without limitation, the commercial necessity and the changing regulatory requirements. Unless

otherwise specified, the fees payable to such service providers will be paid out of the assets of the Fund.

## 19. FINANCIAL YEAR AND FINANCIAL STATEMENTS

- 19.1 The first Financial Year of the Fund begins immediately after expiry of the Initial Subscription Period and ends on 31 December 2023, and each subsequent Financial Year begins on 1 January of that year and ends on 31 December of that year.
- 19.2 The Investment Manager will provide Participating Shareholders with copies of the audited annual financial statements of the Fund prepared in accordance with International Financial Reporting Standards.

## 20. ADDITIONAL RISK FACTORS RELATING TO FUND

- 20.1 An investment in the Fund is speculative and involves a high degree of risk. There can be no assurance that the Fund will achieve its objectives or avoid losses.
- 20.2 Prospective investors are urged to review carefully and consult independent professional advisors regarding the section headed "Risk Factors" in the Memorandum and the following additional risk factors in relation to the investment in the Fund to fully understand and evaluate the risks involved before deciding to subscribe for Shares in the Fund. However, this is not intended to be an exhaustive list or description of all the risks associated with an investment in the Shares of the Fund.
- (a) **Asset Class Concentration.** The investment strategy of the Fund will be focused on the acquisition, disposal and trading in a relatively limited range of securities, including derivative instruments in relation thereto. Consequently, the Fund will not have the same level of diversification that may be found in other investment funds and may, as a result, be subject to greater risk than if its investment portfolio was to be consistently diversified over a wide range of securities.
- (b) **No guarantee**
- All investments generally risk a loss of capital and there is no guarantee that the investment objective, strategies and policies will be successful.
- (c) **Risks of Actively Trading Securities and Investments.** The business of actively trading securities and investments involves numerous risks. If the Fund's trades are delayed, the Fund may be unable to effect the trade at the desired price, if at all. If the exchange used by the Fund to execute trades does not make fast, timely executions and confirmations of the Fund's trades to the Investment Manager, then the Investment Manager will have no way of knowing if the Fund is in or out of a position and this lack of information about a trade can cause a loss to the Fund. If the Investment Manager places an order to purchase or sell a particular security "at the market rate", the Fund is agreeing to purchase or sell the specific number securities at the price at which a matching sale or purchase can be found on the exchange at the time that the order is received. If the exchange used by the Fund does not place the order and execute the trade in a timely manner, the Fund may be purchasing or selling the security at a higher or lower price than the intended purchase or sale. This may result in part from quickly moving market prices of the security. The securities held by the Fund will regularly fluctuate in value; therefore, there can be no assurance that the Fund will maintain a stable Net Asset Value over a short period of time. As a result, it is possible that a Participating Shareholder's request to redeem his Shares may ultimately be processed

at a different Net Asset Value than the value at the time the request was originally received by the Fund.

- (d) **Liquidity Risks Relating to Markets.** As the securities in which the Fund invests are traded on exchanges the value of such Investments and the risks associated therewith vary in response to events that affect such markets which are beyond the control of the Fund. Market disruptions could result in substantial losses to the Fund. There is no guarantee that exchanges can always provide continuously liquid markets in which the Fund can close out its positions. The Fund could experience delays and may be unable to purchase or sell securities purchased through an exchange that has become insolvent. In that event, positions could also be closed out fully or partially without the Fund's consent.
- (e) **Liquidity Risks Relating to Investments in the Fund.** The Fund is only available for redemption monthly, which may expose Participating Shareholders to liquidity risk and. In addition, the transferability of Shares is restricted by provisions of applicable laws of the Cayman Islands and the Articles, and transfers are prohibited except with the prior approval of the Directors. There is no public market for the Shares, and none will develop. Because of the limitations on redemption rights and the fact that the Shares are not freely tradable, an investment in the Fund is a relatively illiquid investment and involves a high degree of risk. A subscription for Shares should be considered only by investors who have adequate means of providing for their needs and contingencies without expecting distributions or making withdrawals from the Fund, who are financially able to maintain their investment and who can afford a loss of all of such investment.
- (f) **Risks Associated with Strategies and Methodologies.** The Investment Manager intends to make Investments for the Fund through algorithm trading using models developed by the Investment Manager or by third parties. However, all computer programs contain errors or "bugs" and it is impossible for the Fund, the Directors or the Investment Manager to predict and eliminate 100% of the bugs in the trading process. Although the Investment Manager expects to minimize the effect of the programming errors with its best endeavor, there can be no assurance that the computer program used for investment strategies will go in an intended manner.
- (g) **Credit Analysis and Credit Risk.** The investment strategy to be utilized by the Investment Manager may require accurate and detailed credit analysis of counterparties. There can be no assurance that the Investment Manager's analysis will be accurate or complete. The Fund may be subject to substantial losses in the event of credit deterioration or insolvency of one or more counterparties. There can be no assurance the Fund will have the ability to establish alternative strategies in the market place or, if established, that such strategies will offset losses.
- (h) **Risks Relating to Investment in Derivatives.** The Fund may engage in various transactions employing "derivatives" both for hedging and non-hedging purposes. Derivatives are financial instruments the value of which relies on the value of something else, such as one or more underlying assets, interest rates, indexes, or currencies. The successful use of derivatives demands sophisticated management and will be dependent on the ability of the Investment Manager to control derivatives transactions. However, the Fund cannot assume that the management method used by the Investment Manager is not flawed or becomes flawed. The prices of derivatives may move in unexpected ways, particularly in abnormal market conditions. To the extent that a derivative is utilized for hedging, the Fund will subject to risks caused by an imperfect correlation between movements in the prices of the securities on which

the derivative is based and movements in the prices of assets of the underlying assets, which may cause the Fund fail to achieve its desired hedging effect. There is no assurance that a counterparty will comply with the terms of a transaction and, if a default of a counterparty occurs in a transaction, the only remedy for the Fund may be through legal proceedings, the outcome of which is inherently uncertain.

- (i) **Hedging, Options and Futures Trading.** The Fund's Investments may include hedging transactions including trading in options and futures. Such Investments can be extremely volatile and substantially increase the impact of adverse price movements on the Net Asset Value of Shares. Investors should be aware that certain risks cannot be hedged, such as credit risk. There can be no assurance that the strategy adopted for investing in futures will be profitable or that a Participating Shareholder will not lose some or all its investment.