

Managed Equity Fund Offering Memorandum

1 May 2023

Notices

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy Shares, nor shall there be any sale of Shares in any jurisdiction in which such offer, solicitation or sale is not authorised or to any person to whom it is unlawful to make such offer, solicitation or sale. It is the responsibility of every person wishing to make a subscription in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities needing to be observed in such jurisdiction.

If you are in any doubt about the contents of this document you should consult your legal, tax, financial or other professional advisors.

No person has been authorised to make any representations concerning the Fund or the Shares that are inconsistent with those contained in this Offering Memorandum, and accordingly any such representations should be treated as unauthorised and may not be relied upon by the party to whom such representations are made.

Prospective investors should not construe the contents of this Offering Memorandum as legal, tax or financial advice. All prospective investors should consult their own professional advisors as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Shares for such investor.

The purchase of Shares is speculative there is no assurance that the Fund will be profitable. Please see the section entitled "Risk Factors" for a description of certain risks involved in the purchase of Shares. No listing or other dealing facility is at present being sought for any of the Fund's Shares.

The Investor is solely responsible for determining whether the fund is suitable for his investment needs. Invitations to subscribe or purchase Shares are made only on private basis.

This Offering Memorandum is intended solely for the use of the person to whom it has been delivered by the Fund for the purpose of evaluating a possible investment by the recipient in the Shares, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Offering Memorandum from the Fund).

Neither the delivery of this Offering Memorandum nor the issue of Shares of the Fund shall be taken to imply that any information herein is correct as of any subsequent date. Unless otherwise noted, all monetary amounts in this Offering Memorandum are expressed in US dollars.

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Directory

Registered office

4th Floor, RJT Edifice
Waterfront Drive, PO Box 260
Road Town
Tortola
British Virgin Islands

Broker

Interactive Brokers LLC
One Pickwick Plaza
Greenwich
Connecticut 06830
United States

Investment Manager

XHE Capital Limited
Carre Chambers
Road Town
Tortola
British Virgin Islands

Administrator

Kane LPI Solutions Limited
Canon's Court
22 Victoria Street
Hamilton, HM 11
Bermuda

Sub-Investment Manager

XHE Capital LLP
7 Bell Yard
London
WC2A 2JR
United Kingdom

Auditor

KPMG (BVI) Limited
Banco Popular Building
Road Town
Tortola
British Virgin Islands

Custodian

BMO Harris Bank
111 West Monroe Street
Chicago
Illinois
60603 United States

Written enquiries relating to the Fund should be addressed to the Fund at the address of the Sub-Investment Manager.

Definitions

For the purposes of this Offering Memorandum, unless the context requires otherwise:

Administration Fee	the fee paid to the Administrator;
Administrator	the administrator, registrar and transfer agent of the Fund from time to time;
Application Form	the required form to be used by an Eligible Investor to subscribe for Shares;
Articles	the Articles of Association of the Fund, as amended from time to time;
Bond	a fixed income instrument that represents a loan made by the bond holder(s) to the borrower;
Broker	the broker from time to time;
Business Day	any day (except a Saturday and a Sunday) on which banks are open for a full bank business day in London and/or such other day or days as the Directors may from time to time determine;
Calculation Period	a calendar month or such period as specified in the relevant Class Supplement;
Certificate of Deposit	an agreement to deposit money for a fixed period with a bank for a specified fixed rate of interest;
Class	each class of Shares created and designated by the Directors and includes a Sub-Class;
Class Account	a Class account will be established in the accounts of the Fund in respect of a Class;
Class Issue Price	in relation to each Class, means the price per Share at which the Shares were, or are to be, issued as specified in the relevant Class Supplement;
Class Supplement	the supplemental offering memorandum to this Offering Memorandum describing the characteristics of a specific Class;

Collective Investment Scheme	any pooled investment vehicle;
Companies Act	the BVI Business Companies Act of 2004 (as revised);
Commercial Paper	a short-term unsecured promissory note issued by a company;
Company	Managed Equity Limited;
Current Investor	a Shareholder as specifically referred to in the Application Form;
Custodian	the custodian of the Fund from time to time;
Derivative	a contract that derives its value from the performance of an underlying entity, asset or group of assets;
Directors	the Board of Directors of the Fund;
Eligible Investor	any person who is not a Non-Qualified Person;
Equities	shares and common stock issued by companies;
Euro, EUR and €	the currency of the Eurozone;
EUSD	the EU Savings Directive (2003/48/EC);
FCA	the Financial Conduct Authority of the United Kingdom or any successor regulatory authority or authorities;
Financial Instrument	an asset, including, but not limited to Bonds, cash, Certificates of Deposit, Commercial Paper, Derivatives, Foreign Exchange Forwards, Funds, Loans, Treasury Bills, a contractual right to receive or deliver cash or another Financial Instrument;
Foreign Exchange Forward	an agreement between two parties to exchange two designated currencies at a specific date in the future;
FSC	the British Virgin Islands Financial Services Commission;
Fund	Managed Equity Limited;
Funds	a Collective Investment Scheme, a pooled investment vehicle;
Indemnified Person	any Director, officer or member of a committee duly constituted under the Articles and any liquidator, manager or trustee for the time being acting in

	relation to the affairs of the Fund, and his heirs, executors, administrators, personal representatives or successors or assigns;
Investment Manager	the investment manager of the Fund;
Investor	a prospective or Current Investor as specifically referred to in the Application Form;
Loan	an agreement for the transfer of a property (usually cash) from its owner (the lender) to a borrower who promises to return it according to the terms of the agreement;
Management Fee	the management fee received by the Manager;
Management Fee Percentage	in respect of each Class of Shares, the applicable rate at which the Management Fee for each Class is calculated, expressed as an annual percentage and specified in the relevant Class Supplement;
Management Shares	the voting, non-participating, non-redeemable shares in the capital of the Fund;
Manager	the Investment Manager and/or Sub-Investment Manager, as the case may be;
Memorandum	the Memorandum of Association of the Fund, as may be amended from time to time;
Net Asset Value	the net asset value of the Fund, a Class, a Sub-Class or a Class Account as the case may be;
Net Asset Value per Share	the net asset value of a Class of Shares (as the case may be) divided by the number of Shares of the relevant Class (as the case may be) in issue or deemed to be in issue;
Non-Qualified Person	any person in respect of whom the Directors have imposed restrictions for the purpose of ensuring that no Shares are held by: (i) any person or persons in breach of the law or requirements of any country or governmental authority, (ii) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Fund incurring any liability

to taxation or suffering any pecuniary, fiscal, regulatory or other disadvantage which the Fund might not otherwise incur or suffer, or (iii) any US Person as defined in the Offering Memorandum;

Offering Memorandum	this offering memorandum;
Performance Fee	a performance-based fee payable to the Manager by the Fund;
Redemption Day	the first Business Day following each Valuation Day or such other Business Day or Days as the Directors may, in their sole discretion, from time to time determine;
Relevant Percentage	in respect of each Class of Shares, the applicable rate at which the Performance Fee is calculated, expressed as a percentage and specified in the relevant Class Supplement;
Securities Act	United States Securities Act of 1933, as amended;
Settlement Price	the official daily closing price of a Financial Instrument;
Shares	the redeemable, participating shares in the capital of the Fund, irrespective of Class;
Shareholder	a person who is entered on the register of members of the Fund as the holder of Shares;
Sterling, GBP and £	the currency of the United Kingdom;
Sub-Investment Manager	the sub-investment manager of the Fund;
Subscription Amount	the subscription amount indicated by the subscriber in the Application Form;
Subscription Day	the first Business Day following each Valuation Day and/or such other Business Day or Days as the Directors in their sole discretion may from time to time determine;
Swiss Franc, CHF and ₣	the currency of Switzerland;
Treasury Bill	a short-dated UK or US government security, yielding no interest but issued at a discount on its redemption price;

US and United States	the United States of America (including the states and District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
US dollars, USD and US\$	the currency of the United States;
US Person	<p>A US Person is a person described in one or more of the following paragraphs:</p> <p>1) With respect to individuals, any U.S. citizen or "resident alien" within the meaning of U.S. income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under U.S. income tax laws to generally include any individual who: (i) holds an Alien Registration Card (a "green card") issued by the U.S. Immigration and Naturalization Service; or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.</p> <p>2) With respect to persons other than individuals: (i) a corporation or partnership created or organized in the United States or under the law of the United States or any state; (ii) a trust where (a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of the trust; and (iii) an estate which is subject to U.S. tax on its worldwide income from all sources.</p> <p>3) pursuant to Regulation S of the Securities Act, U.S. Person includes:</p> <p>i) any natural person resident in the United States;</p> <p>ii) any partnership or corporation organised or incorporated under the laws of the United States;</p> <p>iii) any estate of which any executor or administrator is a US Person;</p> <p>iv) any trust of which any trustee is a US Person;</p>

v) any agency or branch of a foreign entity located in the United States;

vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;

vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or, if an individual, resident in the United States; or

viii) any partnership or corporation if (a) organised or incorporated under the laws of any foreign jurisdiction and (b) formed by a US Person principally for the purpose of investing in Financial Instruments not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

4) notwithstanding 3 above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or, if an individual, resident in the United States shall not be deemed a US Person;

5) notwithstanding 3 above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a US Person if:

(i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and

(ii) the estate is governed by foreign law.

6) notwithstanding 3 above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.

7) notwithstanding 3 above, an employee benefit plan established and administered in accordance with the law of a country other than the United

States and customary practices and documentation of such country shall not be deemed a US Person.

8) notwithstanding 3 above, any agency or branch of a US Person located outside the United States shall not be deemed a US Person if:

(i) the agency or branch operates for valid business reasons; and

(ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

9) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans shall not be deemed U.S. Persons.

Valuation Day

the last Business Day of each calendar month or such other Business Day or Days as the Directors, in their sole discretion, may from time to time determine, excluding any intra-month net asset valuation;

Yen, JPY and ¥

the currency of Japan.

The Fund

Investment Objective

The objective of the Fund is to achieve long term capital growth for investors. The Fund aims to provide a better risk adjusted performance than the MSCI World Index over the long term.

The Fund's investment strategy includes long term and active holdings across predominantly global developed equity markets. The Fund considers developed markets to be those countries that are included in the MSCI World Index at the time of investment. Equity exposure is predominantly diversified across the US and Europe. The Fund has the flexibility to overweight or underweight investment allocations in order to achieve the Fund's investment objective.

The Fund's investment strategy includes long term equity index exposure, position trading and risk management. Long term equity index exposure and positioning may be acquired through Equities, equity index futures, exchange traded funds (ETFs) and other equity or equity based investments. The Fund may utilise other Financial Instruments to achieve its investment objective. A portion of the Fund's assets may be held in cash or cash equivalents. The Fund is subject to an equity index leverage limit.

The Fund may invest in Financial Instruments listed on US or non-US exchanges, some of which could be denominated in currencies other than the US dollar. The Fund may from time to time hedge its non-US currency exposure.

There can be no assurance that the investment objective will be met.

Currency Hedging

The Manager may from time to time determine to enter into currency hedging transactions with reference to the underlying assets of the Fund denominated in currencies other than the US dollar. The Manager may also from time to time determine to enter into currency hedging transactions to hedge the foreign currency exposure of any non-base currency Shares. Any hedging activities may mitigate but may not eliminate the potential for losses to investors through exposure to such currencies.

The Directors

The Directors are responsible for the overall management and control of the Fund in accordance with the laws of the British Virgin Islands and in accordance with the Articles. The Directors act in a supervisory capacity and their

primary function is to supervise the general conduct of the affairs of the Fund. The Directors have delegated certain of their powers and have engaged service providers to administer the affairs of the Fund.

The Fund's Directors are listed below:

Justin King. Justin has extensive experience in the asset management industry and was previously a manager for a large US based investment firm. Justin currently serves as the Chief Investment Officer of the Sub-Investment Manager. Justin has a Masters in Finance from London Business School and is a Chartered Financial Analyst.

Rajiv Azhapilli. Rajiv has senior management experience in venture capital and technology. Rajiv currently serves as the Director of a technology firm. Rajiv has a Master's in Business Administration (MBA) degree specialising in finance from London Business School.

A Director may hold any other office or place of profit under the Fund (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity for the Fund on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Fund in any capacity, nor shall any such contract or arrangement entered into by the Fund in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Fund for any profit realised by any such contract or arrangement by reason of such Director holding that office if he shall declare the nature of his interest.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Fund or at which the terms of any such appointment are arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of terms thereof.

The Directors are given powers to indemnify the Manager and any other agent which the Fund has appointed. To the fullest extent permitted by applicable law, the Fund shall indemnify the Manager and any of its subsidiaries and holding companies and its and their respective directors, officers, employees, advisers and agents (each an Indemnified Person). Every Indemnified Person (which includes the Directors) shall be indemnified and secured harmless out of the assets and funds of the Fund against all actions, proceedings, costs, charges, expenses, settlements, taxes (other than regular income taxes), losses, damages or liabilities of whatsoever nature and howsoever arising, incurred or sustained by him otherwise than by reason of his own dishonesty, wilful default or fraud in or about the conduct of the Fund's business or affairs or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning the Fund, its business or its affairs in any court whether in the British Virgin Islands or elsewhere.

The Directors may, in their discretion, and on behalf of the Fund take out and maintain insurance for the benefit of an Indemnified Person indemnifying him against any liability which may lawfully be insured against by the Fund.

The Investment Manager

The Fund's Investment Manager, XHE Capital Limited is incorporated in the British Virgin Islands as a BVI Business Company and is licensed and regulated by the British Virgin Islands Financial Services Commission (FSC). The Investment Manager has agreed, among other things, to manage all aspects of the Fund's investment operations in accordance with the investment parameters adopted by the Fund. The Investment Manager may delegate any or all of its duties and has delegated XHE Capital LLP as the Sub-Investment Manager. XHE Capital LLP is incorporated as a limited liability partnership in England and Wales and is authorised and regulated in the United Kingdom by the FCA. The Sub-Investment Manager may delegate its duties subject to prior approval of the Directors. There can be no assurance that the Investment Manager or Sub-Investment Manager will be successful in pursuing the Fund's investment objective.

The Manager shall not be liable to the Fund or its Shareholders for any error of judgement or for any loss suffered by the Fund or its Shareholders in connection with its services in the absence of gross negligence or fraud in the performance or non-performance of its obligations or duties.

The Manager and their affiliates, principals and employees may engage or participate in other activities or ventures, whether or not of the same nature as the Fund. No Shareholder shall be entitled to any profits that the Manager or any of its affiliates, principals or employees may derive from any activities or ventures other than those derived from the Fund, whether or not such businesses or ventures are of the same nature as, and/or compete with the Fund. Principals, employees and affiliates of the Manager shall not be prohibited from buying or selling Financial Instruments for their own account, including Financial Instruments that are the same as those held by the Fund. As a result of its other activities, the Manager may have conflicts of interest in allocating time, services and functions among the Fund and other business ventures.

The Administrator

The Fund's Administrator serves as administrator, registrar and transfer agent of the Fund. The Administrator is not responsible for any trading or investment decisions of the Fund, or the effect of such trading decisions on the performance of the Fund, nor is the Administrator responsible for the safekeeping or the custody of the assets of the Fund.

The Administrator shall not be liable to the Fund or its Shareholders for any error of judgement, mistake of law or for any loss suffered by the Fund or its Shareholders in connection with its services in the absence of bad faith,

fraud, dishonesty or negligence. The Administrator is indemnified by the Fund against liabilities to third parties arising in connection with the performance of its services in the absence of negligence, wilful misconduct, fraud or lack of good faith.

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 Custodian

The Fund's Custodian provides custody of certain assets of the Fund. The Custodian shall be entitled to utilise sub-custodians and depositories in connection with the performance of its services. Securities and cash held through sub-custodians shall be held subject to the terms and conditions of the Custodian's or a sub-custodian's agreements with such sub-custodians. Securities and cash deposited by the Custodian in a depository will be held subject to the rules, terms and conditions of such depository. Sub-custodians may hold securities in depositories in which such sub-custodians participate. Unless otherwise required by local law or practice or a particular sub-custodian agreement, securities deposited with sub-custodians may be held in a commingled account in the name of the Custodian or an affiliate for its customers. The Custodian shall exercise reasonable care in the selection or retention of sub-custodians in light of prevailing rules, practices and procedures and circumstances in the relevant market. With respect to any losses incurred by the Fund as a result of the acts or the failure to act by any sub-custodian (other than an affiliate of the Custodian), the Custodian shall take appropriate action to recover such losses from such sub-custodian, and the Custodian's sole responsibility and liability to the Fund, including losses resulting from insolvency, shall be limited to amounts so received from such sub-custodian (exclusive of costs and expenses incurred by the Custodian).

The Custodian is not responsible or required, inter alia, to evaluate or question the performance of any authorised instruction or to determine if the implementation of such authorised instruction might adversely affect the financial interests of the Fund, to make any suggestions or decisions with respect to the investment or reinvestment of the Fund or to review or monitor any property held or any errors in data sources acted and relied on by the Custodian in the calculation of any market values with respect to the Fund.

The Custodian shall not be liable to the Fund or its Shareholders for any loss suffered by the Fund or its Shareholders in connection with its services in the absence of negligence, wilful misconduct, fraud or lack of good faith.

The Fund reserves the right to change the custodial arrangements described above by agreement with the Custodian and/or in its discretion to appoint an alternative custodian.

Broker

The Fund's Broker provides general dealing services in investments, together with related valuation, clearing and settlement and safe custody facilities and any other services agreed between the Fund and the Broker. The Broker may enter into transactions with the Fund governed by the terms of a master agreement and, in certain cases, the Broker also serves as custodian of the Fund's assets. The Broker is indemnified by the Fund against liabilities to third parties arising in connection with the performance of its services, except under certain circumstances.

The Fund is not obligated to maintain its relationship with the Broker for any minimum period of time and may discontinue such relationship and engage a new or additional brokers without further notice to the Shareholders.

Paying Agents

Local laws and regulations in certain jurisdictions may require the appointment of paying agents, representatives, distributors or correspondent banks and maintenance of accounts by such paying agents through which subscription and redemption monies or distributions may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or distributions via an intermediate entity rather than directly to or from the Custodian (e.g. a paying agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (i) subscription monies prior to the transmission of such monies to the Custodian for the account of the Fund and (ii) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of paying agents appointed by the Fund which will be at normal commercial rates will be borne by the Fund.

The Fund reserves the right to change the arrangements with any third party service provider or agent described above by agreement and/or at its discretion to appoint an alternative third party service provider or agent without further notice to Shareholders.

Subscriptions

The Shares

The Fund is incorporated in the British Virgin Islands as a BVI business company limited by shares under the BVI Business Companies Act of 2004 (as revised) of the British Virgin Islands (Companies Act).

The Fund may issue additional Classes of Shares with offering terms that differ pursuant to this Offering Memorandum.

Base Currency

The assets of the Fund are valued in US dollars. The Fund may seek to hedge the foreign currency exposure of any non-base currency Shares.

Rights of Shareholders

All Shareholders in the Fund have the benefit of, are bound by, and are deemed to have, notice of the provisions of the Articles. The Memorandum and Articles comprise the Fund's constitution. The Memorandum sets out the objects of the Fund, which are broad and include the carrying on of the businesses described in this Offering Memorandum.

Under the terms of the Memorandum, the liability of Shareholders is limited to any amount unpaid on their Shares. As Shares will only be issued if they are fully paid, the Shareholders do not have any liability for any debt, obligation, or default of the Fund.

Shares issued to investors will have voting rights in the event of a variation of special rights as set out below. The holders of the Management Shares will have voting rights in relation to all normal corporate actions.

Variation of Special Rights

Some or all of the special rights that for the time being are attached to any Class of Shares for the time being issued may (unless otherwise provided by the terms of issue of the Shares of that Class) from time to time be varied or abrogated in a materially adverse manner with the consent in writing of the holders of not less than one half of the issued Shares of that Class, or with the sanction of a resolution passed by the holders of not less than

one half of the issued Shares of that Class, as may be present in person or by proxy at a separate general meeting of the holders of such Shares. To any such separate general meeting, all of the provisions of the Articles as to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one-quarter of the issued Shares of the Class.

The Directors have the ability to treat more than one Class of Shares as a single “class” for any class meeting where they determine that the relevant material adverse variation or abrogation affects each such Class equally. The creation or issue of any Shares ranking ahead of existing Shares with regard to participation in the profits or assets of the Company shall require the approval of any existing Class or Classes.

A Class in respect of which different levels of fees or allocations are payable, or to which different redemption rights apply (including the imposition of, absence of, or different level of, a redemption fee), shall not be deemed to rank in priority to any other Class as regards Shareholder rights or participating in the profits or assets of the Company.

The rights conferred upon the holders of any Shares of any Class shall not, unless otherwise expressly provided in the rights attaching to such Shares, be deemed to be varied or abrogated in a materially adverse manner by:

- (a) the creation, allotment or issue of further Shares ranking *pari passu* or subsequent to them;
- (b) the redemption or repurchase of any Shares;
- (c) the conversion of Shares from one Class to another Class;
- (d) the re-designation of any Share;
- (e) the exercise of powers to allocate assets and charge liabilities to the various Class Accounts or any of them and to transfer the same to and from the various Class Accounts or any of them;
- (f) the Fund entering into any written agreement with a prospective or existing Shareholder providing for offering terms that vary from those applicable to other Shareholders of the same Class; or
- (g) any modification or waiver of any fees payable to any service provider to the Company.

Variation of Offering Terms

Subject to applicable law, the Fund may, without the approval of any Shareholders, amend this Offering Memorandum to vary the offering terms applicable to Shares (as distinct from the modification of class rights attaching to Shares, as discussed above) as follows: (i) make any change that does not adversely affect the Shareholders in any material respect; (ii) make a change that is necessary or desirable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, statute, ruling or regulation of any applicable regulator, court of competent jurisdiction, government or government entity, so long as such change is made in a

manner that minimises to the extent practicable, as determined by the Directors in their sole and absolute discretion, any adverse effect on the Shareholders; (iii) in the event of adverse changes in the tax law or interpretations thereof applicable to the Fund, amend this Offering Memorandum as determined by the Directors if they deem it advisable or necessary to address such changes; (iv) make a change in any provision of this Offering Memorandum that requires any action to be taken by or on behalf of the Directors or the Fund pursuant to the requirements of any applicable law if the provisions of any applicable law is amended, modified or revoked so that the taking of such action is no longer required; or (v) increase or make any amendment (a) to the Management Fee, Performance Fee or other fees or performance based compensation chargeable to a Class or (b) to the redemption provisions applicable to a Class provided such amendment does not become effective until after the affected Shareholders have been given prior written notice of such change and have had the right following receipt of such notice to request the redemption of their Shares, and any requested redemption shall have become effective.

Registration of Shares

Shares are issued only in registered form. The Fund maintains a current register of the names and addresses of the Shareholders of each Class, and the share register is conclusive evidence of ownership of Shares. Certificates representing Shares will not be issued.

Transfers

Transfers of Shares by instruments in writing in the usual common form are permitted with the prior consent of the Directors. Any transferee of Shares is required to furnish the same information and complete the same documents that would be required in connection with a direct subscription, including without limitation being required to complete the Application Form, in order for a transfer application to be considered by the Directors. The personal representative of a deceased Shareholder may transfer Shares even though the personal representative is not a Shareholder at the time of the transfer. Violation of applicable ownership and transfer restrictions may result in a compulsory redemption.

Share Offering

The Fund is currently offering participating, redeemable Shares. Shares are initially offered at the Class Issue Price and thereafter may be purchased on any Subscription Day at a subscription price based on the Net Asset Value per Share for the relevant Class of Shares as of the close of business on the immediate preceding Valuation Day

less any accrued but unpaid Performance Fee and as adjusted in accordance with the Fund's equalisation accounting policy as described herein where applicable.

The Directors may, from time to time, resolve to close the Fund or any Class to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

Minimum Initial Subscription

Shares are subject to a minimum initial subscription amount. Please refer to the relevant Class Supplement for more information.

Subscription Procedure

Applications for Shares may be made prior to each Subscription Day. Applications for Shares should be made by completing and signing the Application Form and mailing the same to the Administrator at the address listed in the Application Form.

Alternatively, application may be made by fax or email by completing and signing the Application Form and returning the same to the Administrator. The signed original Application Form should be sent to the Administrator if initially sent by fax or email. Subject to the discretion of the Directors, the Application Form and subscription proceeds must be received by the specified cut off period for the relevant Subscription Day, as specified in the relevant Class Supplement. Applications and subscription proceeds received after this time will be held in an account and treated as an application for the next Subscription Day. Subscription applications for Shares shall be placed by the Fund on a best efforts basis for the relevant Subscription Day, subject to aforementioned subscription guidelines, or such later Subscription Day as determined by the Directors. The Fund has the right to accept or reject (in whole or part) any subscription application for Shares. Applicants should be aware of the risks associated with sending applications by fax or email and that the Fund and Administrator accept no responsibility for any loss caused due to the non-receipt of any fax or email.

No Application Form and/or any other communication or instructions sent to the Administrator will be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt. Shares will be held in book entry form only and a contract note only will be sent to the applicant upon receipt of cleared funds and the properly completed Application Form and acceptance of such funds by the Fund.

Anti-Money Laundering

As part of the Fund's and the Administrator's responsibility for the prevention of money laundering, the Fund and Administrator may require a detailed verification of the applicant's identity and the source of payment for the Shares. In order to comply with legislation or regulations aimed at the prevention of money laundering, the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person and has delegated that function to the Administrator. The Fund retains ultimate responsibility for ensuring that anti-money laundering procedures and law are being adhered to.

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. In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Fund may hold any subscription funds uninvested until all required information is provided or refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Fund, and the Administrator on the Fund's behalf, also reserve the right to refuse to make any redemption payment or distribution to a Shareholder if the Directors or the Administrator suspect, or are advised that the payment to such Shareholder might result in, a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if 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 applicable jurisdiction.

The Fund may also be required to comply with certain provisions of the USA Patriot Act and other relevant international legislation.

The completion of the Application Form serves as confirmation that the investor understands and agrees to furnish requested documents and other information. It must also be noted that redemption monies or any form of distribution cannot be remitted to the Shareholder until all documents requested have been received. Further, please note that it is a regulatory requirement to report suspicious transactions to the competent authorities, and any relevant data in this regard may need to be transferred to the relevant regulators.

There is also a requirement to know the source of the funds, such requirement normally limited to knowing the bank and account from which the monies were remitted. A further requirement is that such monies invested may only be redeemed to the account of remittance, except in exceptional circumstances.

Compliance with anti-money laundering legislation currently applicable to the Fund and the Administrator requires that certain documents must be monitored to ensure that they are up-to-date. The subscriber will be required to

acknowledge that, in order to comply with this requirement, the Administrator and/or the Fund will require that certain documents are delivered by the subscriber to the Administrator and/or the Fund on a periodic basis. The Administrator and/or the Fund may contact the subscriber to request such documents, and, by signing the Application Form, the subscriber will be confirming that it will provide the documents so requested on a timely basis. The subscriber will be required to further acknowledge that failure to provide such documents could result in delays during the redemption process, as monies may not be remitted to the subscriber until all requested documents are received and approved by the Administrator and/or the Fund.

Finally, as the aforementioned legislation is subject to change, any additional requirements imposed on the Fund will be reflected in its requirements of the applicant.

Eligible Investors

Any prospective investor acting in any fiduciary capacity is required to certify the number of beneficial owners for whom Shares are being purchased. Unless otherwise agreed to by the Fund, each prospective investor is required to certify that the Shares are not being acquired directly or indirectly for the account or benefit of any person who is not an Eligible Investor. Furthermore, it is the responsibility of each investor to verify that the purchase and payment for the Shares is in compliance with all relevant laws of the investor's jurisdiction or residence.

The Fund reserves the right to offer Shares to investors who are not Eligible Investors upon compliance with applicable rules and regulations. The Fund reserves the right to reject subscriptions for Shares, in whole or in part, in its absolute discretion for any reason or for no reason.

Selling Restrictions

The Directors have the power to impose such restrictions as they may deem necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by a Non-Qualified Person in circumstances (whether directly or indirectly affecting such person or persons) which, in the opinion of the Directors, might result in the Fund incurring any tax liability or suffering any other pecuniary, regulatory, material administrative or commercial disadvantages that the Fund might not otherwise have incurred or suffered. In the event that the Fund incurs any such tax liability or suffers any other pecuniary, regulatory, material administrative or commercial disadvantages resulting from a Non-Qualified Person being a Shareholder, the Fund may require such person to reimburse the Fund for such liability, suffering or disadvantages.

The distribution of this Offering Memorandum and the offering of the Shares of the Fund may be restricted in certain jurisdictions. This Offering Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or

solicitation. It is the responsibility of every person wishing to make application in connection herewith to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including any governmental or other consents which may be required, or to observe any other formalities needing to be observed in such jurisdiction and to pay all transfer and other taxes required to be paid in such jurisdiction.

If it comes to the notice of the Directors that any Shares are held by any such Non-Qualified Person, the Directors may give notice to such Non-Qualified Person requiring the redemption or transfer of such Non-Qualified Person's Shares. A person who becomes aware that he or she is holding Shares under circumstances that render such person a Non-Qualified Person is required either to deliver to the Fund a written request for redemption of such Shares or to transfer the same to a person who would not thereby be a Non-Qualified Person.

British Virgin Islands

This Offering Memorandum does not constitute an offer to the public in the British Virgin Islands to subscribe for Shares and no invitation may be made to the public in the British Virgin Islands to subscribe for Shares.

Other Jurisdictions

The absence of a discussion in this Offering Memorandum regarding sales restrictions of Shares in any particular jurisdiction does not imply that Shares may or may not be purchased in such jurisdiction by prospective investors. Jurisdictions not addressed herein may or may not permit the purchase of Shares by prospective investors who are subject to the laws and regulations of such jurisdictions. Prospective investors should consult their own professional advisers with respect to the purchase of Shares.

General

The above information is for general guidance only and it is the responsibility of any person in possession of the Offering Memorandum and wishing to make an application for Shares to inform itself of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to any applicable legal requirements and tax requirements in the countries of their respective citizenship, residence or domicile.

Redemptions

Overview

Except as may be provided in the relevant Class Supplement, a Shareholder may request redemption of all or some of its Shares on a Redemption Day. Shareholders wishing to redeem Shares as of a particular Redemption Day must provide the Fund with appropriate written notice as outlined in the relevant Class Supplement of their intention to redeem such Shares as of that Redemption Day. A redemption request may be withdrawn with the consent of the Directors.

The redemption price of each Share is equal to the Net Asset Value per Share of the relevant Class as of the close of business on the Valuation Day immediately prior to the relevant Redemption Day rounded to the nearest whole cent, or its equivalent in another currency where applicable, less any accrued Performance Fee, less any redemption fee, if applicable, and as adjusted in accordance with the Fund's equalisation accounting policy where applicable.

The determination of the Net Asset Value is binding on Shareholders once such Net Asset Value has been determined in respect of the redemption price per Share and stated in good faith by or on behalf of the Directors.

Redemption Procedure

Redemption requests may initially be sent by fax or email. However, Shareholders should be aware of the risks associated with sending documentation in this manner and that the Administrator and Fund will not be responsible in the event of non-receipt of any redemption request sent by fax or email. Redemption payments will be made in the currency of denomination of the Shares by wire transfer to the account of the registered Shareholder at the remitting bank or financial institution from which the original subscription was made. A redemption request for a specific Redemption Day that is received after the redemption notice cut off period for the applicable Redemption Day, as outlined in the relevant Class Supplement, will be treated as a request for redemption as of the next Redemption Day. The Directors may, in their discretion, accept a lesser notice period. Further details regarding redemption procedures are outlined in the relevant Class Supplement.

If all of the relevant client information documents have not been provided to the Administrator, the redemption will be acted upon but no monies will be paid to the subscriber. Instead, the monies will be held in the subscriber's name at the Custodian's account, without interest, and the subscriber will bear all associated risks.

Redemption notices and/or any other communication or instructions sent by the Shareholder to the Administrator will not be deemed to have been received by the Administrator unless receipt is acknowledged in writing by the

Administrator. Exceptions are made where the delivery of the communication has been acknowledged by a signed receipt.

Restrictions

In circumstances where the Fund is unable to liquidate positions in an orderly manner in order to fund redemptions, or where the value of the assets and liabilities of the Fund cannot reasonably be determined, or in such other circumstances in which the Directors determine that it is in the interests of the Fund, the Fund may take longer than the time periods mentioned above to effect settlements of redemptions, may effectuate only a portion of a requested redemption or may even suspend redemptions. The Fund may also suspend redemptions of the Shares of any Class in such other circumstances in which the Directors, deem it to be in the interests of the Fund to do so, including in circumstances in which the determination of the Net Asset Value of the relevant Class has not been suspended.

Compulsory Redemption

The Directors may compulsorily redeem a Shareholder's Shares for any or for no reason, including, without limitation:

- (a) if they believe it is in the best interests of the Fund to do so;
- (b) if such Shareholder has acquired Shares otherwise than in compliance with applicable rules and regulations or is a Non-Qualified Person; or
- (c) if such Shareholder has requested a partial redemption which would cause the aggregate Net Asset Value of the Shares of the relevant Class owned by such Shareholder following such redemption to decline below the minimum initial investment as the same was applicable to such Shareholder.

See the section headed "Eligible Investors" for more information. Compulsory redemptions will be made at the relevant Net Asset Value per Share of the relevant Class as of the last Business Day of the month in which the compulsory redemption notice is issued to the Shareholder.

Suspension of Dealings and Determination of Net Asset Value

The Directors may suspend (a) the determination of the Net Asset Value of any relevant Class and/or (b) the rights of redemption of Shares of a Class and/or (c) the right to receive the payment of any amount by a Redeeming Member in connection with the redemption of Shares. The Directors may extend the period for payment of

Redemption Proceeds for the whole or any part of any period when the Directors determine it is appropriate to do so (all of the above a Suspension).

This may include, but is not limited to:

- (a) any period when any exchange or organised over-the-counter market on which a significant portion of the Fund's assets held for any Class is regularly quoted or traded is closed (other than for holidays) or trading thereon has been restricted or suspended;
- (b) any period when, as a result of events, conditions or circumstances beyond the control or responsibility of the Fund, disposal of the assets of the Fund held for any Class or other transactions in the ordinary course of the Fund's business involving the sale, transfer, delivery or withdrawal of Financial Instruments held for any Class is not reasonably practicable;
- (c) any period when there is a breakdown in the means of communication normally employed in determining the price of a significant portion of the investments held by the Fund for any Class or when for any other reason the value of a significant portion of the investments or other assets of the Fund held for any Class cannot reasonably or fairly be ascertained;
- (d) any period when the Fund or its agents are unable to repatriate funds required for the purpose of making payments on redemption or during which any transfer of funds involved in the realisation or acquisition of assets held for any Class or when payments due on redemption cannot in the opinion of the Directors or their agents be effected at normal rates of exchange;
- (e) any period when proceeds of any sale or redemption of the Shares of any relevant Class cannot be transmitted to or from the Fund's account;
- (f) any period when the business operations of the Fund or Manager or Administrator (or any delegate thereof) in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from acts of war, terrorism, revolution, civil unrest, riot, strikes or acts of God;
- (g) any period when, in the opinion of the Directors, it would be in the best interest of the Fund to do so;
- (h) any period when a conclusive valuation of the Fund is not possible for any other reason; or
- (i) after the Directors form the opinion that it is in the best interest of the Fund or the Shareholders to wind up and dissolve the Fund.

It is anticipated that any Suspension would ordinarily be temporary. However, there may be situations in which the circumstances giving rise to the Suspension continue to be present for a considerable period of time with the result

that the Directors may consider it appropriate to keep the Suspension in place for an extended period on the basis that the circumstances giving rise to the Suspension still exist.

During any such period of Suspension, the Directors may determine that the Fund be managed with the objective of informally winding down the affairs of the Fund and returning the Fund's assets to Shareholders in an orderly manner, without the appointment of a liquidator or recourse to a formal liquidation process (Orderly Realisation). In circumstances where the Directors decide to proceed with an Orderly Realisation, they may resolve to continue the Suspension until the Orderly Realisation has been completed.

Unlike a formal liquidation, the informal wind down of the Fund's affairs through an Orderly Realisation leaves the Directors' powers intact and allows the continued management of the Fund's portfolio. That management is, however, directed to reducing the Fund's portfolio to cash (to the extent reasonably practicable) and to returning such cash as well as all other assets of the Fund to the Shareholders, the Directors using any means permitted by applicable law in their discretion including, but not limited to, by way of dividend, distribution, and share repurchase. The Directors shall communicate to Shareholders any resolution to proceed with an Orderly Realisation of the Fund.

During an Orderly Realisation, the Directors shall seek to establish what they consider to be a reasonable time by which the Orderly Realisation should be effected (Realisation Period). Any resolution to undertake an Orderly Realisation and the process thereof shall be deemed to be integral to the business of the Fund and may be carried out with a minimum of formality (i.e. without recourse to a formal process of liquidation or any other applicable bankruptcy or insolvency regime). The Directors may at any time (a) resolve to cease the Orderly Realisation within the Realisation Period and recommence active trading if the circumstances so permit or (b) extend the Realisation Period if additional time is needed to effect the Orderly Realisation. The Directors shall establish what they consider to be a reasonable extension of the Realisation Period. The Directors shall communicate to Shareholders any resolution to cease the Orderly Realisation or extend the Realisation Period.

During any Suspension for the purposes of an Orderly Realisation, it is possible that the Directors will determine that investments are required to be made by the Fund in order to safeguard the value of the Fund's investment portfolio or in order to permit the Fund to effect redemptions of Shares.

An Orderly Realisation may be effected more than once during the lifetime of the Fund.

Non-Petition Covenant

If the Fund has restricted the number of Shares which may be redeemed on any Redemption Day or suspended or delayed the payment of redemption proceeds, the Articles prevent a Shareholder which has submitted a redemption request from presenting a petition to wind up the Fund or bringing similar proceedings in any jurisdiction

where the right to bring such a petition or similar proceedings results from the Shareholder's position as a contingent creditor of the Fund pending completion of such redemption process.

Net Asset Value

Valuation

The Net Asset Value per Share at any date will be the total assets less total liabilities of the Fund attributable to the relevant Class divided by the number of Shares of that Class then outstanding. In respect of each Class, a separate Class Account has been or will be established in the books of the Fund. An amount equal to the proceeds of issue of each Share will be credited to the relevant Class Account. Any increase or decrease in the Net Asset Value of the portfolio of assets of the Fund attributable to the Shares (disregarding for these purposes any increases in the Net Asset Value due to new subscriptions or decreases due to redemptions or any designated Class adjustments (as defined below)) will be allocated to the relevant Class Account based on the previous relevant Net Asset Value (before accrual for any Performance Fees) of each such Class Account. There will then be allocated to each Class Account the “designated Class Adjustments” being those costs, pre-paid expenses, losses, dividends, distributions, profits, gains and income which the Directors determine in their sole discretion relate to a single Class, as the case may be. The total net assets of the Fund at any date will be determined on the accrual basis of accounting using accepted accounting standards as a guideline and in accordance with the following:

- (a) no value will be assigned to goodwill;
- (b) accrued Management Fees, Performance Fees and other fees will be treated as liabilities;
- (c) 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;
- (d) the market value of Financial Instruments held by the Fund will be as follows: Financial Instruments that are listed on a recognised exchange and that are freely transferable will be valued at their Settlement Price on the primary exchange on the date of determination, or, if no trades occurred on such date, at the “bid” price at the close of business on such day if held long and at the “ask” price at the close of business on such day if held short. Financial Instruments traded over the counter and not listed on a recognised exchange that are freely transferable will be valued at the last traded price on the date of determination, or, if no trades occurred on such day, at the “bid” price at the close of business on such day if held long and at the “ask” price at the close of business on such day if held short. Notwithstanding the foregoing, if in the reasonable judgement of the Directors, the listed price for any Financial Instrument held by the Fund or any Financial Instrument that the Fund holds long or short does not accurately reflect the value of the Financial Instrument, the Directors may value the Financial Instrument at a price that is more or less than the quoted market price; and
- (e) all other assets of the Fund will be valued at fair value in the manner determined by the Directors.

The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice.

Although the Directors retain ultimate responsibility for valuations, they may consult with, and are entitled to rely upon, the advice of the Fund's Administrator, brokers, custodians, the Manager or other advisers. Subject to applicable law and regulation, in no event and under no circumstances, will the Directors or the Manager incur any individual liability or responsibility for any determination made or other action taken or omitted by them in good faith.

Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions could have an adverse effect on the Net Asset Value determination if judgements regarding appropriate valuations should prove incorrect. The Fund's determination of Net Asset Value is conclusive and binding on all Shareholders.

Fees and Expenses

Management Fee

The Management Fee in respect of each Class, and as specified in the relevant Class Supplement, is equal to one twelfth of the Management Fee Percentage per month of the Net Asset Value attributable to the Shares of the relevant Class (before deduction of that month's Management Fee and before deduction for any accrued Performance Fees), as at the last Business Day of each month payable in arrears. The Management Fee will be prorated based upon a Shareholder's actual period of ownership of its Shares.

Performance Fee

Shares may be subject to a Performance Fee in an amount as is specified in the relevant Class Supplement. For each Calculation Period, the Performance Fee in respect of each Share will be equal to the Relevant Percentage of the appreciation in the Net Asset Value per Share of the relevant Class above the High Water Mark per Share of that Class. The High Water Mark per Share is the greater of: (i) the Class Issue Price, (ii) the highest previous Net Asset Value per Share of the relevant Class of Shares at the end of any previous Calculation Period of which a Performance Fee (other than a Performance Fee Redemption) was charged and (iii) the Hurdle Rate as specified in the relevant Class Supplement, where applicable. The Performance Fee, if any, accrues monthly and is payable (i) as of the last Business Day of each Calculation Period, (ii) as of each Redemption Day with respect to the Shares redeemed by redeeming Shareholders on that day, (iii) in the Fund's sole discretion, as of the effective date of a transfer of Shares with respect to the Shares transferred, and (iv) as of the date of the termination of the investment management agreement between the Fund and Investment Manager, in each case with respect to the period ending on such date.

All fees and expenses (except the Performance Fee itself) that have been accrued or paid (but not previously accrued) for a given period are deducted prior to calculating the Performance Fee for such period, including, without limitation, the Management Fee.

Unless otherwise specified in the relevant Class Supplement, Shares are subject to equalisation adjustments.

Equalisation Adjustment. If a Shareholder subscribes for Shares at a time when the Net Asset Value per Share is other than the High Water Mark per Share, certain adjustments will be made to reduce inequities that could otherwise result to the Shareholder or to the Investment Manager.

If Shares are subscribed for at a time when the Net Asset Value per Share is less than the High Water Mark per Share of that Class, the Shareholder will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the

Net Asset Value per Share at the date of subscription up to the High Water Mark per Share, the Performance Fee will be charged at the end of each Calculation Period, by redeeming at par value such number of the Shareholder's Shares as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the Relevant Percentage of any such appreciation (a Performance Fee Redemption). The aggregate Net Asset Value of the Shares so redeemed will be paid as a Performance Fee. Performance Fee Redemptions are employed to ensure that the Fund maintains uniform Net Asset Value per Share of each Class. As regards the Shareholder's remaining Shares, any appreciation in the Net Asset Value per Share of those Shares above the High Water Mark per Share will be charged a Performance Fee in the normal manner described above.

If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the High Water Mark per Share of the relevant Class, the Shareholder will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the Relevant Percentage of the difference between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the High Water Mark per Share of that Class (Equalisation Credit). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Fund (Maximum Equalisation Credit). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class of Shares subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount equal to the Relevant Percentage of the difference between the Net Asset Value per Share of that Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Share (before accrual for the Performance Fee) exceeds the prior High Water Mark per Share of the relevant Class, that portion of the Equalisation Credit equal to the Relevant Percentage of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems his Shares of that Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will

receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption.

Other Fees

Directors will be entitled to reimbursement of reasonable expenses for attending board meetings and shall be entitled to a fee payable by the Fund which is not expected to exceed general market rates. Any Director who devotes special attention to the business of the Fund may be paid such extra remuneration as the Directors may determine. The Administrator will receive its customary fees for performing and supervising the performance of administrative services necessary for the operation and administration of the Fund. The Administrator will also be reimbursed for reasonable out-of-pocket expenses. The Custodian will receive its customary fees for performing custodial services necessary for the operation of the Fund. The Custodian will also be reimbursed for reasonable out-of-pocket expenses. Fund audits shall be performed as and when required by BVI regulations at commercial rates.

Shares may be subject to a Distribution Fee equal to one twelfth of the relevant Distribution Fee Percentage per month of the net asset value attributable to the Shares of the relevant Class as at the last Business Day of each month payable in arrears. Distribution Fees, where applicable, will be prorated based upon a Shareholder's actual period of ownership of its Shares. Subscriptions of Shares may be subject to a subscription fee. Redemptions of Shares may be subject to a redemption fee. All fees stated above where applicable are payable to the Manager or as it may direct.

Organisational, Ongoing and Other Costs

The Fund will treat its organisational costs and expenses in accordance with accepted accounting standards. The assets, profits, gains, income and liabilities, losses and expenses attributable to a particular Class shall be applied to the Class Account relating to such Class at the end of each month. In the case of any asset or liability (including any expense) of the Fund that the Directors do not consider is attributable to a particular Class Account, the Directors will allocate such asset or liability among the Class Accounts in proportion to the Net Asset Value of each Class.

The Fund will be responsible for all expenses incidental to its operations and business, including but not limited to (i) fees and charges of custodians, (ii) interest and commitment fees on loans and debit balances, (iii) income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (iv) fees of the Fund's administrator, legal advisors, independent auditors and valuers, where applicable, and other service providers, (v) fund formation costs, consulting fees and similar expenses, (vi) Directors' fees and expenses, (vii) the cost of maintaining the

Fund's registered office, (viii) marketing costs, distribution expenses and any expenses attributable to the offering or sale of Shares, (ix) the cost of printing and distributing Fund offering documents, subscription materials and any reports and notices to Shareholders and prospective Shareholders of the Fund, (x) brokerage commissions, (xi) management, sourcing, redemption and other charges related to investments in Financial Instruments, (xii) the cost of insurance premiums (if any), including, without limitation, the cost of director liability insurance policies, (xiii) the annual fees payable by the Fund to any applicable company registrar or regulator, and (xiv) all other similar organisational and ongoing operational expenses.

The Fund will reimburse the Manager all organisational, ongoing and other costs of the Fund as described above that are incurred by the Manager in the furtherance of its duties.

Risk Factors

Introduction

Prospective investors should give careful consideration to the following risk factors in evaluating the merits and suitability of an investment in the Fund. The following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Fund. Rather, the following are only certain risks to which the Fund is subject and are risks that the Fund's Directors encourage prospective investors to discuss in detail with their professional advisors. The risk factors are divided into five principal types of risk, namely investment, operational, redemption and related, business, and other.

Investment Risk

Macro risk. Macro risks encompass both economic and political risks. Economic risks include changes in government trade policies, foreign exchange control policies or fiscal and monetary actions. Political risks include both domestic and foreign government policies that may induce national and international political events such as wars (both trade and military), embargoes and sanctions. Investments in certain countries, particularly underdeveloped or developing countries may be subject to heightened economic and political risks. Any of these risks may lead to disruptions in supply and demand relationships and lead to abnormal market behaviour. In addition, governments and central banks may intervene, directly and by regulation, in certain markets, often with the intent to influence prices. Extreme weather and climate conditions, wars and terrorist events, as well natural disasters or a serious pandemic, could severely disrupt global, national and local markets. Unexpected volatility or illiquidity in the markets in which the Fund directly or indirectly holds positions could impair the Fund's ability to carry out its business and could cause it to incur losses.

Market Risk. It may not always be possible for the Fund to execute a trade at a certain price level. It may also be impossible to close out an open position within a reasonable amount of time due to extreme market conditions. The inability to execute at a desired price may occur if a market is thinly traded (a relatively low level of buy and sell orders are present) or if, in the event of a dislocated market or extraordinary event, a market becomes materially distorted. These pricing distortions may lead to significant and material losses in the Fund's positions and may be compounded by the fact that during such market distortions these positions become increasingly illiquid, making it extremely difficult and sometimes impossible to close out positions for some time.

During such events it is possible that an exchange may suspend trading, order the immediate settlement of a particular Financial Instrument, or order that trading in a particular Financial Instrument be conducted for liquidation purposes only. Under such scenarios the Fund may be unable to liquidate positions for some time which may lead to substantial losses. These risks are likely to be more prominent in emerging markets.

Currency Risk. Any non-base currency positions may expose the Fund to losses in its base currency due to fluctuations in the exchange rate. In circumstances where the Fund employs hedging techniques to hedge or minimise foreign currency exposure, the risk remains that such hedging techniques may not always achieve the objective of limiting losses and exchange rate risks.

The base currency of the Fund is US dollars. Any hedging activities may mitigate but will not eliminate the potential for losses to investors through exposure to other currencies. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the currency of investment and such other currencies.

There is a risk that currency capital controls may be introduced or altered abruptly by governments and without prior notification to the market. As such, capital controls could lead to an instant lock-up of, and substantial losses on, investment positions and currency balances. In the event that a currency is abolished, or in case of a multi-state currency its composition is altered due to one or more member states withdrawing from the currency, a new currency would be introduced to replace the currency which was abolished. The introduction of a new currency would likely be accompanied by significant volatility in currency rates and could result in substantial losses for the Fund.

Liquidity Risks. The Fund may hold investments which are generally expected to be illiquid, and there can be no assurance that the Fund will be able to realise such investments in a timely manner. Lack of liquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by the Fund. Consequently, the timing of cash distributions to investors is uncertain and unpredictable.

Leverage. The Fund may employ leverage in its investment strategy when deemed appropriate. Leverage risk is the risk associated with the borrowing of funds and other investment techniques. Leverage is a speculative technique, which may expose the Fund to greater risk and increase its costs. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage. For example, leverage may cause greater swings in the Fund's Net Asset Value or cause the Fund to lose more than it invested. There can be no assurance that the Fund's leveraging strategy will be successful. If leverage is employed, the Net Asset Value and market value of the Shares will be more volatile, and the yield to the Shareholders will tend to fluctuate with changes in the shorter-term interest rates on the leverage. The Fund will pay (and the Shareholders will bear) any costs and expenses relating to any leverage. Any decline in the Net Asset Value of the Fund's investments will be borne entirely by the Shareholders. Therefore, if the market value of the Fund's portfolio declines, the leverage will result in a greater decrease in Net Asset Value to the Shareholders than if the Fund was not leveraged.

Investing in Financial Instruments is speculative and has a high degree of price variability. This variability, combined with the potential leverage used by the Fund may cause large and sudden losses of capital and may result in an investor suffering a substantial or even a complete loss of his investment in the Fund.

The use of leverage in the Fund may lead the Fund to depend on the availability of credit in order to finance its positions. Financing terms offered by financial institutions, dealers and brokers are essentially discretionary in nature; therefore the Fund cannot assure that it will be able to maintain adequate financing arrangements under all market environments. Any changes in financing terms by the Fund's financial institutions, dealers or brokers, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in increased margin calls, loss of financing and forced liquidation of positions at disadvantageous prices. Any of these adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and by multiple market participants at, or about, the same time. In the event of such a scenario the Fund may be forced to liquidate part or all of its positions at disadvantageous prices.

Government Regulation and Legal Uncertainties. The Fund and its underlying investments are subject to regulations at the national, state and local levels, and proposals for further regulations are continually being introduced. The Fund and its underlying investments are also subject to many other national, state and local laws and regulations that affect the Fund's business, including those regarding taxation. National and state legislatures, as well as national and state regulatory agencies and local governments, review such laws, regulations and policies and periodically propose changes or issue guidance that could affect the Fund in substantial and unpredictable ways. It is possible that one or more legislative proposals may be adopted or regulatory changes may be implemented that would have an adverse effect on the Fund's business.

Concentration Risk. The Fund may be exposed to concentration risk. The Fund may have a significant concentration in a particular industry, country or investment. If the Fund is concentrated the Fund will be susceptible to fluctuations in value resulting from adverse conditions or other factors affecting that particular industry, country or investment.

Risks Linked to Equity Investments and Financial Instruments. The Fund may invest in various types of equity investments and Financial Instruments and consequently may be exposed to the integrity of the management, qualification, operating record, strategic direction, financial philosophy and operational management of these investments. Such investments can experience failures or substantial declines in value. Sales of equity investments and Financial Instruments may not be possible or may take a long time to do or may have to be made at substantial discounts or may be subject to some combination of the aforementioned.

Financial Derivatives Risk. The Fund expects to use financial derivatives. The Fund may invest in forward contracts or other over-the-counter (OTC) derivatives. The specific risks presented by a particular forward transaction necessarily depend upon the terms of the transaction and the circumstances of the Fund and its counterparty. In general, however, all forward transactions involve some combination of market risk, counterparty risk, funding risk and operational risk. Since the OTC market is primarily a 'principals' market, in which the performance with respect to such contracts is the responsibility of the counterparty to the contract, and not of any exchange or clearing house, the Fund will be subject to the risk of significant losses on forward contracts due to credit failure or the inability or refusal of counterparties or clearing brokers to perform with respect to such forward

contracts. The low margin deposits normally required in derivatives permit the use of leverage which could expose the Fund to volatility and capital risk.

Currency Forwards. Currency forward contracts allow the Fund to invest in foreign currencies and/or to hedge against foreign exchange risk by locking in the price at which the Fund can buy or sell currency on a future date. A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Rather, they are individually negotiated transactions. Forward foreign exchange contracts are effected through a trading system known as the interbank market. It is not a market with a specific location but rather a network of participants electronically linked. There is no central clearing system for forward foreign exchange contracts entered into on this market and accordingly, if the Fund wishes to 'close out' any such contract before the specified date, it will be reliant upon the agreement to enter into an appropriate 'offsetting' transaction. There is no limitation as to daily price movements on this market and brokers or other counterparties will not be required to make or continue to make a market in any forward foreign exchange contracts. Further, effecting forward foreign exchange contracts may involve somewhat less protection against defaults than trading on commodity or other exchanges, as neither the interbank market nor transactions in forward foreign exchange contracts effected on it are regulated by any regulatory authority, nor are they guaranteed by an exchange or its clearing house.

Exchange Rules. Each exchange typically has the right to suspend or limit trading in any Financial Instrument that it lists. Such a suspension would render it impossible for the Fund to liquidate positions and, accordingly, could expose the Fund to losses. Similarly, the Directors have the right to suspend or limit redemptions when, in their opinion, the Fund's net assets are not sufficiently liquid to fund redemptions.

Emerging Market Risk. Investment and market risks are heightened in emerging markets due to wide dealing spreads, the restricted opening of securities exchanges, a narrow range of investors and limited quotas for foreign investors. Furthermore, costs associated with transactions in emerging market countries are generally higher than those associated with transactions in developed countries. Emerging markets and exchanges may have less developed infrastructure that may affect price reporting, trading access, as well as clearance and settlement of transactions. Any of these infrastructure issues could expose the Fund to losses. The Fund may invest in Financial Instruments that produce income and capital gains that are subject to withholding and other taxes. Developing or emerging countries typically have less well defined tax laws and procedures and such laws may permit retroactive taxation so that the Fund in the future could become subject to local tax liabilities that it could not have reasonably anticipated in conducting its investment activities.

Operational Risk

Institutional Risk and Custodial Risks. The institutions, including brokerage firms and banks, with which the Fund (directly or indirectly) does business, or to which Financial Instruments have been entrusted for custodial and brokerage purposes, may encounter financial difficulties that impair the operational capabilities or the capital position of the Fund. Brokers may trade with an exchange as a principal on behalf of the Fund, in a “debtor-creditor” relationship, unlike other clearing broker relationships where the broker is merely a facilitator of the transaction. Such broker could, therefore, have title to all of the assets of the Fund (for example, the transactions which the broker has entered into on behalf of the Fund as principal as well as the margin payments which the Fund provides). In the event of such broker’s insolvency, the transactions which the broker has entered into as principal could default and the Fund’s assets could become part of the insolvent broker’s estate, to the detriment of the Fund. In this regard, Fund assets may be held in “street name” such that a default by the broker may cause the Fund’s rights to be limited to that of an unsecured creditor.

Valuation and Reporting Risk. The Fund will rely on information and valuation data provided by independent valuers and third parties which may not always be provided in a timely manner and which may contain valuation errors. Furthermore the accounting, auditing and financial reporting standards in specific countries may not be equivalent to those applicable in more developed market economies. The reliability and quality of information that will be collected in order to value the assets of the Fund may therefore be less reliable than in respect of investments in more developed market economies.

Allocation of Liabilities among Classes of Shares – Cross-Class Liability. Although the Fund will maintain separate accounts or book entries with respect to each Class of Shares, separate Classes of Shares are not separate legal entities but rather Classes of Shares in the Fund. The Fund as a whole, including all such separate Classes, is one legal entity. Thus, all of the assets of the Fund are available to meet all of the liabilities of the Fund, regardless of the Classes of Shares to which such assets or liabilities are attributable. In practice, cross class liability will usually only arise where any separate Class of Shares becomes insolvent and is unable to meet all of its liabilities. In this case, all of the assets of the Fund attributable to other separate Classes of Shares may be applied to cover the liabilities of the insolvent Classes of Shares. The Fund may seek to limit such cross-class liability contractually by including language limiting recourse to assets attributable to a particular Class in contracts with service providers, counterparties and other third parties with whom the Fund contracts but there can be no assurance given that such contractual limitation will be available or enforceable.

Legal, Regulatory and Fiscal Compliance. The Fund must comply with various legal requirements, including requirements imposed by applicable securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change, the legal requirements to which the Fund and the Shareholders may be subject could differ materially from current requirements.

Litigation and Claims. The Fund and Manager, as independent legal entities, may be subject to lawsuits or proceedings by government entities or private parties. Except in the event of a lawsuit or proceeding arising from a Director’s or the Manager’s wilful neglect or default in the performance of its duties, expenses or liabilities of the Fund arising from any suit shall be borne by the Fund.

Reserves. Under certain circumstances, the Fund may find it necessary to establish a reserve for contingent liabilities or withhold a portion of the Shareholder's settlement proceeds at the time of redemption, in which case the reserved portion would remain at the risk of the Fund's activities.

Redemption and Related Risk

Notice of Redemptions Required. A Shareholder must give prior written notice to the Administrator to make a partial or total redemption of its Shares. During such notice period, the Shareholder's investment remains at risk and may decrease in value from the date that notice of redemption is first given to the Administrator until the effective date of redemption.

Compulsory Redemptions. The Directors have the right to compulsorily redeem all or some of the Shares held by a Shareholder as described elsewhere in this Offering Memorandum. If the Directors were to compulsorily redeem all or some of the Shares held by a Shareholder this could result in adverse tax and/or economic consequences to such Shareholder.

Forced Liquidation of Investment Portfolio. Substantial redemptions by Shareholders within a short period of time could require the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund's capital. The resulting reduction in the Fund's capital could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base. Additionally, such substantial redemptions may increase the share of the Fund's fees and expenses payable by the remaining Shareholders.

Illiquidity of Shares. Transfers of Shares are restricted; there is no market for Shares and, accordingly, Shares may be disposed of only through the redemption procedures described in this Offering Memorandum. Under certain circumstances redemptions may be suspended, or the payment of redemption proceeds may be substantially delayed, as described elsewhere in this Offering Memorandum.

Business Risk

Investment Risk. The Fund's investment policies should be considered speculative, as there can be no assurance that the Manager's assessments of the short-term or long-term prospects of investments will generate a profit.

Cyber-Security Risk. The Fund is susceptible to fraudulent activity that may be committed against the Fund and/or its investors and that may result in financial losses to the Fund and/or such investors, privacy breaches, or damage to the Fund's reputation.

In addition, the Fund's operations rely on the secure processing, storage and transmission of confidential and other information on computer systems and networks. The nature of these types of threats continues to evolve. As a result, the Fund's computer systems, software and networks and those of any third parties and/or investors may be vulnerable to unauthorized access, loss or destruction of data (including confidential information), account takeovers, unavailability of service, computer viruses or other malicious code, cyber-attacks and other events that could have an adverse security impact and result in significant losses by the Fund, its third parties and/or its investors.

The Fund also faces the risk of operational disruption, failure, termination or capacity constraints of any of the third parties that facilitate the Fund's business activities, including financial intermediaries. Such parties could also be the source of an attack on, or breach of, the Fund's operational systems, data or infrastructure. In addition, as interconnectivity with borrowers and investors grows, the Fund will increasingly face the risk of operational failure with respect to its systems.

Other Risk

Taxation. 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.

Investors should seek their own professional tax advice in this regard. Persons interested in purchasing Shares should inform themselves as to any tax consequences particular to their circumstances arising in their country of citizenship or the jurisdiction in which they are resident or domiciled for tax purposes in connection with the acquisition, ownership, redemption or disposal by them of any Shares and the receipt

of distributions thereon and neither the Directors, the Fund, the Administrator, nor the Manager is providing any potential investor with tax advice and neither will be responsible for any taxes suffered by a Shareholder as a result of their investment in the Fund.

Potential Conflicts of Interest. The Directors, Manager, Broker, Custodian and Administrator, or any affiliate or connected person of the aforementioned, may from time to time act in similar and other roles in relation to other Funds the Fund is invested in or that have similar objectives to those of the Fund. In addition, any of the foregoing may deal or transact, as principal or agent, with the Fund. The Manager or any of their affiliates or any person connected with the Manager may invest in, directly or indirectly, or manage or advise other investment Funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Manager nor any of their affiliates nor any person connected with them is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

Taxation

Introduction

The conclusions summarised herein could be adversely affected if any of the material factual representations on which they are based should prove to be inaccurate. Moreover, while this summary is considered to be a correct interpretation of existing laws in force on the date of this Offering Memorandum, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with such interpretations or that changes in such laws will not occur.

Prospective purchasers should consult legal advisors in the countries of their citizenship, residence and domicile to determine the possible tax or other consequences of purchasing, holding and redeeming Shares under the laws of their respective jurisdictions.

This summary is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties. This summary was written to support the promotion or marketing of the transactions or matters addressed herein, and any taxpayer to whom the transactions or matters are being promoted, marketed, or recommended should seek advice based on its particular circumstances from an independent tax advisor.

British Virgin Islands Taxation

The British Virgin Islands at present impose no taxes on profit, income, capital gains or appreciations in value of the Fund. There are also currently no taxes imposed in the British Virgin Islands by withholding or otherwise on the Shareholders on profit, income, capital gains or appreciations in respect of their Shares nor any taxes on the Shareholders in the nature of estate duty, inheritance or capital transfer tax.

United Kingdom Taxation

The Fund. The Directors intend that the affairs of the Fund should be managed and conducted so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Fund is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for United Kingdom taxation purposes and that all its trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Fund will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Manager each intend that the respective affairs of the Fund and the Manager are

conducted so that these requirements are met, insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the Fund which have a United Kingdom source may be subject to withholding or other taxes in the United Kingdom.

Shareholders. Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of an income nature made by the Fund, whether or not such dividends or distributions are reinvested. The nature of the charge to tax and any entitlement to a tax credit in respect of such dividends or distributions will depend on a number of factors which may include the composition of the relevant assets of the Fund and the extent of a Shareholder's interest in the Fund.

The Offshore Funds (Tax) Regulations 2009 (Offshore Funds Regulations) set out the regime for the taxation of investments in offshore funds (as defined in the United Kingdom Taxation (International and Other Provisions) Act 2010 (TIOPA 2010)) which operates by reference to whether a fund opts into a reporting regime (reporting funds) or not (non-reporting funds). If an investor who is resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that does not have reporting fund status throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income (offshore income gains) and not as a capital gain. Investors in reporting funds are subject to tax on the share of the reporting fund's income attributable to their holding in the fund, whether or not distributed, and any gains on disposal of their holding would be taxed as capital gains. Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the United Kingdom Corporation Tax Act 2009 (loan relationships regime) provides that, if at any time in an accounting period of such a person, that person holds an interest in an offshore fund within the meaning of the relevant provisions of the Offshore Funds Regulations and TIOPA 2010, and there is a time in that period when that fund fails to satisfy the "qualifying investments" test, the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60 per cent of its assets by market value (excluding cash awaiting investment) comprise "qualifying investments". Qualifying investments include government and corporate debt securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test. The Shares will constitute such interests in an offshore fund and on the basis of the investment policies of the Fund, the Fund could fail to satisfy the qualifying investments test. In that eventuality, the Shares will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Shares in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an

income receipt or expense on a “fair value accounting” basis. Accordingly, such a person who acquires Shares in the Fund may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). The United Kingdom Government on 6 June 2013 announced a consultation on the future of the loan relationships regime, which includes proposals potentially to reform this aspect of the regime.

Anti-avoidance. Individuals resident in the United Kingdom for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the Fund.

Persons resident in the United Kingdom for taxation purposes should note the provisions of section 13 of the United Kingdom Taxation of Chargeable Gains Act 1992 (Section 13). Section 13 could be material to any such person who has an interest in the Fund as a “participator” for United Kingdom taxation purposes (which term includes a Shareholder) at a time when any gain accrues to the Fund (such as on a disposal of any of its investments) which constitutes a chargeable gain or an offshore income gain if, at the same time, the Fund is itself controlled in such a manner and by a sufficiently small number of persons as to render the Fund a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of Section 13 would result in any such person who is a Shareholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the Fund had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Fund. No liability under Section 13 could be incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the Fund if the aggregate proportion of that gain that could be attributed under Section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one quarter of the gain. In addition, Section 13 does not apply where the asset giving rise to the gain was neither disposed of nor acquired or held as part of a scheme or arrangements having a tax avoidance main purpose. In the case of Shareholders who are individuals domiciled outside the United Kingdom, Section 13 applies subject to the remittance basis in particular circumstances.

Companies resident in the United Kingdom for taxation purposes should note the “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 (CFC rules). The CFC rules could in particular be material to any company that has (either alone or together with persons connected or associated with it for United Kingdom taxation purposes) an interest in 25 per cent or more of the “chargeable profits” of the Fund if the Fund is controlled (as “control” is defined in section 371RA of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the Fund, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of the CFC rules could be to render such

companies liable to United Kingdom corporation tax by reference to their proportionate interest in the chargeable profits of the Fund. The chargeable profits of the Fund do not include any capital gains.

Transfer taxes. Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5 per cent of the consideration paid rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

The preceding paragraphs, which are intended as a general guide only and do not constitute tax advice. If a Shareholder is in any doubt as to their taxation position or if a Shareholder is subject to tax in any jurisdiction in addition to or other than the United Kingdom, they should consult an appropriate professional adviser. It should be noted that the levels and bases of, and reliefs from, taxation can change.

Other Jurisdictions

Capital gains and other revenues received by the Fund may be subject to withholding or similar taxes imposed on foreign corporations by the country in which such gains or other revenues originate. In jurisdictions other than the United States, non-US taxes may be withheld at source on dividend and other income derived by the Fund at rates generally ranging up to thirty per cent (30 per cent). Capital gains derived by the Fund in such jurisdictions may often be exempt from non-US income or withholding taxes at source, although the treatment of capital gains varies among jurisdictions.

EUSD

The EUSD requires withholding of tax or exchange of tax information on interest paid to EU resident individuals and certain EU intermediary entities in certain limited circumstances. Distributions made by the Fund or income derived from the sale or redemption of the Shares in the Fund should generally not be subject to the EUSD withholding tax or exchange of information. However, if an investor in the Fund were to hold its Shares through a professional nominee that is based in an EU member state it is possible that the EUSD may apply to distributions made by the Fund to the investor or to the income derived by the investor from the sale or redemption of the Shares in the Fund. Whether the EUSD would apply in any given case would depend upon the circumstances surrounding the relevant investor and the manner in which the EUSD has been implemented in the relevant EU member state. In light of the foregoing, investors should consult with their own professional advisors as to the possible application of the EUSD to any distributions or income that they receive in connection with their Shares in the Fund.

FATCA & CRS

The Fund will be subject to US withholding taxes at a 30 per cent rate on payments of certain amounts made to the Fund (withholdable payments), unless it complies with extensive reporting and withholding requirements. Withholdable payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed and determinable annual or periodical gains, profits or income, if such payments are derived from US sources, as well as gross proceeds from disposition of Financial Instruments that could produce US source interest or dividends. Income which is effectively connected with a US trade or business is not, however, included in this definition.

To avoid this withholding tax, the Fund will be required to identify and disclose identifying and financial information about each US person (or foreign entity with substantial US ownership) which invests in the Fund, and to withhold tax at a 30 per cent rate on withholdable payments and related payments made to any investor that fails to furnish information requested by the Fund to satisfy its obligations under the agreement. Certain categories of investors, generally including, but not limited to, US tax-exempt investors, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, and state and federal governmental entities, will be exempt from such reporting. Shareholders are encouraged to consult with their own tax advisors regarding the possible applicability of the FATCA legislation on their investment in the Fund.

The British Virgin Islands government and the United States have entered into a Model 1 intergovernmental agreement (IGA). Under the IGA, the Fund will not be required to enter into a separate agreement directly with the IRS, but would instead be required to register with the IRS and comply with British Virgin Islands legislation that would be implemented to give effect to such IGA. The terms of such legislation require the Fund to report to the British Virgin Islands Tax Information Authority, who will exchange such information with the IRS under the terms of the IGA.

Shareholders will be required to furnish appropriate documentation certifying as to their US or non-US tax status, together with such additional tax information as the Fund may from time to time request. Failure to provide such information may subject a Shareholder to withholding taxes or mandatory redemption of its entire interest in the Fund.

A number of other jurisdictions have entered into or are committed to entering into inter-governmental agreements for the automatic cross-border exchange of tax information similar to the US-British Virgin Islands IGA, including, in particular, under a regime known as the OECD Common Reporting Standard (CRS). The British Virgin Islands have signed, along with over 80 other countries, a multilateral competent authority agreement to implement the CRS, and have passed regulations to give effect to the CRS. These regulations require British Virgin Islands "Financial Institutions", including the Fund, to identify specified persons in participating jurisdictions under the CRS, and to report related information to the British Virgin Islands Tax Information Authority (for automatic exchange with

the relevant tax authorities in such jurisdictions). The Fund may be subject to financial penalties or other sanctions if it fails to comply with the requirements of the British Virgin Islands regulations giving effect to CRS.

While the Fund will seek to satisfy its obligations under FATCA, the US-BVI IGA, the CRS and the associated implementing legislation in the British Virgin Islands to avoid the imposition of any withholdable payments, financial penalties and other sanctions, 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). The Fund intends to satisfy such obligations, although there can be no assurances that it will be able to do so. There is therefore a risk that the Fund may be subject to one or more withholdable payments, financial penalties and other sanctions, any of which may have a material adverse effect on the Net Asset Value and hence on the Net Asset Value per Share.

All prospective investors and Shareholders should consult with their respective tax advisers regarding the possible implications of FATCA, the US-BVI IGA, CRS and the associated implementing legislation in the British Virgin Islands and any other similar legislation and/or regulations on their investments in the Fund.

United Kingdom Intergovernmental Agreement

The British Virgin Islands has signed an intergovernmental automatic information exchange agreement with the United Kingdom (and is in the process of negotiating and agreeing similar agreements with other United Kingdom Overseas Territories and Crown Dependencies), modelled on the intergovernmental agreement between the United Kingdom and the United States that implements the United States FATCA legislation. In accordance with its proposed terms, the Fund will be a British Virgin Islands Financial Institution and will be required to register with the British Virgin Islands Tax Information Authority. The Fund will be required to identify any direct or indirect United Kingdom residents which invest in the Fund and obtain and provide to the British Virgin Islands Tax Information Authority certain information about such United Kingdom resident account holders. Such information is then automatically exchanged by the British Virgin Islands Tax Information Authority with the United Kingdom tax authorities. A Shareholder that is resident in the United Kingdom for tax purposes, or is an entity that is identified as having one or more controlling persons that is resident in the United Kingdom for tax purposes, will generally be required to provide information which identifies such United Kingdom tax resident persons and the extent of their respective investment in the Fund. Due to the overlap between the United Kingdom and British Virgin Islands intergovernmental automatic information exchange agreement (UK-BVI IGA) and CRS, reportable UK persons will be reported under CRS and not the UK-BVI IGA.

Failure to provide such information may subject the Fund to investigation and sanction pursuant to legislation which is not yet in force. The Fund will take any steps necessary to avoid such sanctions which may include (but are not limited to) allocating the costs of any penalty or fine to the relevant Shareholder or compulsorily redeeming the relevant Shareholder.

Changes in Law

All laws, including laws relating to taxation in the British Virgin Islands and other jurisdictions are subject to change without notice.

The summary above does not address tax considerations that may be applicable to certain Shareholders under the laws of jurisdictions other than the British Virgin Islands. The Fund has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions that would afford the relief to local investors therein from the normal tax regime otherwise applicable to an investment in the Shares. It is the responsibility of all persons interested in purchasing the Shares to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions relevant to their particular circumstances in connection with the acquisition, holding, or disposition of the Shares. The receipt of dividends (if any) by Shareholders, the redemption, exchange or transfer of Shares and any distribution 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, Fund and each of the Fund's agents shall have no liability in respect of the individual tax affairs of Shareholders. The value of the Fund's investments may also be affected by repatriation and exchange control regulations.

Regulatory Information

British Virgin Islands

The Fund is approved under the Securities and Investment Business Regulations of the British Virgin Islands. The Financial Services Commission Act, 2001 of the British Virgin Islands provides that the British Virgin Islands Financial Services Commission (the Commission) may require the Fund to provide specified information or information of a specified description or to produce specified documents or documents of a specified description if such disclosure is reasonably required for the purpose of discharging the Commission's function or ensuring compliance with any financial services legislation. The Commission may impose conditions on the Fund's certificate of approval. In addition, the Commission may take enforcement action against the Fund (which may include revocation or suspension of the Fund's certificate of approval).

The requirements that apply to a fund registered under the British Virgin Islands Securities and Investment Business Act, 2010 (SIBA) as a public fund do not apply to the Fund. An investor in the Fund is solely responsible for determining whether the Fund is suitable for his or her investment needs. Investment in the Fund may present a greater risk to an investor than an investment in a fund registered under SIBA as a public fund.

AIFMD

The European Council and the European Parliament have approved the Alternative Investment Fund Managers Directive 2011/61/EU (AIFM Directive) published by the European Commission on alternative investment fund managers (AIFMs). The AIFM Directive will be supplemented with further rules and is required to be transposed into the laws of the European Union (the EU) Member States. The overarching purpose of the AIFM Directive is to (a) regulate AIFMs based in the EU and (b) prohibit AIFMs from either (i) managing any alternative investment fund (AIF) in the EU or (ii) marketing shares in AIFs to investors in the EU unless authorized and, in the case of an AIF domiciled outside of the EU (such as the Fund), unless the domicile of the AIF meets certain conditions. To obtain authorization and to manage an AIF in the EU, an AIFM would need to comply with various obligations in relation to the AIF which may create significant additional compliance costs that may be passed to investors in the relevant AIF.

The UK Parliament has approved similar regulations, the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 in anticipation of the UK leaving the EU.

On 24 December 2020, the governments of the United Kingdom (UK) and the European Union (EU) reached a Trade and Cooperation Agreement (UK-EU Trade Agreement) in advance of the end of the Brexit transition period. The UK-EU Trade Agreement does not provide a solution for the provision of financial services between the UK

and the EU and is subject to further separate negotiations. The FCA has published related guidance, including Temporary Transitional Power (TTP) directions that apply in the UK from the end of the Brexit transition period in order to delay or phase-in regulatory requirements where they change because of Brexit. UK regulated firms are expected to comply with the onshored UK regime by the end of the TTP period, 31 March 2022.

It is not possible to determine at present the full impact that the AIFM directives and UK-EU Trade Agreement will have on the Fund. The Fund for itself may be required to implement steps to comply with national rules to implement the AIFM directive where the Fund is to be marketed. Compliance measures may be significant or may require amendments to the structure of the Fund. Regulatory changes impairing the ability of the Manager to manage investments of the Fund, or limiting the Fund's ability to market Shares in the future may have a material adverse effect on the Fund's ability to carry out its investment approach and in turn to achieve their respective investment objective.

Additional Information

Data Protection

As part of the application process all subscribers are required to submit various documents to the Administrator. These are required to enable completion of the application process and to comply with all relevant legislation. Any information received will be kept by the Administrator in accordance with the relevant data protection legislation and, in the normal course of business, will not be made available to anyone other than the Administrator.

However, it may become necessary to transfer data at any time to comply with legislation in force either now or at any time in the future (see under "Anti-Money Laundering" for further details). Further, should the administrative functions, in whole or in part, be transferred to another entity, data will be transferred or delegated to the extent necessary for such new entity to carry out its functions effectively. This may include entities in the U.S.* and other countries which are deemed to have equivalent data protection legislation in place, and also to countries that are not deemed to have equivalent data protection legislation in place.

By subscribing to the Fund all subscribers should note the above, and also note that, by completion of the Application Form, they are agreeing to any transfer of data carried out for any of the reasons given above, or for any reason that the Administrator deems necessary to comply with legislation in force at the time.

*Entities in the US that comply with the Safe Harbour are deemed to have equivalent legislation to that in all EU countries.