
IMPORTANT

No application has been made to any stock exchange for the listing of the Shares on a stock exchange. No prospectus has been registered in any jurisdiction in connection with the offer for subscription of the Shares, nor have the contents of this document been reviewed by any regulatory authority in Hong Kong, the Cayman Islands or by any Federal or state regulatory authority in the United States. You are advised to exercise caution in relation to the offer contained in this document. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the US Securities Act of 1933, as amended, and the applicable securities laws of applicable states within the United States, pursuant to registration or exemption therefrom. Prospective investors should be aware that they may be required to bear the financial risk of an investment in the Shares for an indefinite period of time.

PRUDENCE ENHANCED INCOME FUND

(an exempted company incorporated in the Cayman Islands with limited liability, registered under the Companies Law (2020 Revision) of the Cayman Islands, and registered with the Cayman Islands Monetary Authority under the Mutual Funds Law)

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Placement of Shares of US\$0.01 par value each
at the prevailing Class A Subscription Price or Class I Subscription Price or Class P Subscription
Price (as applicable).

Fund Manager

Prudence Asset Management Pte. Ltd.

Investment Advisor

Prudence Investment Management (Hong Kong) Limited

January 2021

IMPORTANT NOTICE

Prudence Enhanced Income Fund (the "**Feeder Fund**", or where referred together with Prudence Enhanced Income Master Fund (the "**Master Fund**") and any other feeder fund thereof, the "**Fund**") is a Cayman Islands exempted company with limited liability to operate as a private investment fund.

This Confidential Private Placement Memorandum ("**Private Placement Memorandum**") relates to the issuance of the non-voting participating shares in the Feeder Fund (the "**Shares**"). This Private Placement Memorandum is distributed on a private and confidential basis, and the distribution of this document and the offering of the Shares may be restricted in certain jurisdictions. Accordingly, persons into whose possession this document comes are required by the Fund to inform themselves about and to observe such restrictions, and seek independent professional advice if necessary. There will be no public offering of the Shares and this document does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this Private Placement Memorandum and/or an subscription form in any territory may treat the same as constituting an invitation for him to subscribe for Shares nor should in any event use such an subscription form unless in the relevant territory such an invitation could lawfully be made without compliance with any registration or other legal requirement.

The Shares are not, and are not expected to be, liquid, except as described in this Private Placement Memorandum. There will be no active secondary market for the Shares, nor do the Directors or the Fund Manager (each as defined below) expect that an active secondary market will develop. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Redemption rights may be suspended under the circumstances described in this Private Placement Memorandum.

No listing or other dealing facility is at present being sought for the Shares in any jurisdiction.

The Master Fund is not hereby offering any securities and accordingly this Private Placement Memorandum is not to be regarded as having been authorised or issued by the Master Fund. The Master Fund does not have an offering document or equivalent document.

Prospective investors should read this Private Placement Memorandum carefully. However, no representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences from an investment in the Fund. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this Private Placement Memorandum as legal or tax advice. Each investor should consult his own counsel, tax adviser and accountant for advice concerning the various legal, tax and economic considerations relating to his investment. Each prospective investor is responsible for the fees of his own counsel, tax adviser, accountants and other advisers.

The Shares have not been registered or qualified under the securities laws of any jurisdiction and are being offered and sold only to the extent of, and in reliance on, exemptions from the registration

requirements of those laws. The Shares have neither been approved nor disapproved by any governmental or regulatory authority, nor have any of the foregoing passed upon or endorsed the merits of the offering or the accuracy or adequacy of this Private Placement Memorandum. Any representation to the contrary is unlawful. Neither the Feeder Fund nor the Master Fund is registered as an investment company or mutual fund under the laws of any jurisdiction other than the Cayman Islands and is therefore not supervised by any supervisory or regulatory body or subject to the rules or regulations of any such body other than the Authority (as defined below), which will not approve or disapprove the objectives or policies of the Fund, or its suitability as an investment for any person. The Fund Manager is an exempt private company limited by shares incorporated under the Companies Act (Cap. 50) of Singapore and holds a capital markets services license issued by the Monetary Authority of Singapore (“MAS”) for conducting fund management under the Securities and Futures Act (Cap. 289) (“SFA”) of Singapore. The Master Fund is also registered as a regulated mutual fund with the Authority pursuant to the Mutual Funds Law.

SUBJECT TO SUCH HIGHER MINIMUM AS THE FEEDER FUND MAY DETERMINE, PURSUANT TO THE MUTUAL FUNDS LAW (2020 REVISION) THE MINIMUM AGGREGATE EQUITY INTEREST PURCHASABLE BY A PROSPECTIVE INVESTOR IS EIGHTY THOUSAND CAYMAN ISLANDS DOLLARS (OR ITS EQUIVALENT IN ANY OTHER CURRENCY, APPROXIMATELY US\$100,000).

Neither the Feeder Fund nor the Master Fund has been or will be registered as an investment company under the US Investment Company Act of 1940, as amended. The Investment Advisor expects to be treated as an “exempt reporting adviser” under the US Investment Advisers Act of 1940, as amended (the “Advisers Act”), and will not be subject to the provisions of the Advisers Act applicable only to investment advisors registered or required to be registered thereunder.

WHILE THE FEEDER FUND MAY TRADE SWAPS, FUTURES, OPTIONS AND OTHER INSTRUMENTS SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE COMMODITY FUTURES TRADING COMMISSION (THE "CFTC"), SUCH INVESTMENTS ARE NOT INTENDED TO COMPRISE A SIGNIFICANT PORTION OF FEEDER FUND'S TOTAL INVESTMENTS. THE FUND MANAGER AND THE INVESTMENT ADVISOR INTEND TO QUALIFY FOR EXEMPTIONS FROM REGISTRATION REQUIREMENTS UNDER THE COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "CEA") AND THE REGULATIONS PROMULGATED THEREUNDER (THE "CFTC REGULATIONS") APPLICABLE TO A COMMODITY POOL OPERATOR ("CPO") AND A COMMODITY TRADING ADVISOR PURSUANT TO CFTC REGULATIONS 4.13(a)(3) AND 4.14(a)(10), RESPECTIVELY (THE "REGISTRATION EXEMPTIONS") AND FILE NOTICES OF EXEMPTION WITH THE NATIONAL FUTURES ASSOCIATION IN ACCORDANCE WITH THE CFTC REGULATION 4.13(a)(3). TO QUALIFY FOR THE REGISTRATION EXEMPTIONS, THE FUND MANAGER INTENDS TO (A) OFFER SHARES ONLY TO "QUALIFIED ELIGIBLE PERSONS", AS SUCH TERM IS DEFINED UNDER CFTC REGULATION 4.7(a), AND (B) MAINTAIN THE AMOUNT OF THE FEEDER FUND'S TOTAL INVESTMENTS IN SWAPS, FUTURES, OPTIONS AND OTHER INSTRUMENTS SUBJECT TO THE EXCLUSIVE JURISDICTION OF THE CFTC UNDER THE THRESHOLD PROMULGATED UNDER CFTC REGULATION 4.13(a)(3) SUCH THAT

(I) THE AGGREGATE INITIAL MARGIN AND PREMIUMS REQUIRED TO ESTABLISH POSITIONS IN SUCH CFTC-REGULATED INSTRUMENTS DOES NOT EXCEED FIVE PERCENT OF THE FEEDER FUND'S LIQUIDATION VALUE OR (II) THE NOTIONAL VALUE OF THE FEEDER FUND'S AGGREGATE INVESTMENTS IN SUCH CFTC-REGULATED INSTRUMENTS DOES NOT EXCEED 100% OF THE FEEDER FUND'S LIQUIDATION VALUE.

THEREFORE, UNLIKE A REGISTERED CPO, THE FUND MANAGER IS NOT REQUIRED TO DELIVER A DISCLOSURE DOCUMENT OR A CERTIFIED ANNUAL REPORT TO THE FEEDER FUND'S EXISTING AND PROSPECTIVE INVESTORS. HOWEVER, THE FEEDER FUND WILL DELIVER THIS PRIVATE PLACEMENT MEMORANDUM AS WELL AS ANY PERIODIC AND ANNUAL REPORTS DESCRIBED HEREIN TO ALL INVESTORS. THIS PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN REVIEWED OR APPROVED BY THE COMMODITY FUTURES TRADING COMMISSION.

The Investment Advisor is licensed by the Securities and Futures Commission of Hong Kong ("SFC") to carry on the regulated activities of asset management (Type 9), advising on securities (Type 4) and dealing in securities (Type 1) pursuant to Section 116 of the Securities and Futures Ordinance ("SFO"), subject to such licensing conditions as set out in detail in this Private Placement Memorandum.

No offering document or advertising in any form shall be employed in the offering of the Shares other than this Private Placement Memorandum and the documents referred to herein. A prospective investor should not subscribe for Shares unless satisfied that he and/or his investment representative have asked for and received all information which would enable such person to evaluate the merits and risks of the proposed investment.

No person has been authorised in connection with this offering to give any information or make any representations other than as contained in this Private Placement Memorandum, and any representation or information not contained herein must not be relied upon as having been authorized by the Fund, the Directors, the Fund Manager or any of their respective affiliates. Statements in this Private Placement Memorandum are made as of the date stated on the cover page, unless stated otherwise, and neither the delivery of this Private Placement Memorandum at any time, nor any offer or sale hereunder, shall under any circumstances create an implication that the information contained herein is correct as of any time subsequent to such date(s). Neither the Fund nor the Directors nor the Fund Manager nor any of their respective affiliates undertakes any obligation to provide the recipient with access to any additional information or to update this Private Placement Memorandum or any additional information or to correct any inaccuracies in this Private Placement Memorandum or any additional information which may become apparent.

Notwithstanding anything in this Private Placement Memorandum to the contrary, each recipient of this Private Placement Memorandum (and any employee, representative or other agent thereof) may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the Fund and any transactions undertaken by the Fund, it being understood and agreed, for this purpose, that (1) the name of, or any other identifying information

regarding (a) the Fund or any existing or future investor (or any affiliate thereof) in the Fund, or (b) the identity of any investment or transaction entered into by the Fund; and (2) any performance information relating to the Fund or their investments, do not constitute such tax treatment or tax structure information.

The Fund Manager reserves the right to reject for any reason any offer, in whole or in part, to subscribe for the Shares.

Certain information contained in this Private Placement Memorandum constitutes "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described in the section headed "Risk Factors", actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM DO NOT IN ANY WAY CONSTITUTE ADVICE RELATING TO LEGAL, TAXATION, FINANCIAL, INVESTMENT OR ANY OTHER MATTER. IF YOU ARE IN DOUBT AS TO THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR OR ACCOUNTANT OR OTHER FINANCIAL ADVISOR.

This Private Placement Memorandum may be updated from time to time. Prospective investors should enquire if any supplements to this Private Placement Memorandum or any later Private Placement Memorandum have been issued.

The Shares are offered on the basis of the information and representations contained in this document and any further information given or representations made by any person may not be relied upon as having been authorized by the Fund or its Directors. Neither the delivery of this document nor the allotment or issue of Shares shall under any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.

This document is based on the laws and practices currently in force in the Cayman Islands and is subject to changes therein.

INVESTMENT IN SHARES IS SUBJECT TO RISKS AND IS ONLY SUITABLE FOR SOPHISTICATED INVESTORS WHO UNDERSTAND THE RISKS INVOLVED AND ARE ABLE TO BEAR THE LOSS OF A SUBSTANTIAL PORTION, OR EVEN ALL, OF THE MONEY INVESTED. THE VALUE OF SHARES AND THE INCOME FROM THEM, IF ANY, MAY FALL AS WELL AS RISE. YOUR ATTENTION IS DRAWN TO THE SECTION HEADED "RISK FACTORS" WHICH SET OUT SOME OF THE RISK FACTORS TO BE CONSIDERED BEFORE ANY INVESTMENT IS MADE IN THE SHARES.

To the extent that statements made in this Private Placement Memorandum summarize provisions of any agreement or document, they are qualified in their entirety by the provisions of such agreements and documents.

Past Performance

Past performance figures for the Fund can be obtained from the Fund Manager or the Investment Advisor at their respective addresses as set out in the section headed “Corporate Information”.

SELLING RESTRICTIONS

General

No action has been taken which would permit a public offering of the Shares in any jurisdiction where action for that purpose would be required and the Fund is not registered or licensed in any jurisdiction or with any supervisory or regulatory authority outside the Cayman Islands. This Private Placement Memorandum does not constitute an offer or solicitation in any jurisdiction in which such an offer or solicitation is not authorised, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. Any representation to the contrary is unlawful.

This Private Placement Memorandum has been sent to prospective investors at their request. This Private Placement Memorandum is personal and confidential and may not be distributed to anyone, or in any jurisdiction, that would make such distribution unlawful. Each person receiving this Private Placement Memorandum hereby agrees to return it promptly upon request. This Private Placement Memorandum does not constitute either a commitment, or advice, or a recommendation to make a purchase or subscription of Shares.

Cayman Islands

No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN ISSUING SUCH A LICENCE OR IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

Hong Kong

This Private Placement Memorandum has not been delivered for registration to the Registrar of Companies in Hong Kong and its contents have not been reviewed by any regulatory authority in

Hong Kong. The Fund has not been authorized by the Hong Kong Securities and Futures Commission. Accordingly: (i) the Fund is a “complex product” for the purposes of the Code of Conduct for Persons registered with the Securities and Futures Commission. The Shares may not be offered or sold in Hong Kong by means of any document other than to persons that are considered "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder or in other circumstances which do not result in such document being a "prospectus" as defined in the Companies (Winding-Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies (Winding-Up and Miscellaneous Provisions) Ordinance; and (ii) no person may issue, or have in its possession for the purpose of issue, any invitation, advertisement or other document relating to the Shares whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors".

Unless otherwise stated in this Private Placement Memorandum, an investment in the Fund is not guaranteed or principal protected. Past performance is not indicative of future performance.

Only for investors who are either (i) individuals or (ii) Corporate Professional Investors (as defined in the Code of Conduct for Persons Licensed By or Registered With the Securities and Futures Commission (the “Code of Conduct”)) who are not exempt from chapter 15.4 of the Code of Conduct: - If we, Prudence Investment Management (Hong Kong) Limited, solicit the sale of or recommend any financial product to you, the financial product must be reasonably suitable for you having regard to your financial situation, investment experience and investment objectives. No other provision of this document or any other document we may ask you to sign and no statement we may ask you to make derogates from this clause.

WARNING: The content of this Private Placement Memorandum has not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offering. If you are in any doubt about any content of this Private Placement Memorandum, you should obtain independent professional advice.

Singapore

Neither the Feeder Fund nor the Master Fund are collective investment schemes authorised by the MAS under section 286 of the SFA or recognised by the MAS under section 287 of the SFA, and Shares in both the Feeder Fund and the Master Fund are not allowed to be offered to the retail public.

This Private Placement Memorandum (as well as any other document issued in connection with the offer or sale of the Shares) is not a prospectus as defined in the SFA, nor will it be lodged or registered as a prospectus with the MAS and, accordingly, statutory liability under the SFA in relation to the content of prospectuses does not apply, and potential investors should carefully consider whether an investment in the Shares is suitable for them. The MAS assumes no responsibility for the contents of this Private Placement Memorandum (nor any other document issued in connection with the offer or sale of the Shares).

The Shares have been classified as “capital markets products other than prescribed capital markets products)” for the purposes of section 309B of the SFA and as “specified investment products” for the purposes of MAS Notices SFA04-N12 and FAA-N16).

No offer of the Shares for subscription or purchase, or invitation to subscribe for or purchase the Shares, may be made, nor any document or other material (including but not limited to this Private Placement Memorandum) relating to the Shares may be circulated or distributed, either directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in section 4A of the SFA) pursuant to section 304 of the SFA; (ii) to a relevant person (as defined in section 305(5) of the SFA) pursuant to section 305(1) of the SFA; (iii) on terms that the minimum consideration is S\$200,000 or the equivalent thereof in another currency, in accordance with section 305(2) of the SFA; or (iv) otherwise pursuant to, and in accordance with the conditions of, any other exemption under the SFA.

Pursuant to section 305 of the SFA, read in conjunction with regulation 32 of and the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005, the Feeder Fund has been entered into the list of restricted schemes maintained by the MAS for the purposes of offering Shares in the Feeder Fund to relevant persons (as defined in section 305(5) of the SFA), or for the purposes of offering Shares in the Feeder Fund in accordance with the conditions of section 305(2) of the SFA.

Where an offer is made to institutional investors pursuant to section 304 of the SFA, the following restrictions (under section 304A) apply to the Shares acquired pursuant to such an offer. Where such Shares are first sold to any person other than an institutional investor, the requirements of Subdivisions (2) and (3) of Division 2 to Part XIII of the SFA will apply to the offer resulting in such sale, save where the Shares acquired are of the same class as, or can be converted into Shares of the same class as, the other Shares:

- i. which are listed for quotation on an approved exchange (as defined in the SFA); and
- ii. in respect of which any offer information statement, introductory document, unitholders’ circular for a reverse take-over, document issued for the purposes of a trust scheme, or any other similar document approved by an approved exchange (as defined in the SFA), was issued in connection with an offer of those Shares, or the listing for quotation of those Shares.

Where an offer is made to relevant persons pursuant to section 305 of the SFA, the following restrictions (under section 305A) apply to the Shares acquired pursuant to such an offer. Where such Shares are first sold to any person other than (i) an institutional investor; (ii) a relevant person; or (iii) on terms in accordance with section 305(2) of the SFA, the requirements of Subdivisions (2) and (3) of Division 2 to Part XIII of the SFA will apply to the offer resulting in such sale, save where the Shares acquired are of the same class as other Shares:

- i. which are listed for quotation on an approved exchange (as defined in the SFA); and
- ii. in respect of which any offer information statement, introductory document, unitholders’ circular for a reverse take-over, document issued for the purposes of a trust scheme, or any other similar document approved by an approved exchange (as defined in the SFA), was

issued in connection with an offer of those Shares, or the listing for quotation of those Shares.

Further, where the Shares are acquired pursuant to an offer made in reliance on section 305 of the SFA and the acquirer is:

- a. a corporation which is not an accredited investor (as defined in the SFA), whose sole business is to hold investments and the entire share capital of which is owned by individuals each of whom is an accredited investor (as defined in the SFA); or
- b. a trust of which the trustee is not an accredited investor (as defined in the SFA) and whose sole purpose is to hold investments for the benefit of beneficiaries each of whom is an individual who is an accredited investor (as defined in the SFA),

then no securities of such a corporation and no rights and interests of the beneficiaries in such a trust (as the case may be) shall be transferred for a period of 6 months from the time the corporation or trust (as the case may be) acquired the Shares, unless such transfers are in accordance with the conditions specifically provided in sections 305A(2) and 305A(3) of the SFA (as the case may be).

United States

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), and the Fund has not been and will not be registered as an investment company under the US Investment Company Act of 1940, as amended (the "**1940 Act**"), and therefore the Fund will not be subject to the provisions of the 1940 Act designed to protect investment company shareholders, nor will the Fund be subject to the securities laws of any state. The Shares will be offered and sold for investment purposes only in the United States under the exemption provided by Section 4(a)(2) of the Securities Act and Regulation D thereunder and in compliance with the applicable securities laws of each state or other jurisdiction in which the offering will be made. The Shares will be offered and sold outside of the United States in accordance with Regulation S under the Securities Act. The Fund will rely on the exemption from registration provided by Section 3(c)(7) of the 1940 Act, and, with respect to "US Persons", the Shares will be placed only to those who are both (i) "accredited investors" within the meaning of Rule 501(A) of Regulation D under the Securities Act and (ii) "qualified purchasers" as defined in Section 2(A)(51) of the 1940 Act, as amended.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state, foreign and other securities laws, pursuant to registration or exemption therefrom. The transferability of Shares will be further restricted by the terms of the Fund. Prospective purchasers should be aware that they may be required to bear the financial risks of any investment in the Fund for an indefinite period of time.

The Shares have not been recommended, approved or disapproved by any US federal or state, or by any securities commission or regulatory authority outside the United States, nor has any such authority or commission commented upon the accuracy or adequacy of this Private Placement Memorandum.

Notwithstanding anything to the contrary contained in this Private Placement Memorandum and the Fund's subscription agreements, all persons may disclose to any and all persons, without limitations of any kind, the US federal, state and local income tax treatment of the Shares, any fact that may be relevant to understanding the US federal, state and local income tax treatment of the Shares, and all materials of any kind (including opinions or other tax analyses) relating to such US federal, state and local income tax treatment, other than the name of the parties or any other person named in this Private Placement Memorandum, or information that would permit identification of the parties or such other persons, and any pricing terms or other nonpublic business or financial information that is unrelated to the US federal, state or local income tax treatment of the Shares and is not relevant to understanding the US federal, state or local income tax treatment of the Fund.

For Florida residents

A purchaser (other than an institutional investor described in section 517.061(7), Fla. Stat.) who accepts an offer to purchase securities exempted from registration by section 517.061(11), Fla. Stat., may void such purchase within a period of three (3) days after (a) he first tenders consideration to the issuer, its agent or an escrow agent or (b) the availability of that privilege is communicated to the purchaser in Florida (not counting those institutional investors described in section 517.061(7)).

Other jurisdictions

The distribution of this Private Placement Memorandum and the offer of the Shares may be restricted in other jurisdictions. Prospective investors should inform themselves of the legal requirements within their own jurisdictions and any taxation or exchange control legislation affecting them personally, including the obtaining of any requisite governmental or other consents and the observation of any other formalities. Prospective investors are encouraged to seek independent professional advice in their own jurisdiction if necessary.

An investment in the Fund may be deemed speculative and is not intended as a complete investment program. It is designed only for experienced and sophisticated persons who are able to bear the risk of the substantial impairment or loss of their investment in the Fund. There will not be any public market for the Shares and the Shares are not listed on any stock exchange. The Private Placement Memorandum and Articles of Association of the Fund together provide for restrictions on dealing with Shares.

Statements made in this Private Placement Memorandum are based on the law and practice in force at the date hereof and are subject to changes therein.

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1. DEFINITIONS

In this document, unless the context otherwise requires, the following expressions shall bear the following meanings respectively:-

"1940 Act"	The US Investment Company Act of 1940, as amended.
"Accredited Investor"	An investor who satisfies the criteria as an "accredited investor," as defined in Rule 501 under the Securities Act.
"Administration Agreement"	The agreement between the Feeder Fund and the Administrator or the agreement between the Master Fund and the Administrator, both referred to in the section headed "Material Contracts" - "General Information", under which the Administrator is appointed as administrator and transfer agent to provide administration and transfer agent services to the Fund on the terms and conditions thereof.
"Administrator"	HSBC Trustee (Cayman) Limited in its capacity as administrator and transfer agent of the Feeder Fund and the Master Fund or such other administrator as may be appointed by the Master Fund and the Feeder Fund from time to time.
"Administrator's Service Provider"	HSBC Institutional Trust Services (Asia) Limited in its capacity as the service provider of the Administrator, or such other service provider as may be appointed by the Administrator from time to time.
"Advisers Act"	The US Investment Advisers Act of 1940, as amended.
"Affiliate"	<p>In respect of a person, another person which Controls, is Controlled by or under common Control with such first person.</p> <p>For purposes of this definition, the term "Control" shall mean the ability of a person to control the affairs of another person through the exercise of a majority of the voting rights or the right to appoint</p>

	and remove a majority of the board of directors or other governing body, and "Controlled" has the corresponding meaning.
"Articles"	The memorandum of association and the articles of association of the Feeder Fund and/or the Master Fund (as the context may require) as amended or varied from time to time.
"Auditor"	The auditor or auditors of the Fund appointed from time to time.
"Authority"	The Cayman Islands Monetary Authority.
"Base Currency"	US Dollars.
"Benefit Plan Investor"	As defined in the Plan Asset Regulation, any (i) "employee benefit plan" as defined in and subject to Title I of ERISA, (ii) "plan" as defined in and subject to Section 4975(e)(1) of the Code, and (iii) entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, "plan assets" by reason of such an employee benefit plan's or plan's investment in such entity.
"BNP Prime Brokerage Agreement"	The agreement referred to in paragraph (i) under the section headed "General Information" – "Material Contracts" by which the Fund has appointed BNP Paribas, London branch as a prime broker in relation to the Fund, as supplemented by a number of product specific supplemental documents.
"Business Day"	A day other than Saturday or Sunday on which banks in Hong Kong are open for normal banking business or such other day as the Directors may designate from time to time as a Business Day provided that where as a result of a Number 8 Typhoon Signal, Black Rainstorm Warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such Business Day shall end prematurely unless the Directors otherwise determine.
"Class A Shares"	A class of Shares of the Fund designated as Class A Shares and having the specific features as set out

	more particularly in this Private Placement Memorandum.
“Class A Shareholder(s)”	A holder or holders (where referred collectively) of Class A Shares issued in the Feeder Fund.
"Class A Redemption Price"	The price at which each Class A Share may be redeemed as calculated in accordance with the provisions set out in the Articles and this Private Placement Memorandum as described under the section headed "Subscription Prices and Redemption Prices" - "Fees and Expenses" below.
"Class A Subscription Price"	The subscription price per Class A Share in each series shall be equal to the Class A Redemption Price (before any deduction for the Performance Fee, except where such Class A Shares are subscribed for on the last Dealing Day in each Financial Year) calculated in relation to the relevant Dealing Day of the oldest series of Class A Shares in issue on such day.
"Class I Redemption Price"	The price at which each Class I Share may be redeemed as calculated in accordance with the provisions set out in the Articles and this Private Placement Memorandum as described under the section headed "Subscription Prices and Redemption Prices" - "Fees and Expenses" below.
“Class I Shares”	A class of Shares of the Fund designated as Class I Shares and having the specific features as set out more particularly in this Private Placement Memorandum.
“Class I Shareholder(s)”	A holder or holders (where referred collectively) of Class I Shares issued in the Feeder Fund.
“Class I Subscription Price”	The subscription price per Class I Share shall be equal to the Class I Redemption Price calculated in relation to the relevant Dealing Day as described more particularly under the section headed “Subscription Prices and Redemption Price”.

“Class P Redemption Price”	The price at which each Class P Share may be redeemed as calculated in accordance with the provisions set out in the Articles and this Private Placement Memorandum as described under the section headed “Subscription Prices and Redemption Prices” – “Fees and Expenses” below.
“Class P Shares”	A class of Shares of the Fund designated as Class P Shares and having the specific features as set out more particularly in this Private Placement Memorandum and shall include Shares issued in both the Class P Trailer Series and Class P Non-Trailer Series.
“Class P Non-Trailer Series”	A series of Class P Shares and each of its sub-series, free of trailer fees, issued in the Fund having the specific features as set out more particularly in this Private Placement Memorandum.
“Class P Trailer Series”	A series of Class P Shares and each of its sub-series, subject to trailer fees, issued in the Fund having the specific features as set out more particularly in this Private Placement Memorandum.
“Class P Shareholder(s)”	A holder or holders (where referred collectively) of Class P Shares (including Shares issued in the Class P Non-Trailer Series and the Class P Trailer Series) issued in the Feeder Fund.
“Class P Subscription Price”	The subscription price per Class P Share (including Shares issued in the Class P Non-Trailer Series and the Class P Trailer Series) shall be equal to the Class P Redemption Price for each such series (before any deduction for the Performance Fee attributable to Shares of the Class P Non-Trailer Series and the Class P Trailer Series except where such Class P Non-Trailer Series Shares and Class P Trailer Series Shares are subscribed for on the last Dealing Day in each Financial Year) calculated in relation to the relevant Dealing Day of the oldest series of Shares of Class P Non-Trailer Series and Shares of the Class P Trailer Series in issue on such day.

"Code"	The United States Internal Revenue Code of 1986, as amended from time to time.
"Companies Law"	Companies Law (2020 Revision) of the Cayman Islands, as consolidated, amended and revised from time to time.
"CS Prime Brokerage Agreement"	The agreement referred to in paragraph (g) under the section headed "General Information" – "Material Contracts" by which the Fund has appointed Credit Suisse AG, Dublin Branch as a prime broker in relation to the Fund, as supplemented by a number of product specific supplemental documents.
"Custodian"	The custodian or custodians of the Fund from time to time.
"Custodian Agreement"	The agreement referred to the section headed "General Information" – "Material Contracts" by which the Fund has appointed Bank of China (Hong Kong) Limited as a custodian in relation to the Fund.
"Dealing Day"	Each Valuation Day and/or such other day or days as the Directors may designate from time to time.
"Directors"	The board of directors of the Feeder Fund and/or the Master Fund, as the context may require, including duly authorised committees or delegates thereof. A reference herein to a right or power of the Directors to act or make a decision shall include (i) a right or power of the Fund Manager to so act or make such decision under delegation of authority from the Directors, and (ii) a right or power of the Investment Advisor to so act or make such decision under delegation of authority from the Fund Manager.
"Eligible Investors"	A person who is eligible to acquire or hold Shares, as defined in the section headed "Eligible Investor" - "Issue and Redemption of Shares".
"ERISA"	The United States Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Plan"	An United States employee benefit plan or trust within the meaning of, and subject to, the provisions of ERISA.
"Feeder Fund"	Prudence Enhanced Income Fund, an exempted company with limited liability incorporated in the Cayman Islands.
"Financial Year"	The period beginning on 1 January immediately following the end of the preceding Financial Year and ending on the following 31 December, save in the last Financial Year where such Financial Year shall end upon dissolution of the Feeder Fund.
"Fund"	Each of the Master Fund, the Feeder Fund, and any Other Feeder Fund of the Master Fund, as the context may require.
"Fund Manager"	Prudence Asset Management Pte. Ltd., an exempt private company limited by shares incorporated under the Companies Act (Cap. 50) of Singapore, or such other entity appointed and from time to time acting as the Fund Manager of the Fund.
"GS Prime Brokerage Agreement"	The agreement referred to under the section headed "General Information" – "Material Contracts" by which the Fund has appointed Goldman Sachs International as a Prime Broker in relation to the Fund, as supplemented by a number of product specific supplemental documents
"Hong Kong Dollar"	The lawful currency of Hong Kong.
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC.
"IFRS"	International Financial Reporting Standards.
"Investment Advisor"	Prudence Investment Management (Hong Kong) Limited, a limited company incorporated in Hong Kong, or such other entity appointed and from time to time acting as the Investment Advisor of the Fund.
"Investment Advisory Agreement"	The agreement entered into between the Fund Manager and the Investment Advisor pursuant to which the Investment Advisor is appointed as

	investment advisor to the Fund Manager in respect of the Fund.
"Investment Management Agreement"	The agreement entered into between, <i>inter alia</i> , the Master Fund, the Feeder Fund and the Fund Manager pursuant to which the Fund Manager is appointed as investment manager to the Master Fund and the Feeder Fund.
"IRS"	The United States Internal Revenue Service.
"Lock-Up Period"	In relation to a class of Shares, such period as may be determined by the Directors or the Fund Manager and as specified in the section headed "Issue and Redemption of Shares" – "Procedures for Redemptions", during which a Share of the particular class or series of a class (where applicable) may not be redeemed without the consent of the Director whether generally or particularly.
"Management Fee"	The management fee payable by the Feeder Fund to the Fund Manager, as more particularly set out in the section headed "Management Fee and Performance Fee" - "Fees and Expenses".
"Management Share"	A voting non-participating management share having a par value of US\$0.01 in the capital of the Feeder Fund.
"Master Fund"	Prudence Enhanced Income Master Fund, an exempted company with limited liability incorporated in the Cayman Islands.
"MS Prime Brokerage Agreement"	The agreement referred to under the section headed "General Information" – "Material Contracts" by which the Fund has appointed Morgan Stanley & Co. International plc as a Prime Broker in relation to the Fund, as supplemented by a number of product specific supplemental documents.
"Mutual Funds Law"	Mutual Funds Law (2020 Revision) of the Cayman Islands as consolidated, amended and revised from time to time.
"Net Asset Value"	The net asset value of the Fund as calculated in accordance with the provisions set out in the

	Articles and this Private Placement Memorandum as described in the section "Valuation".
"Net Asset Value per Share"	The net asset value per Share calculated in accordance with the provisions of the Articles and this Private Placement Memorandum as described in the section headed "Valuation".
"Non-US Person"	A person that is not a US Person.
"Non-US Shareholder"	A Shareholder that is not a United States person, as defined in the section headed "US Federal Income Tax Considerations" – "Taxation".
"Other Feeder Fund"	Any feeder funds (other than the Feeder Fund) or parallel investment vehicles of the Master Fund which may be established from time to time.
"Performance Benchmark"	The highest Net Asset Value per Class A Share and series (after any Performance Fee) as at the last Valuation Point in any previous Financial Year or, if higher, the Class A Subscription Price paid for the Class A Share in question.
"Performance Fee"	The performance fee payable by the Feeder Fund to the Fund Manager in respect of certain classes of Shares of the Feeder Fund, as more particularly set out in the section headed "Management Fee and Performance Fee" - "Fees and Expenses".
"Permitted US Person"	A US Person who is: <ul style="list-style-type: none"> (a) an "accredited investor" (as defined in Regulation D of the Securities Act); and (b) a "qualified purchaser" (as defined in the 1940 Act).
"Plan Asset Regulation"	The United States Department of Labor Regulation, 29 US C.F.R. 2510.3-101 promulgated under ERISA, as modified by Section 3(42) of ERISA.

"PRC"	The People's Republic of China and for the purpose of this Private Placement Memorandum, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan.
"Prime Broker"	Goldman Sachs International and/or Credit Suisse AG, Dublin Branch and/or Morgan Stanley & Co. International plc and/or BNP Paribas, London branch, in their respective capacities as Prime Broker in relation to the Fund or such other prime brokers as may be appointed by the Fund from time to time.
"Private Placement Memorandum"	This Private Placement Memorandum in respect of the Shares, as may be amended or supplemented from time to time.
"Qualified Purchaser"	A person that satisfies the criteria of a "qualified purchaser" under Section 2(A)(51) of the 1940 Act.
"Redemption Day"	The first Business Day following the last Valuation Day of each month, or such other day or days in addition thereto or in substitution therefor as the Directors may from time to time prescribe.
"Redemption Dealing Deadline"	In respect of any particular Redemption Day on which Shares are to be redeemed, 4:00 pm (Hong Kong time) on a Business Day which is at least twenty calendar days preceding that Redemption Day, or such other day or time as the Fund Manager may designate from time to time.
"Redemption Form"	The prescribed form specified by the Directors or the Fund Manager which must be served on the Feeder Fund by Shareholders who wish to redeem Shares.
"Relevant Quarter"	each calendar quarter ending on the last Business Day (if such day is not a Business Day, the preceding Business Day) of each March, June, September and December;
"SEC"	The United States Securities and Exchange Commission.

"Securities Act"	The United States Securities Act of 1933, as amended.
"Share"	A non-voting participating share having a par value of US\$0.01 in the capital of the Feeder Fund. For the avoidance of doubt, any reference to a "Share" or "Shares" in this Private Placement Memorandum shall refer to Shares issued in any class of the Fund.
"Shareholder(s)"	Each person or persons who is registered on the register of members of the Feeder Fund as the holder of one or more Shares.
"Singapore dollars" or "S\$"	The lawful currency of Singapore.
"Subscription Dealing Deadline"	In respect of any particular Dealing Day on which Shares are to be issued, 4:00 pm (Hong Kong time) on the Dealing Day or such other day or time as the Directors or the Fund Manager may designate from time to time.
"Subscription Fee"	A charge of up to 5% of the total subscription amount attributable to the subscription of Class A Shares and Class P Shares respectively from time to time determined by the Fund Manager in their discretion as payable by an investor of Class A Shares and Class P Shares to the Fund Manager upon subscription for Class A Shares and/or Class P Shares respectively. The Subscription Fee is agreed upon and specified in the Subscription Form. The Fund Manager has discretion to waive or reduce the Subscription Fee and may share such Subscription Fee with any distributor, delegate or agent, including but not limited to any Distribution Partner(s).
"Subscription Form"	The prescribed form issued by the Fund on which potential or existing Shareholders may make applications for Shares.
"US" or "United States"	The United States of America.
"US Dollar" or "US\$"	The lawful currency of the US.

"US Person"	A person who is both defined by Regulation S under the Securities Act as a "US Person" and who is a "United States person" for US Tax purposes.
"US Shareholder"	A Shareholder that is a United States person, as defined in the section headed "US Federal Income Tax Considerations" – "Taxation".
"US Tax"	US federal income tax, as defined in the section headed "US Federal Income Tax Considerations" – "Taxation".
"US Tax-Exempt Shareholder"	A Shareholder that is generally exempt from US Tax, as defined in the section headed "US Federal Income Tax Considerations" – "Taxation".
"US Taxable Shareholder"	A US Shareholder that is not a US Tax-Exempt Shareholder, as defined in the section headed "US Federal Income Tax Considerations" – "Taxation".
"Valuation Day"	The last Business Day of each month and/or such other day or days as the Directors may designate from time to time as a Valuation Day.
"Valuation Point"	In relation to a Valuation Day, the close of business in the last relevant market to close on that Valuation Day or such other date and time as the Directors may from time to time designate as the time for the determination of Net Asset Value.

2. SUMMARY

The following is a summary of the principal terms of the Fund. The following summary is qualified in its entirety by the more detailed description contained in the subsequent section of this Private Placement Memorandum and the Articles of the Feeder Fund. Prior to making any investment in the Fund, the Articles of the Feeder Fund should be reviewed carefully. If the terms described in this Private Placement Memorandum are inconsistent with or contrary to the terms of the Articles, the terms of the Articles will control.

The Fund

The Feeder Fund is an exempted company with limited liability incorporated in the Cayman Islands on 25 November 2008 under the Companies Law. The Feeder Fund is registered with the Authority under s.4(3) of the Mutual Funds Law, and subject to the regulations of the Authority, in particular the Mutual Fund Law.

The Feeder Fund has been formed for the benefit of Non-US Shareholders and US Tax-Exempt Shareholders. The Feeder Fund invests substantially all of its assets into the Master Fund. Substantially all of the investments of the Feeder Fund are therefore expected to be held and made by the Master Fund.

The Fund Manager is Prudence Asset Management Pte. Ltd., an exempt private company limited by shares incorporated under the Companies Act (Cap. 50) of Singapore. The Fund Manager will provide investment management and certain administrative services to the Fund and will also assist the Fund in the appointment, selection and monitoring of service providers. The Fund Manager may delegate certain day to day investment authority in relation to the Fund and its assets, or a portion of its assets, as it considers appropriate.

Investors in the Feeder Fund will hold non-voting participating Shares in one or several classes, sub-classes, series and sub-series.

The Directors of the Master Fund may establish Other Feeder Funds for the purpose of accommodating other types of investors. All

investors of the Fund will invest either through the Feeder Fund or through such Other Feeder Funds.

Investment Objective

The investment objective of the Fund is to pursue stable income as well as capital appreciation, by mainly investing in corporate bonds, convertible bonds and listed equities issued by companies in Asia, with a focus on companies with significant business exposure to Greater China.

Issue of Shares

The Feeder Fund offers three classes of Shares available for subscription on any Dealing Day, being Class A Shares, Class P Shares and Class I Shares. Class A Shares are available for general subscription. Class P Shares are offered in two series namely the Class P Non-Trailer Series and Class P Trailer Series. Class P Shares are generally available for subscription through approved private banking or financial institutions and other fund distribution partners (“**Distribution Partners**”). Subscriptions for Shares of the Class P Non-Trailer Series will not be subject to trailer fees and subscriptions for Shares of Class P Trailer Series will be subject to trailer fees payable to the Distribution Partners out of the Management Fee of the Fund Manager. For the avoidance of doubt, such trailer fee will be borne by the Fund Manager and will not be paid out of subscription monies or the Net Asset Value of Class P Shares. Save for the trailer fee arrangement as aforesaid, the terms and rights of Shares issued in Class P Trailer Series and Class P Non-Trailer Series are identical. The Fund Manager shall have discretion (subject to the overall approval of the Directors) to determine the eligibility and suitability of Distribution Partners and to accept or reject any application for subscription of Class P Shares through Distribution Partners whether generally or in a particular case.

Class I Shares are only available for subscription by any principal, shareholder, officer, employees, affiliates and other related parties of the Fund Manager and/or the Investment Advisor, and such other persons which the Fund Manager designates in its discretion. The Fund Manager shall have

discretion (subject to the overall approval of the Directors) to accept or reject any application for subscription of Class I Shares by any person, whether generally or in a particular case. Class A Shares, Class P Shares and Class I Shares shall rank *pari passu*.

Investors may subscribe for Class A Shares, Class P Shares and/or Class I Shares (as applicable and where permitted under this Private Placement Memorandum) on each Dealing Day, provided that such subscriptions are received by the Administrator's Service Provider by the Subscription Dealing Deadline in respect of the relevant Dealing Day. The Class A Subscription Price in each series, will be the Class A Redemption Price (before any deduction for the Performance Fee attributable to Class A Shares, except where such Class A Shares are subscribed for on the last Dealing Day in each Financial Year) calculated in relation to the relevant Dealing Day of the oldest series of Class A Shares in issued on such day, subject to such fiscal adjustments as may be necessary. For further details, see the section headed "Procedure for Subscriptions" - "Issue and Redemption of Shares".

In respect of Class P Shares, a sub-series of each of Class P Non-Trailer Series and Class P Trailer Series will be issued on each Dealing Day. The Class P Subscription Price applicable in respect of Class P Non-Trailer Series and Class P Trailer Series will be the applicable Class P Redemption Price for each of such series (before any deduction for the Performance Fee attributable to Shares of the Class P Non-Trailer Series and the Class P Trailer Series except where such Class P Non-Trailer Series Shares and Class P Trailer Series Shares are subscribed for on the last Dealing Day in each Financial Year) calculated in relation to the relevant Dealing Day of the oldest sub-series of Shares of Class P Non-Trailer Series and Shares of the Class P Trailer Series in issue on such day, subject to such fiscal adjustments as may be

necessary. For further details, see the section headed "Procedure for Subscriptions" - "Issue and Redemption of Shares".

The Class I Subscription Price will be equal to the Class I Redemption Price calculated in relation to the relevant Dealing Day as described in further detail under the section headed "Procedure for Subscriptions" - "Issue and Redemption of Shares".

Minimum Investment

The minimum initial subscription amount of Class A Shares is US\$1,000,000, for Class P Shares (in respect of each of Class P Non-Trailer Series or Class P Trailer Series calculated on a separate basis) is US\$1,000,000 respectively and for Class I Shares is US\$100,000 for subscriptions in US\$ (exclusive of any applicable Subscription Fee), or such other amount as determined by the Directors or the Fund Manager subject to compliance with the Mutual Funds Law.

The minimum subsequent subscription amount for Class A Shares, Class P Shares (in respect of each of Class P Non-Trailer Series or Class P Trailer Series calculated on a separate basis) and/or Class I Shares is US\$100,000 for subscriptions in US\$ (exclusive of any applicable Subscription Fee), or such other amount as determined by the Directors or the Fund Manager.

Redemptions

Subscriptions in Class A Shares and Class P Shares are not subject to any Lock-Up Period. Subscriptions in Class I Shares shall be subject to a Lock-Up Period of 1 year, counting from (i) the relevant Dealing Day on which such Class I Shares are issued or, (ii) in the event there are any transfer or switching of interest from Class A Shares or Class P Shares to Class I Shares, commencing from the date of switching. During the Lock-Up Period, no redemptions of Class I Shares shall be permitted unless otherwise consented by the Directors whether generally or in a particular case. Unless otherwise permitted by the Directors whether generally or in a particular case Class I Shares may only be redeemed on the next upcoming

Redemption Day after the expiry of the Lock-Up Period applicable to such Class I Shares.

Subject to any Lock-Up Period, Shareholders will have the right to serve notice on the Feeder Fund requiring all or, subject to the minimum holding requirements, part of their Shares to be redeemed on any Redemption Day, provided such notice is received by the Administrator's Service Provider by the Redemption Dealing Deadline in respect of the relevant Redemption Day. All redemptions of Shares will be carried out on a forward pricing basis and will be made at the Class A Redemption Price, Class P Redemption Price or Class I Redemption Price (as applicable) which will be the Net Asset Value per Share of the relevant class as at the Valuation Point of that Redemption Day. For further details, see the section headed "Procedure for Redemptions" - "Issue and Redemption of Shares".

Redemption Terms

Class A Shares and/or Class I Shares

Subject to the Feeder Fund's ability to redeem capital from the Master Fund, on each Redemption Day, each Class A Shareholder and/or Class I Shareholder is entitled to redeem an aggregate net number of Class A Shares or Class I Shares (as applicable) up to 25% of the highest number of Shares of the relevant class held by such holder on any preceding day since the first issuance of Shares of the relevant class by such holder ("**Class A/I Historical High Shareholding**") or such higher percentage of its Historical High Shareholding as the Directors or the Fund Manager may determine in its discretion from time to time ("**Class A/I Redemption Quota**") over a Relevant Quarter, except for Class A Shares issued before 1 April 2012. With respect to the above redemption restriction, where a holder holds both Class A Shares and Class I Shares, the Class A/I Historical High Shareholding and Class A/I Redemption Quota shall be calculated separately

with respect to the relevant Class and shall not be aggregated or combined.

For the avoidance of doubt, the Class A/I Historical High Shareholding for each Shareholder will be reset to zero upon each full redemption of all Shares of the relevant class held by such Shareholder in the Feeder Fund and will be calculated anew beginning from the next Dealing Day on which such Shareholder subsequently subscribes for Shares in the Feeder Fund.

If Shareholders redeem Shares in either class in excess of their respective Class A/I Redemption Quota in a Relevant Quarter, the Feeder Fund's obligation to redeem Shares in the relevant class is subject to postponement until the first Redemption Day in the next Relevant Quarter and all following Redemption Days (in relation to which the Feeder Fund has the same power) until the original request has been satisfied in full.

Any further subscriptions of additional Shares of the relevant class made by a holder of such class of Shares during the same Relevant Quarter will be netted against the total redemptions of Shares of the same class made by the same holder during such Relevant Quarter and such holder will be entitled to redeem additional Shares of the relevant class up to the limit of their respective Class A/I Redemption Quota over the Relevant Quarter.

In any event, the Class A/I Redemption Quota for each Shareholder will be calculated anew beginning from the first Redemption Day of a Relevant Quarter and Shareholders will be entitled to redeem Class A Shares and/or Class I Shares (as applicable) up to their respective Class A/I Redemption Quota in a new Relevant Quarter.

For the avoidance of doubt, Shares subscribed before 1 April 2012 are not subject to the above redemption restriction and may be fully redeemed

up to one hundred per cent. (100%) by the relevant Shareholders on any Redemption Day.

Class P Shares

Subject to the Feeder Fund's ability to redeem capital from the Master Fund, on each Redemption Day, Class P Shareholders are entitled to request for a redemption of Class P Shares. Notwithstanding the aforementioned, the Fund Manager's obligation to redeem Class P Shares may be subject to postponement if requests for Class P Shares received in respect of any one Redemption Day exceeds the Class P Quarterly Redemption Quota (defined below). The Class P Quarterly Redemption Quota is calculated at a rate of 25% of the number of Class P Shares (calculated on an aggregate basis of both Class P Non-Trailer Series and Class P Trailer Series) in issue as at the Redemption Dealing Deadline applicable to the first Redemption Day of each Relevant Quarter. For the avoidance of doubt, the Class P Quarterly Redemption Quota will be applied persistently in respect of each Redemption Day throughout the Relevant Quarter and will be applied at the aggregate class level rather than on an individual Class P Shareholder level. The Class P Quarterly Redemption Quota will not differentiate between the Class P Non-Trailer Series and Class P Trailer Series and will be calculated on an aggregate class basis. Separately, the Class P Quarterly Redemption Quota will not be adjusted to take into account the net effect of subscriptions for Class P Shares in respect of each Subscription Day in the Relevant Quarter.

For the avoidance of doubt, the Class P Quarterly Redemption Quota will be recalculated and reset at the start of each Relevant Quarter.

Accordingly, where the aggregate redemption requests in respect of Class P Shares received by the relevant Redemption Dealing Deadline applicable to the relevant Redemption Day does

not exceed the Class P Quarterly Redemption Quota, such redemption requests will be satisfied in full, subject to the terms and conditions set out in this Private Placement Memorandum. However, if Class P Shareholders' aggregate request for redemption of Class P Shares on a Redemption Day exceeds the Class P Quarterly Redemption Quota (if satisfied in full), the Feeder Fund's shall accordingly reduce all but not some of such requests applicable to such Redemption Day on a pro rata basis amongst such holders. Any portion of the unsatisfied redemption requests in respect of such Redemption Day and any redemption requests received in respect of the next upcoming Redemption Day in the same Relevant Quarter shall be postponed until the first Redemption Day in the next Relevant Quarter and all following Redemption Days (in relation to which the Feeder Fund has the same deferral power) until the original request has been satisfied in full.

Any part of which redemption request to which effect is not given by reason of the exercise of this power by the Fund Manager on any Redemption Day will be treated as if the request had been made with priority in respect of the first Redemption Day of the next Relevant Quarter for redemption of Class P Shares and all following Redemption Days for redemptions accordingly to the length of time for which they have been carried forward until the original request has been satisfied in full.

Minimum holding requirements

If a redemption request is submitted which would bring the Shareholder's holding in any class below 1,000 Shares (or such smaller number of Shares of a class as determined by the Directors or the Fund Manager), the Directors or the Fund Manager have the discretion to deem such redemption request as having been made in respect of all the Shares held by that Shareholder in the relevant class.

For the avoidance of doubt, the minimum holding requirement of 1,000 Shares (or such smaller

number of Shares of a class as determined by the Directors or the Fund Manager) shall be applied at a share class level and accordingly in respect of Class P Shares, where a Class P Shareholder holds Shares in both Class P Non-Trailer Series and Class P Trailer Series, the minimum holding shall be applied on an aggregate basis.

Advanced Redemption Payment Option

The Directors or the Fund Manager have the discretion to accept a request by Class A Shareholders and/or Class I Shareholders in the Redemption Form to have their redemption proceeds paid one Business Day after the relevant Redemption Day (an “**Advanced Redemption Payment Request**”) upon payment of a percentage of their gross redemption proceeds as administrative fees (an “**Advanced Redemption Payment Fee**”) (collectively, the “**Advanced Redemption Payment Option**”). The Advanced Redemption Payment Option shall not be applicable to Class P Shares. The Advanced Redemption Payment Fee shall be determined by the Fund Manager at its sole discretion from time to time and shall be retained for the benefit of the Feeder Fund. For the avoidance of doubt, redemption proceeds will only be paid to applicable Shareholders under the Advanced Redemption Payment Option after deducting the relevant Advanced Redemption Payment Fee.

Applicable Shareholders who have made an Advanced Redemption Payment Request in the Redemption Form may cancel such request by notifying the Fund Manager and/or the Investment Advisor in writing no later than three Business Days before the relevant Redemption Day, subject to the Fund Manager’s discretion to accept a later request either generally or in any particular case.

Applicable Shareholders should note that the rate of Advanced Redemption Payment Fee may be changed from time to time at the sole discretion of the Fund Manager. A Shareholder who elects for the Advanced Redemption Payment Option

should request for the latest prevailing rate of Advanced Redemption Payment Fee from the Feeder Fund, the Fund Manager and/or the Investment Advisor. The Feeder Fund, the Fund Manager or the Investment Advisor shall have no obligation to update any Shareholder in this respect, unless such Shareholders otherwise specifically made such requests for the latest prevailing rate of Advanced Redemption Payment Fee.

No Advanced Redemption Payment Requests shall be accepted until (i) the Fund Manager and/or the Investment Advisor have informed Shareholders of the prevailing rate of Advanced Redemption Payment Fee to be paid and such Shareholders agree in writing to pay such fee to the Feeder Fund; and (ii) the Fund Manager is satisfied that the following conditions have been fulfilled (subject to the Fund Manager's discretion to waive any condition(s) either generally or in any particular case or cases):

- (i) The Advanced Redemption Payment Request must be made on or before the relevant Redemption Dealing Deadline for the Class A Shares and/or Class I Shares to be redeemed;
- (ii) The Redemption Form submitted by the Class A Shareholders and/or Class I Shareholders must state the Class of Shares and dollar amount of Shares to be redeemed and where applicable the relevant sub-class, series or sub-series (as the case may be) of Shares to be redeemed and give payment instructions for the redemption proceeds;
- (iii) The Advanced Redemption Payment Option is only available for Class A Shareholders and/or Class I Shareholders holding at least 25% of its Historical High Shareholding in respect of a class of Shares or such other percentage as the Directors or the Fund

Manager may, in their sole and absolute discretion, determine from time to time either generally or in any particular case or cases. For the avoidance of doubt and notwithstanding other requirements set out in this section, no Advanced Redemption Payment Request will be accepted for any redemption request made by a Shareholder if his/her aggregate redemption amount since the first issuance of Shares of the relevant class by such holder is in excess of 75% of its Historical High Shareholding in respect of such class unless the Directors or the Fund Manager, in their sole and absolute discretion, otherwise determine. Redemption proceeds in relation to redemption requests made in excess of such aggregate redemption amount will be paid in the usual manner for regular redemption requests as set out in the section section headed "Procedure for Redemptions". For the avoidance of doubt, such aggregate redemption amount will reset upon each full redemption of all Shares of the relevant class held by such Shareholder in the Feeder Fund and will be calculated anew beginning from the next Dealing Day on which such Shareholder subsequently subscribes for Shares in the Feeder Fund;

- (iv) The Directors or the Fund Manager shall have the sole and absolute discretion to refuse any Advanced Redemption Payment Requests made by Class A Shareholders, and/or Class I Shareholders in extreme market conditions where the Master Fund or the Feeder Fund suffers a material reduction in their respective Net Asset Values and/or the Directors or the Fund Manager, in their sole and absolute discretion and for any reason, deem it impracticable or imprudent to accept Advanced Redemption Payment Requests by Shareholders; and

- (v) Class A Shareholders and/or Class I Shareholders who elect for the Advanced Redemption Payment Option agree to indemnify the Feeder Fund for any excess redemption proceeds received under an Advanced Redemption Payment Request if such amount exceeds the actual amount of redemption proceeds entitled by such Shareholders after finalization of the relevant Class A Redemption Price or Class I Redemption Price (as applicable) by the Administrator.

Valuations

The Net Asset Value and the Net Asset Value per Share of the relevant class or series will be calculated as at the Valuation Point on each Valuation Day by the Administrator's Service Provider for the purposes of issuing and redeeming Shares of each class or series and the calculation of the various Net Asset Value based fees described in this Private Placement Memorandum. Valuations will be made in accordance with the valuation rules as set out in the Articles, the relevant provisions of which are described below in the section entitled "Calculation of Net Asset Value" - "Valuation". All valuations will be made in US Dollars.

Management Fee

In respect of Class A Shares and Class P Shares, the Feeder Fund will pay the Fund Manager a management fee ("**Management Fee**") at a rate of two per cent per annum (i.e., 2% p.a.) of the Net Asset Value of Class A Shares and Class P Shares calculated as at each Valuation Day, which shall accrue monthly and be payable monthly in arrears. In calculating the Management Fee payable in respect of Class A Shares and Class P Shares each month, such Management Fee shall be pro-rated by the total number of days of the relevant month.

The Management Fee will be paid out of the assets of or attributable to the Feeder Fund as soon as practicable after it becomes payable.

Performance Fee

In respect of Class I Shares, no management fee shall be levied by the Fund Manager.

In respect of Class A Shares and Class P Shares, the Fund Manager is entitled to receive a performance fee (the "**Performance Fee**") payable annually in arrears. The Performance Fee is generally calculated as of the last Valuation Day of each Financial Year and is accrued as at each Valuation Point. The Performance Fee will be calculated separately for each series of Class A Shares and each sub-series of Class P Non-Trailer Series and Class P Trailer Series of Class P Shares. The Performance Fee is generally paid to the Fund Manager within one month after the last Valuation Day of the relevant Financial Year or upon receipt of the instruction from the Fund Manager to the Administrator.

The Performance Fee shall be equal to twenty per cent (20%) of the increase in the Net Asset Value per Class A Share, Class P Non-Trailer Series Share and Class P Trailer Series Share of the relevant series or sub-series as at the last Valuation Point in each Financial Year over the Performance Benchmark applicable to such series of Class A Shares or sub-series of Class P Non-Trailer Series Shares and Class P Trailer Series Shares (as applicable) multiplied by the number of Class A Shares or the number of Class P Non-Trailer Series Shares and Class P Trailer Series Shares (as applicable) of the relevant series or sub-series in issue as at the last Valuation Point in the relevant Financial Year. The absolute Performance Fee amount payable to the Fund Manager shall be represented by the aggregate sum of Performance Fee payable with respect to each series of Class A Share and each sub-series Class P Non-Trailer Series Share and Class P Trailer Series Share calculated in the manner as set out above.

In the event that a Shareholder of Class A Shares and/or Class P Non-Trailer Series Shares and/or Class P Trailer Series Shares redeems all or a portion of its Class A Shares, and/or Class P Non-

Trailer Series Shares and/or Class P Trailer Series Shares (as applicable) which are subject to a Performance Fee other than at the end of the Financial Year, net realized and unrealized appreciation or depreciation, as the case may be, attributable to such Class A Shares, Class P Non-Trailer Series Shares and Class P Trailer Series Shares (as applicable) shall be determined through the Valuation Point relating to the date of redemption and the Performance Fee, if any, on the Class A Shares and/or Class P Non-Trailer Series Shares and/or Class P Trailer Series Shares (as applicable) which were redeemed will be calculated as of that Valuation Point and made to the Fund Manager.

In respect of Class I Shares, no Performance Fee shall be levied by the Fund Manager.

If the Investment Management Agreement is terminated at any time other than at the end of a Financial Year, the Fund Manager will receive any Performance Fee that has accrued in respect of the Shares at the time of termination.

The Fund Manager may reduce, waive, calculate differently or rebate the Performance Fee calculated with respect to one or more Class A Shareholders and/or Class P Shareholders at its absolute discretion.

As soon as practicable after the last Valuation Point in each Financial Year, all series of Class A Shares and all sub-series of Class P Non-Trailer Series Shares and Class P Trailer Series Shares which shall have borne a Performance Fee in respect of the relevant year will normally be consolidated into a single series or sub-series, being the oldest series or sub-series to have borne a Performance Fee in respect of the relevant year and the Performance Benchmark for all Shares of the consolidated series or sub-series will be the Net Asset Value per Class A Share or per Class P Non-Trailer Series Shares or per Class P Trailer Series Shares (as applicable) of

Subscription Fee	<p>the consolidated series or sub-series as at the last Valuation Point in the relevant Financial Year, after paying the Performance Fee.</p> <p>In respect of Class A Shares and Class P Shares, a Subscription Fee of up to 5% of the total subscription amount attributable to the subscription of the relevant class or series from time to time determined by the Fund Manager in their discretion is payable by an investor to the Fund Manager, as may be determined by the Fund Manager upon subscription for Class A Shares and Class P Shares. The Subscription Fee is agreed upon and specified in the Subscription Form. The Fund Manager has discretion to waive or reduce the Subscription Fee.</p> <p>In respect of Class I Shares, no Subscription Fee shall be levied.</p>
Redemption Fee	<p>No redemption fee is payable in respect of a redemption of Shares of any Class. Shareholders shall bear the Advanced Redemption Payment Fee under the terms as set out in the section headed “Advanced Redemption Payment Option” if the Directors or the Fund Manager accepts an Advanced Redemption Payment Request by Shareholders in the Redemption Form.</p>
Distributions	<p>Subject to Cayman Islands laws, the Feeder Fund may pay dividends to Shareholders out of the profits of the Feeder Fund, realized or unrealized, or from any reserve set aside from profits which the Directors determine is no longer needed. The net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value per Share. Nonetheless, subject to Cayman Islands laws, the Directors, in their discretion and in consultation with the Fund Manager, may pay dividends for a particular class or classes of Shares. Dividends will not be paid on Management Shares.</p> <p>The Directors, in consultation with the Fund Manager, may declare and pay distributions out of the available net income of the relevant class or classes of Shares. Such distributions may be made on such date, at such frequency (e.g. annual / semi-</p>

annual / quarterly / monthly) and at such rate, as the Directors (in consultation with the Fund Manager) may in their discretion determine from time to time. There is no guarantee that distribution payments will be made and/or the rate of distribution will remain unchanged from any previous distributions.

Distributions may be paid in cash or may be applied to subscribe for additional Shares in the relevant class or classes of Shares at the option of the Shareholder and as soon as practicable following the applicable distribution payment date. Unless otherwise stated, a Shareholder may irrevocably elect to (i) automatically reinvest any declared distributions; or to (ii) receive cash for any declared distributions by notifying the Feeder Fund and/or the Administrator in the Subscription Form at the time of initial subscription of Shares or at any other time as determined by the Directors, in consultation with the Fund Manager, from time to time. Shareholders may elect a different distribution options in respect of different classes of Shares held by such holder.

Shareholders shall not be permitted to modify their elected option until they have fully redeemed their Shares in the relevant Class in the Feeder Fund.

Distributions shall be made to Shareholders on an annual basis or at such other frequency as determined by the Directors, in consultation with the Fund Manager. Shareholders shall be given not less than one month's prior notice should there be any changes to the frequency of distributions. The applicable rate of distribution will be proposed by the Fund Manager from time to time, subject to the Directors' final approval, and will be notified to Shareholders not less than 10 days prior to the record date as determined by the Directors, in consultation with the Fund Manager, in respect of the corresponding distribution.

ERISA Considerations

Subject to the limitations described below and under section headed "ERISA Considerations", entities subject to ERISA may purchase Shares.

Trustees or administrators of such entities as well as all other investors are urged to carefully review the matters discussed in this Private Placement Memorandum regarding such matters. Investment in the Feeder Fund by entities subject to ERISA requires special considerations. The Feeder Fund does not intend to permit investments by Benefit Plan Investors to the extent that such investment would equal or exceed 25% of the value of any Class of Shares of the Feeder Fund or the Master Fund. In this regard, the Fund Manager may limit purchases, transfers, and redemptions of Shares by Benefit Plan Investors (and, in certain cases, require transfers or redemptions (in whole or in part) so that investment by Benefit Plan Investors in the Feeder Fund and/or Master Fund) would not be deemed to be "significant" for purposes of the Plan Asset Regulation. All prospective purchasers and transferees of a Share in the Feeder Fund will be required to indicate, among other things, whether (and to what extent) they are or may be a Benefit Plan Investor.

Notwithstanding the foregoing, the Fund Manager reserves the right to, in its sole discretion, waive the "significant" participation limitation (described above) with respect to the Feeder Fund only and thereafter to comply with ERISA.

Further details are set out in the section headed "ERISA Considerations".

3. CORPORATE INFORMATION

Registered office of the Fund	c/o Maples Corporate Services Limited PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Directors	Mr. Qian LIU Mr. Jerome Bruce BAESEL Ms. Fen MEI
Administrator (as administrator and registrar)	HSBC Trustee (Cayman) Limited Principal address: Strathvale House 90 North Church Street George Town Grand Cayman KY1-1106 Registered and mailing address: P.O. Box 309 Ugland House George Town Grand Cayman
Administrator's Service Provider	HSBC Institutional Trust Services (Asia) Limited 1 Queen's Road Central, Hong Kong
Auditor	Deloitte & Touche One Capital Place P.O. Box 1787 Grand Cayman KY1-1109 Cayman Islands
Fund Manager	Prudence Asset Management Pte. Ltd. 61 Robinson Road #08-01A Robinson Centre Singapore 068893

Investment Advisor	Prudence Investment Management (Hong Kong) Limited Suite 505, Bank of America Tower, 12 Harcourt Road, Central Hong Kong
BNP Prime Broker	BNP Paribas, London Branch 10 Harewood Ave London NW1 6AA England United Kingdom
CS Prime Broker	Credit Suisse AG, Dublin Branch Kilmore House, Park Lane Spencer Dock, Dublin 1 Ireland
GS Prime Broker	Goldman Sachs International Peterborough Court 133 Fleet Street London EC4A 2BB
MS Prime Broker	Morgan Stanley & Co. International plc 25 Cabot Square, Canary Wharf London E14 4QA
Custodian	Bank of China (Hong Kong) Limited 32/F, Bank of China Tower, 1 Garden Road Central, Hong Kong
Hong Kong Counsel to the Fund	Deacons 5th Floor Alexandra House 18 Chater Road Central Hong Kong

Cayman Islands Counsel to the Fund

Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

US Counsel to the Fund

Morgan, Lewis & Bockius LLP
101 Park Avenue
New York, New York 10178
USA

Singapore Counsel to the Fund

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

4. STRUCTURE OF THE FUND

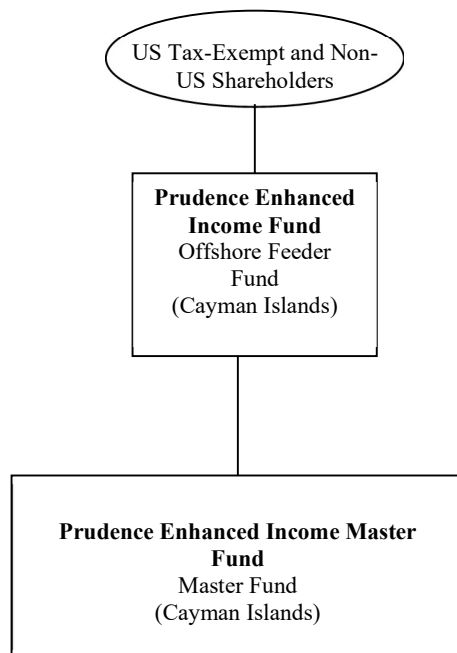
4.1 Master-Feeder Structure

The Feeder Fund, Prudence Enhanced Income Fund, is an exempted company with limited liability incorporated in the Cayman Islands and has been formed for the benefit of Non-US Shareholders and US Tax-Exempt Shareholders. The Feeder Fund invests substantially all of its assets into the Master Fund. The Feeder Fund was incorporated in the Cayman Islands on 25 November 2008, for an unlimited duration. The Feeder Fund will be terminated, wound up and dissolved in accordance with the Articles or otherwise pursuant to a formal liquidation under the Companies Law or any other applicable bankruptcy or insolvency regime.

The Directors of the Master Fund may establish Other Feeder Funds for the benefit of investors with different tax, legal or regulatory considerations than the investors in the Feeder Fund. Such Other Feeder Funds are also expected to invest substantially all of their assets into the Master Fund. At present, there are no Other Feeder Fund established.

The Master Fund, Prudence Enhanced Income Master Fund, is an exempted company with limited liability incorporated in the Cayman Islands and is expected to hold and make substantially all of the investments of the Fund. The Master Fund may hold its investments directly or through special purpose vehicles. The Master Fund was incorporated in the Cayman Islands on 2 January 2013, for an unlimited duration.

Copies of the Memorandum and Articles of the Feeder Fund and the Master Fund, together with copies of their annual or periodic reports as detailed in this Private Placement Memorandum, are available upon request from the Fund Manager and, upon reasonable notice, may be inspected at the offices of the Fund Manager. The Feeder Fund and the Master Fund will not generally issue any certificates in respect of its Shares and the Shares are not expected to be listed on any stock exchange.



5. INVESTMENT OBJECTIVE, POLICIES AND RESTRICTIONS

5.1 Investment Objective

The investment objective of the Fund is to pursue stable income as well as capital appreciation, by mainly investing in corporate bonds, convertible bonds and listed equities issued by companies in Asia, with a focus on companies with significant business exposure to Greater China.

5.2 Investment Policies

The Fund Manager will focus on opportunities when the security is mis-priced and when the Fund Manager has a well-defined edge.

The Fund Manager will make investment decisions aiming to achieve attractive absolute return within acceptable risk limits, through a flexible combination of sub-strategies.

The Fund Manager will implement an effective investment process including research, trading, risk management and operations.

The Fund Manager will enforce strict risk management to protect investors in the Fund.

5.3 Investment Restrictions

The Articles do not contain any restrictions on the investment powers of the Fund. However, as a matter of policy, the Fund will ensure the following:

- Net borrowing is limited to less than or equal to 50% of assets under management ("AUM") of the Fund.
- Total net notional exposure to sovereign risks through over-the-counter derivative contracts less than 100% of the AUM of the Fund.
- Total net notional exposure to index risks through over-the-counter derivative contracts less than 100% of the AUM of the Fund.
- Total net notional exposure to one single-name corporate issuer through over-the-counter derivative contracts less than 10% of the AUM of the Fund; total net notional exposure to all single-name corporate issuers through over-the-counter derivative contracts less than 100% of the AUM of the Fund.
- Total net equity exposure of less than 20% of the AUM of the Fund. Exception: for equity positions purely as a result of conversion from convertible or exchangeable bonds, there is a 60 trading day window for the Fund to sell the equity positions. During this 60-trading day window, these equity positions will NOT count toward the 20% net equity exposure limit.
- The Fund must maintain proper diversification by investing in at least 20 securities.

- The Fund Manager and/or the Investment Advisor may from time to time arrange for the Fund to participate in underwriting transactions. All commissions and fees received from such underwriting transactions shall be credited to the Fund.

5.3.1 Expected Maximum Leverage

Without prejudice to the above investment restrictions, the expected maximum leverage of the Fund is 150% of the AUM of the Fund. The actual level of leverage may be higher than such expected level in exceptional circumstances, for example, when there are sudden movements in markets and/or investment prices.

For the above purposes, the Fund will calculate its leverage by using a ratio of gross long exposure to the latest AUM of the Fund.

The Fund Manager is not immediately required to sell applicable investments if any of the investment restrictions are exceeded as a result of changes in the value of the Fund's investments, reconstructions or amalgamations, payments out of the assets of the Fund or redemptions of Shares. However, for so long as those limits are exceeded, the Fund Manager will not acquire any further investments subject to the relevant restrictions and will take all reasonable steps to restore the position so that the limits are no longer exceeded. The investment restrictions may not be changed unless it is recommended by the Directors and upon notice to the Shareholders.

The Fund may engage in investment activities that are not explicitly forbidden by investment restrictions. These investment activities may include, but are not limited to, the following:

- Short selling in bonds, stocks and other securities, as part of its investment strategies or risk management;
- Engaging from time to time in lending of securities from the Fund's portfolio to brokers, dealers and financial institutions and receive collateral in cash or in securities
- Engage in repurchase transactions or reverse repurchase transactions with counterparties
- Trading in a broad range of assets, including, without limitation, shares (including but not limited to, preference shares or securities convertible into shares), stock, bonds, notes, commercial paper, debentures, certificates of deposit, debt, debt securities and obligations of all kinds, warrants, depository receipts, units in collective investment schemes (in each case, whether in registered or bearer form and whether or not registered with or regulated by any competent regulatory authority), commodities, synthetic access products, futures, swaps, derivatives, participatory notes, foreign exchange products, interest rate products, any warrant or option in respect of any of the foregoing, any contract for differences, any rights or interests in such assets or money, benefits or property arising from such assets and any other type of asset which the Directors or the Fund Manager reasonably determine may be made in compliance with the Fund's investment objective and policies.
- Subject to the borrowing and/or leverage limits set out in this Private Placement Memorandum, borrow funds or use other forms of leverage when deemed appropriate by the Directors or the Fund Manager for any purpose, including without limitation to enhance

the Fund's returns, increase investment capacity, pay operating expenses, make redemption or distribution payments (particularly when such payments would otherwise result in the premature liquidation of investments), or for clearance of transactions.

5.4 Policies of the Investment Advisor in relation to the Fund

5.4.1 Securities Lending and Repurchase / Reverse Purchase Transactions Policies of the Fund

The Fund may from time to time lend securities from its portfolio to brokers, dealers and financial institutions and receive collateral in cash or securities. The Fund is expected to retain the rights of beneficial ownership as to the loaned securities, including voting rights and rights to interest or other distributions, and will generally have the right to regain record ownership of loaned securities to exercise such beneficial rights. Such loans will be generally terminable at any time. The Fund may pay administrative, custodial and finders' fees to persons unaffiliated with the Fund in connection with the arranging of such loans.

The Fund may from time to time engage in repurchase transactions, under which the Fund sells securities to a counterparty and agrees to buy such securities back from the counterparty at an agreed price in the future. The Fund may also engage in reverse repurchase transactions, under which the Fund purchases securities from a counterparty and agrees to sell such securities back to the counterparty at an agreed price in the future.

Information on the Fund's securities lending, repurchase and reverse repurchase transactions will be included in the annual report of the Fund. A summary of the policy of the Investment Advisor in relation to securities lending, repurchase and reverse repurchase transactions is included in Appendix 1 to this Private Placement Memorandum.

5.4.2 Risk Management Policies

The Investment Advisor has adopted risk management procedures intended to identify, measure, manage and monitor risks in connection with the investment of the assets of the Fund, including market risk, liquidity risk, issuer and counterparty and credit risk and operational risk, taking into account the nature, scale and complexity of the business of the Investment Advisor and the investment objective and strategy of the Fund. Other risks may arise from time to time. There is no guarantee that such risk management procedures will be effective to mitigate the effect of such risks on the Fund.

5.4.3 Liquidity Risk Management Policies

Liquidity risk is the risk that a particular position cannot be easily unwound or offset due to insufficient market depth or market disruption; or that the Fund's financial obligations (such as investor redemptions) cannot be met. An inability to sell a particular investment or portion of the Fund's assets may have a negative impact to the value of the Fund (as the case may be) and to the Fund's ability to meet its investment objectives. Additionally, an inability to sell the Fund's assets

may have negative implications for investors being able to redeem in a timely fashion, and also to investors who remain invested in the Master Fund.

A summary of the liquidity risk management policies of the Investment Advisor is included in Appendix 2 to this Private Placement Memorandum

5.5 "New Issues"

To the extent that the Master Fund participates in public offerings, such offers may be made through member firms of the Financial Industry Regulatory Authority ("**FINRA**"). FINRA member firms are not permitted to sell certain new issues ("**Restricted New Issues**") to accounts in which certain persons involved in the securities industry ("**Restricted Persons**") have a beneficial interest. In order to enable the Master Fund to participate in Restricted New Issues, the Fund will require each Shareholder to provide information to enable the Fund to determine whether the Shareholder is a Restricted Person.

The Directors reserve the right to restructure any existing class of participating shares of the Master Fund (and the Feeder Fund) into two or more classes. Thereafter, participating shares of the Master Fund (and the Shares) will be issued in separate classes, including a restricted class for Restricted Persons and an unrestricted class for other investors ("**Unrestricted Persons**"). When the Master Fund invests in a Restricted New Issue, the profits and losses associated with the investment will be specially allocated exclusively and promptly to the investors in the Master Fund and thus to holders of Shares issued to Shareholders who have certified that they are Unrestricted Persons. The Fund Manager has discretion to allow or restrict (by redeeming and issuing Shares of a relevant class) the participation in Restricted New Issues by a Shareholder if such Shareholder's eligibility to participate in Restricted New Issues changes. Following the changes in the Shareholder's eligibility to participate in Restricted New Issues, the Performance Fee in respect of the initial class shares shall become payable upon such conversion, as if shares of such initial class were redeemed on the conversion day. The Fund Manager reserves the right to vary its policy with respect to the allocation of Restricted New Issues as it deems appropriate for the Fund as a whole, in light of, among other things, existing interpretations of, and amendments to, the FINRA Rule and practical considerations, including administrative burdens and principles of fairness and equity.

6. MANAGEMENT AND ADMINISTRATION

6.1 Directors

The Directors of the Feeder Fund and the Master Fund are responsible for the overall investment policies and the dividend policy of the Fund. Currently, Qian LIU, Jerome Bruce BAESEL and Fen MEI are the Directors and their profiles are set out below.

Mr. Qian LIU, CFA, is the Founder of Prudence Investment Management (Hong Kong) Limited. Qian LIU is also known professionally as Chad LIU. Previously, Mr. LIU was a Director and senior trader at SABA Principal Strategies of Deutsche Bank, investing in corporate bond, convertible bond, equity, and private placement in Greater China. Prior to joining Deutsche Bank, Mr. LIU worked as a Managing Director with Chatham Asset Management, a credit-focused hedge fund, and as an Executive Director and Portfolio Manager with Morgan Stanley Investment Management, managing portfolios of high yield and distressed securities. Before joining Morgan Stanley in 1999, Mr. LIU worked for a proprietary convertible bond trading desk at TD Securities and Shenzhen Development Bank. Mr. LIU earned his MBA from the Wharton School of the University of Pennsylvania in 1999, and a Bachelor of Economics from Wuhan University in 1993. The principal place of business of Mr. LIU is at the business address of the Fund Manager.

Mr. Jerome Bruce BAESEL has extensive experience in the hedge fund industry. Mr. BAESEL currently acts as consultant at JBaes & Associates and advises hedge funds on statistical research, product structuring, and marketing strategies. He is a member of several hedge fund advisory committees and boards of directors. Previously, Mr. BAESEL was a Managing Director and senior investment advisor at Morgan Stanley Absolute Return Strategies (“ARS”) of Morgan Stanley Investment Management where he advised on investment strategy and was a member of the investment committee. Before joining ARS, Mr. BAESEL worked for Morgan Stanley Alternative Investment Partners (“AIP”) as a Managing Director and Chief Investment Officer. Prior to joining AIP, Mr. BAESEL was a Managing Director with the Pension Fund Group of Weyerhaeuser Company Limited. Mr. BAESEL worked in Princeton-Newport Partners from 1980 to 1989, a quantitative option arbitrage fund. Mr. BAESEL has a Ph.D. from the University of California. The principal place of business of Mr. BAESEL is at 204, 37th Ave North, Suite 104, St Petersburg, FL 33704, United States of America.

Ms. Fen MEI has broad experience and served various senior roles in fund administration and audit in asset management industry. Ms. MEI was the CFO and the Head of Administration of China Merchants Fund Management Company from 2002 to 2010. China Merchants Fund Management Company is a joint venture of China Merchants Bank, China Merchants Securities and ING Asset Management. From 1997 to 2001, she was a senior manager of auditing department of China Merchants Group. Prior to this, Ms. MEI served at China Merchants Insurance and China Merchants Bank. Ms. MEI has Bachelor of Art in accounting from People's University of China. The principal place of business of Ms. MEI is at C1 Block 3A01, Xintianguojimingyuan, Shenzhen Futian District, Guangdong Province, China.

6.2 Fund Manager

Prudence Asset Management Pte. Ltd., is an exempt private company limited by shares incorporated under the Companies Act (Cap.50) of Singapore. The Fund Manager holds a capital markets services license issued by MAS and is permitted to conduct fund management in Singapore under the SFA.

The contact details of the MAS are as follows:

The Monetary Authority of Singapore
10 Shenton Way
Singapore 079117

The Directors will delegate to the Fund Manager powers over the management and administration of the assets of the Fund including but not limited to the discretionary management over the investments and divestments by the Fund in any securities or instruments and other powers with respect to the operation of the Fund as a mutual fund investment company, on the terms and conditions of the Investment Management Agreement.

The Fund has entered into an Investment Management Agreement with the Fund Manager under which the Fund Manager is appointed to manage, supervise, select and evaluate investments of the Fund and, if necessary, to operate the securities accounts with brokers and conduct trades on behalf of the Fund.

The Investment Management Agreement is for an unlimited duration and is terminable by the Fund or the Fund Manager upon giving not less than 6 months' prior written notice to the other party provided that either party may terminate the Investment Management Agreement forthwith at any time by notice in writing to the other party if the other party:

- (a) shall commit any breach of its obligations under the Investment Management Agreement and fail to make good such breach within thirty days of receipt of notice from the other party requiring it so to do;
- (b) shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or if a receiver is appointed over all or any of the assets of the other party.

Upon the expiration of the Investment Management Agreement the Fund Manager shall hand over to the Fund or as it may direct all books of account, correspondence and records relating to the affairs of the Fund which are in its possession as manager.

As of the date of this Private Placement Memorandum, the directors of the Fund Manager include Mr. Qian LIU, Ms. Linlin MA and Ms. Qin YAO. The profile of Mr. Liu is included under the sub-

section headed "Directors" in this section of the Private Placement Memorandum and the profiles of Ms. Ma and Ms. Qin are set out below.

Ms. Linlin MA is a director of the Fund Manager. Previously, Ms. MA worked at SABA Principal Strategies of Deutsche Bank from 2007 to 2008 and at Deutsche Bank from 2005 to 2007. Ms. MA holds a bachelor degree in Electrical Engineering from the National University of Singapore.

Ms. Qin YAO is a director of the Fund Manager. Ms. Yao is also known professionally as Jean YAO. Previously, Ms. YAO worked at China Construction Bank (Asia) from 2015 to 2017, AAC Technologies Holdings Inc. from 2011 to 2013, CCB International (Holdings) from 2010 to 2011 and China Construction Bank from 2005 to 2010. Ms. YAO holds a Master of Science in Communication Management from Singapore Management University, Master of Journalism and Bachelor of Advertising from Wuhan University of China.

The principal place of business of each of the directors of the Fund Manager is at the business address of the Fund Manager.

See the section headed "Fees and Expenses" below for a description of the fees payable to the Fund Manager pursuant to the Investment Management Agreement.

6.3 Investment Advisor

As an investment advisor to the Fund, Prudence Investment Management (Hong Kong) Limited, advises the Fund Manager on any matter that is within the powers of the Fund Manager. Prudence Investment Management (Hong Kong) Limited is an entity licensed by the Securities and Futures Commission of Hong Kong with Central Entity No. ATB478. The Investment Advisor is licensed by the Securities and Futures Commission in Hong Kong for type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities with CE number ATB478, subject to the following licensing conditions:

- The licensee shall only provide services to professional investors. The term "professional investor" is as defined in the Securities and Futures Ordinance and its subsidiary legislation.
- The licensee shall not hold client assets. The terms "hold" and "client assets" are as defined under the Securities and Futures Ordinance.

The Fund Manager has delegated certain day-to-day investment authority in relation to the Fund and its assets, or a portion of its assets, to the Investment Advisor. The Investment Advisor shall assist the Fund and the Fund Manager in the selection, appointment and ongoing monitoring of the Auditor and other service providers. The Fund Manager is responsible for the fees of the Investment Advisor.

The Investment Advisor is currently exempt from registration as an investment adviser under the Advisers Act.

The Fund Manager had entered into an Investment Advisory Agreement with the Investment Advisor under which the Investment Advisor may be appointed to provide certain investment manager and administrative services in relation to the Fund at the instruction and supervision of the Fund Manager.

The Investment Advisory Agreement is for an unlimited duration and is terminable by the Investment Advisor or the Fund Manager upon giving not less than 6 months' prior written notice to the other party. The Investment Advisory Agreement also provides for other conditions under which it can be terminated, *inter alia*, (i) with immediate effect or at a specific future date upon the mutual agreement of both parties in writing; or (ii) if there is any material breach of either parties' obligations under the Investment Advisory Agreement and the relevant party fails to remedy such breach within 30 days of receiving a notice from the other party; or (iii) if either party goes into liquidation (except voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the relevant party) or in the event a receiver is appointed as to the assets of the relevant party.

The Fund Manager shall indemnify and hold the Investment Advisor harmless against all claims and demands (including costs and expenses arising there from or incidental thereto) which may be made against the Investment Advisor in respect of any loss or damage sustained or suffered by any third party otherwise than by reason of the fraud, bad faith, wilful default or negligence of the Investment Advisor in the performance or non-performance by the Investment Advisor of its obligations and duties

As of the date of this Private Placement Memorandum, the directors of the Investment Advisor include Mr. Man Fung CHAN and Ms. Shuyue TAN, whose profiles are set out below.

Mr. Man Fung CHAN is a director of the Investment Advisor. Man Fung CHAN is also known professionally as Matthew CHAN. Mr. CHAN joined the Investment Advisor in 2009 and currently oversees business operations at the Investment Advisor. Mr. Chan holds a master degree in Finance from Grenoble Ecole de Management Graduate School of Business and a bachelor degree in Economics from the University College London.

Ms. Shuyue TAN, CFA, is a director of the Investment Advisor. Shuyue TAN is also known professionally as Sophia TAN. Ms. TAN joined the Investment Advisor in 2009 and currently oversees investment functions at the Investment Advisor. Ms. Tan holds a bachelor degree in Economics and Finance from the University of Hong Kong.

The principal place of business of each of the directors of the Investment Advisor is at the business address of the Investment Advisor.

The Fund Manager shall bear the fees and expenses of the Investment Advisor.

6.4 Administrator

Pursuant to the Administration Agreement, HSBC Trustee (Cayman) Limited has been appointed by the Master Fund and the Feeder Fund as its administrator, transfer agent and registrar. The Administrator is responsible for keeping the Master Fund and the Feeder Fund's register of members and for arranging for the issue and redemption of Shares and shares of the Master Fund, calculation of asset valuation and fees and for the general administration of the Master Fund and the Feeder Fund.

The Administrator is entitled to be indemnified by the Master Fund and the Feeder Fund against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, gross negligence in the case of the Feeder Fund and the Master Fund) or wilful default on the part of the Administrator) which may be imposed on, incurred by or asserted against the Administrator) in performing its obligations or duties.

The Administrator shall be entitled, without verification, further enquiry or liability on the Administrator's part, to rely on pricing information in relation to specified investments held by the Fund which is provided by price sources stipulated in the services set out in the offering document, or in the absence of any such stipulated price sources, any price sources on which the Administrator may choose to rely. Without prejudice to the generality of the foregoing, the Administrator shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Fund (save as provided in the services set out in the Administration Agreement) or for any inaccuracy, error or delay in pricing information supplied to the Administrator.

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Fund using its network of automated pricing services, brokers, market makers, intermediaries or other third parties.

In the absence of readily available independent pricing sources, the Administrator may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Fund (including, without limitation, private equity investments) which is provided to it by: (i) the Fund, (ii) the Directors (or other governing body of the Fund) or the Fund Manager; and/or (iii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorised by the Fund, the Directors (or other governing body of the Fund) or the Fund Manager to provide valuations or pricing information of the Fund's assets or liabilities to the Administrator.

The Administrator in no way acts as guarantor or offeror of the Shares, the shares of the Master Fund or any underlying investment. The Administrator is a service provider to the Fund and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the Fund or any investors in the Fund as a result of any failure by the Fund or the Fund Manager to adhere to the investment objective, policy,

investment restrictions, borrowing restrictions or operating guidelines. The Administrator will not participate in transactions or activities or make any payments denominated in US Dollars, which, if carried out by a US person, would be subject to sanctions of the Office of Foreign Assets Control ("OFAC") of the US Department of the Treasury.

The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of (i) any act or omission of any person prior to the commencement date of the Administration Agreement, (ii) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider, and (iii) any inaccuracy, error or delay in information provided to the Administrator by or for the Fund or Fund Manager (including any broker, market maker or intermediary). The Administrator shall not otherwise be liable for any loss to the Fund or any other person unless direct loss is sustained as a result of its fraud, gross negligence or wilful default.

Under the terms of the Administration Agreement, the Administrator is able to delegate certain of its functions and duties to the Administrator's affiliates. The Administrator has accordingly delegated certain of its functions and duties to the Administrator's Service Provider.

The appointment of the Administrator may be terminated without cause by not less than 90 days' notice in writing.

The Administrator is not responsible for the preparation or issue of this document other than with respect to the description above in respect of the Administrator. The Administrator accepts no liability or responsibility for the issue of, and other information contained in, this Private Placement Memorandum.

6.5 Auditor

Deloitte & Touche has been appointed to act as the auditor of the Fund.

6.6 Prime Brokers and Custodian

Goldman Sachs International

Goldman Sachs International (the "GS") has been appointed as a Prime Broker and Custodian to the Fund pursuant to a Prime Brokerage agreement and a number of product specific supplemental documents (together "**GS Prime Brokerage Agreement**"). GS is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority of the United Kingdom in the conduct of its investment business, it has financial resources in excess of US\$200 million and its ultimate parent, The Goldman Sachs Group, Inc., has a specified credit rating. In its capacity as Prime Broker, GS may execute purchase and sale orders for the Fund, and clear and settle such orders and orders executed by other brokers. In addition, GS may enter into off-exchange contracts with the Fund as principal. GS will also provide the Fund with financing lines, and short selling facilities.

The contact details of the Prudential Regulation Authority and the FCA are as follows:

Prudential Regulation Authority
20 Moorgate
London, EC2R 6DA

Financial Conduct Authority
12 Endeavour Square
London, E20 1JN

As custodian, GS will be responsible for the safekeeping of all the investments and other assets of the Fund delivered to it (the "**Custody Assets**") other than those transferred to GS as collateral or margin. GS will identify record and hold the Custody Assets in such a manner that the identity and location thereof can be identified at any time and so that the Custody Assets shall be readily identifiable as property belonging to, and held for the benefit of, the Fund and as separate from any of GS's own property.

GS may hold the Custody Assets with a sub-custodian, depository or clearing agent, including a person connected with GS (each a "**sub-custodian**") in a single account that is identified as belonging to customers of GS. GS will identify in its own books and records that part of the Custody Assets held by a sub-custodian as being held for the Fund. GS should thus be unavailable to the creditors of GS in the event of its insolvency. However, in the event of an irreconcilable shortfall following the default of any sub-custodian, the Fund may share in that shortfall proportionately with GS's other customers. Assets of the Fund held as collateral or margin are not required to be segregated and in the event of GS's insolvency may not be recoverable in full.

In accordance with the FCA's Custody Rules, GS will exercise reasonable skill, care and diligence in the selection of any sub-custodian and will be responsible to the Fund for the duration of any sub-custody agreement for satisfying itself as to the ongoing suitability of such sub-custodian, for the maintenance of an appropriate level of supervision over such sub-custodian and for confirming by means of appropriate periodic enquiries that the obligations of such sub-custodian continue to be competently discharged.

GS will only be responsible for losses suffered by the Fund as a direct result of its negligence or bad faith in the appointment and monitoring of any non-affiliated sub-custodian or nominee. Otherwise GS shall not be liable for any act or omission, or for the solvency, of any non-affiliated sub-custodian or nominee. Notwithstanding the foregoing, GS accepts the same level of responsibility as it does for itself for companies controlled by GS whose business consists solely of acting as a nominee holder of investments or other property in respect of any requirements of the FCA's Custody Rules. In the case of any act or omission on the part of a sub-custodian or its agent which the Fund considers to involve the negligence, fraud or wilful default on the part of such sub-custodian or agent, GS shall, subject to any internal approvals, not to be arbitrarily withheld or delayed, assign to the Fund any rights it may have in respect of such act or omission.

In the event that the Fund obtains legal advice that such assignment would be ineffective to enable the Fund to pursue its claim, then GS shall, subject to any internal approvals, not to be arbitrarily withheld or delayed, at the Fund's expense, claim and pursue the appropriate damages or compensation from the sub-custodian or agent on the Fund's behalf.

GS shall be liable for damage or loss only to Fund's account(s) and only to the extent arising directly from any act or omission by GS that constitutes negligence, fraud or wilful default. GS shall not be liable under or in connection with the GS Prime Brokerage Agreement for loss (whether direct or indirect) of business profits, revenue or of data or any indirect, consequential or incidental damages, liabilities, claims, losses, expenses, awards, proceedings and costs, in each case, regardless of whether the possibility of such damages, liabilities, claims, losses, expenses, awards, proceedings and costs was disclosed to, or could reasonably have been foreseen by, GS and whether arising in contract, in tort or otherwise.

The Fund will indemnify GS for any and all expenses, losses, damages, liabilities, demands, charges, actions and claims arising out of any act or omission on the part of the Fund or that result from the proper performance of GS's obligations under the GS Prime Brokerage Agreement, except to the extent that the same is due to the negligence, fraud or willful default of GS.

The Fund's obligations to GS will be secured by way of a first fixed charge over the Custody Assets. In addition, the Fund's obligations to GS in respect of any financing lines and short selling facilities will be secured by transferring to GS all rights, title and interest in and to certain of the Custody Assets identified for such purposes by GS as collateral. Collateral shall pass from the Fund to GS free and clear of any liens, claims, charges or encumbrances or any other interest of the Fund or any third party and accordingly GS may deal with, lend, dispose of, pledge, charge or otherwise use all collateral for its own purposes and shall be obliged to redeliver equivalent collateral to the Fund on satisfaction by the Fund of all its obligations to GS and its affiliates. The Fund will not be required to post collateral (excluding cash) with a market value in excess of 200 per cent of the value of the Fund's obligations to GS.

The Custody Assets may be borrowed, lent, charged or otherwise used by GS for its own purposes, whereupon such Custody Assets will become the property of GS or become subject to a charge in favour of GS, as the case may be. The Fund will have a right against GS for the return of equivalent assets and will rank as an unsecured creditor in relation thereto. In the event of the insolvency of GS, the Fund may not be able to recover such equivalent assets in full.

Cash held or received for the Fund by or on behalf of GS and subject to either the first fixed charge or transfer of title collateral arrangements described above will not be treated as client money. Accordingly the Fund's cash will not be subject to the client money protections conferred by the FCA Client Money Rules. As a consequence such cash may be used by GS in the course of its business and the Fund will rank as a general creditor of GS in the event of GS's insolvency.

GS will have no decision-making discretion relating to the Fund's investments. Further, GS shall have no obligation to review, monitor or otherwise ensure compliance by the Fund with the

investment policies, restrictions or guidelines applicable to it or any other term or condition of the Fund's offering document. GS is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document.

The Fund reserves the right, in its discretion, to change the Prime Brokerage and custodian arrangements described above including, but not limited to, the appointment of additional prime brokers and custodians.

In addition to the Prime Broker, the Fund may, from time to time, appoint other entities to perform custodial services in relation to investments which are the Fund's own. Any respective agreements are referred to in the section headed "Material Contracts" - "General Information" between the Fund and the Custodian under which the Custodian is appointed to provide custodial services to the Fund on the terms and conditions thereof.

The Fund may appoint other or additional custodians to hold some or all of the assets of the Fund.

Credit Suisse AG

Credit Suisse AG, acting through its Dublin Branch (the “CS”), will provide prime brokerage services to the Fund pursuant to the Master Prime Brokerage Terms (the “**PB Terms**”).

The services provided by CS to the Fund may include clearance and settlement, custody of assets, securities lending, financing and foreign exchange. The Fund may also utilise CS, other members of the Credit Suisse Group (“**Affiliates**”) and other brokers and dealers for the purposes of executing transactions for the Fund.

Credit Suisse AG is incorporated in Switzerland and is authorised and regulated by the Swiss Financial Market Supervisory Authority (“**FINMA**”) in Switzerland. The contact details of FINMA are as follows:

Swiss Financial Market Supervisory Authority FINMA
Laupenstrasse 27
CH-3003 Bern

Credit Suisse AG, Dublin Branch is further regulated by the Central Bank of Ireland for conduct of business purposes. The contact details of Central Bank of Ireland are as follows:

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3

Credit Suisse AG has been assigned a credit rating as at the date of this Prospectus of A2 for long term credit and P-1 for short term credit by the credit agency Moody's Investor Services and A for long term credit and A-1 for short term credit by the credit agency Standard & Poor's.

As security for the payment and performance by the Fund of all of its obligations to CS all investments of the Fund held by CS ("**Collateral**") will be subject to a security interest in favour of CS on trust for itself and each Affiliate.

Any Collateral may be sold, borrowed, lent or otherwise transferred or used by CS for its own purposes in which event the Fund will have a right against CS for the return of assets equivalent to the Collateral so used. To the extent so used, any such Collateral will not be segregated from other assets belonging to CS and may be available to creditors of CS in the event of its insolvency.

To the extent that CS holds any investments in custody, CS may appoint sub-custodians (which may include Affiliates) ("**Sub-Custodians**") of such investments and CS will, in accordance with the applicable regulations, identify, record and hold the Fund's investments held by it in its capacity as custodian in such a manner that the identity and location of the investments can be identified at any time and that such investments are readily identifiable as belonging to a customer of CS and are separately identifiable from CS's own investments, and should therefore be unavailable to the creditors of CS in the event of its default. However, where, due to the nature of the law or market practice of jurisdictions outside Ireland, it is in the Fund's best interests so to do or it is not feasible to do otherwise, any such investments may be registered in the name of CS or an eligible custodian and may not be segregated from CS's own investments and in the event of CS's default may not be as well protected from claims made on behalf of the general creditors of CS.

CS will not be responsible or liable for the solvency, acts or omissions of any Sub-Custodian who is not an affiliate of or nominee company controlled by CS save to the extent that any loss arises from the negligence of CS or an Affiliate in the selection, appointment and periodic review of any such Sub-Custodian. The Fund has indemnified CS, its Affiliates, directors, officers, employees and agents against any loss, claim, damage or expense (including taxation) incurred or suffered by, or asserted against them or any third person.

Money received or held by CS pursuant to the PB Terms will not be segregated from CS's own money and will be used by CS in the course of its own business. Consequently, the Fund will rank as a general creditor of CS with respect to such money in the event of CS's insolvency.

The appointment of CS will continue unless and until terminated by either party on not less than 15 business days prior written notice to the other party. Upon such notice becoming effective, the CS may refuse to settle any transactions for the Fund and the Fund shall, subject to the discharge of its obligations to CS, instruct CS to transfer its assets elsewhere.

CS is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in

this document.

CS is not an investment or other adviser to the Fund and will not participate in the investment decision-making process.

The Fund reserves the right to change the arrangements described above by agreement with CS and/or, in its discretion, to appoint additional or alternative prime broker(s) and custodian(s).

Morgan Stanley & Co. International plc.

Morgan Stanley & Co. International plc. (the “**MS**”), a member of the Morgan Stanley Group of companies, based in London, will provide prime brokerage services to the Fund under the terms of the International Prime Brokerage Agreement (the “**MS Prime Brokerage Agreement**”) entered into between the Fund and the MS for itself and as agent for certain other members of the Morgan Stanley Group of companies (the “**Morgan Stanley Companies**”). These services may include the provision to the Fund of margin financing, clearing, settlement, stock borrowing and foreign exchange facilities. The Fund may also utilize the MS, other Morgan Stanley Companies and other brokers and dealers for the purposes of executing transactions for the Fund. The MS is authorized by the Prudential Regulatory Authority (“**PRA**”) and regulated by the Financial Conduct Authority (“**FCA**”) and the PRA. The contact details of the PRA and the FCA are as follows:

Prudential Regulation Authority
20 Moorgate
London, EC2R 6DA

Financial Conduct Authority
12 Endeavour Square
London, E20 1JN

The MS will also provide a custody service for all the Fund’s investments, including documents of title or certificates evidencing title to investments, held on the books of the MS as part of its prime brokerage function in accordance with the terms of the MS Prime Brokerage Agreement and the rules of the FCA. The MS may appoint sub-custodians, including the Morgan Stanley Companies, of such investments.

In accordance with FCA rules, the MS will record and hold investments held by it as custodian in such a manner that the identity and location of the investments can be determined at any time and that such investments are readily identifiable as belonging to a customer of the MS and are separately identifiable from the MS’s own investments. Furthermore, in the event that any of the Fund’s investments are registered in the name of the MS where, due to the nature of the law or market practice of jurisdictions outside the United Kingdom, it is in the Fund’s best interests so to do or it is not feasible to do otherwise, such investments may not be segregated from the MS’s own investments and in the event of the MS’s default may not be as well protected.

Any cash which the MS holds or receives on the Fund's behalf will not be treated by the MS as client money and will not be subject to the client money protections conferred by the FCA's Client Money Rules (unless the MS has specifically agreed with or notified the Fund that certain cash will be given client money protection). As a consequence, the Fund's cash will not be segregated from the MS's own cash and will be used by the MS in the course of its investment business, and the Fund will therefore rank as one of the MS's general creditors in relation thereto.

As security for the payment and discharge of all liabilities of the Fund to the MS and the Morgan Stanley Companies, the investments and cash held by the MS and each such Morgan Stanley Company will be charged by the Fund in their favor and will therefore constitute collateral for the purposes of the FCA rules. Investments and cash may also be deposited by the Fund with the MS and other members of the Morgan Stanley Group of companies as margin and will also constitute collateral for the purposes of the FCA rules.

The Fund's investments may be borrowed, lent or otherwise used by the MS and the Morgan Stanley Companies for its or their own purposes, whereupon such investments will become the property of the MS or the relevant Morgan Stanley Company and the Fund will have a right against the MS or the relevant Morgan Stanley Company for the return of equivalent assets. The Fund will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of the MS or the relevant Morgan Stanley Company, the Fund may not be able to recover such equivalent assets in full.

Neither the MS nor any Morgan Stanley Company will be liable for any loss to the Fund resulting from any act or omission in relation to the services provided under the terms of the MS Prime Brokerage Agreement unless such loss results directly from the negligence, wilful default or fraud of the MS or any Morgan Stanley Company. The MS will not be liable for the solvency, acts or omissions of any sub-custodians or other third party by whom or in whose control any of the Fund's investments or cash may be held. The MS and the Morgan Stanley Companies accept the same level of responsibility for nominee companies controlled by them as for their own acts. The Fund has agreed to indemnify the MS and the Morgan Stanley Companies against any loss suffered by, and any claims made against, them arising out of the MS Prime Brokerage Agreement, save where such loss or claims result primarily from the negligence, wilful default or fraud of the indemnified person.

The MS is a service provider to the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document. The MS will not participate in the investment decision-making process.

BNP Paribas, London Branch

Pursuant to the BNP Prime Brokerage Agreement between the Fund and BNP Paribas, London branch ("**BNPP**"), BNPP was appointed as prime broker and custodian of the assets of the Fund. The services rendered by BNPP may include inter alia the provision of margin financing, clearing, settlement, stock lending and foreign exchange facilities. The Fund may also utilize BNPP, other

members of the BNPP Group (“**BNP Affiliated Companies**”) and other brokers and dealers for the purposes of executing transactions for the Fund.

BNPP, as a branch of a French credit institution authorised to provide investment services, applies French regulations governing the protection of assets deposited in custody set out in the Autorité des Marchés Financiers General Regulations (the “**AMF General Regulations**”) transposing the relevant provisions of Directives 2004/39/EC and 2006/73/EC.

As custodian, BNPP will in accordance with the AMF General Regulations, identify in its books and record the investments of the Fund held by it as custodian in such a manner that the investments of the Fund shall be at any time and without delay identifiable as belonging to, and held for the benefit of, the Fund. The investments of the Fund will be held separately from investments held for any other client and any of BNPP's own investments and should therefore be unavailable to creditors of BNPP.

BNPP may also hold the investments and other assets of the Fund with a sub-custodian, including BNP Affiliated Companies or a person connected with BNPP (“**BNP Sub-Custodians**”). BNPP will require that any BNP Sub-Custodian appointed by it will identify in its books and records that the investments belong to the Fund (to the extent permitted by applicable mandatory law, regulation, or market practice) so that it is readily apparent that such investments do not belong to BNPP and should therefore be unavailable to creditors of BNPP. The investments of the Fund may be held in a single account that is identified as belonging to customers of BNPP. Where, due to the nature of the law or market practice of jurisdictions outside the United Kingdom or the European Economic Area, BNPP determines that it is in the Fund's best interests to register the Fund's investments in the name of BNPP or it is not feasible to do otherwise, such investments may not be segregated from BNPP's own investments and in the event of BNPP's default may not be as well protected. BNPP will exercise reasonable skill, care and diligence in the selection of any such BNP Sub-Custodian and will be responsible to the Fund for the duration of any sub-custody agreement for satisfying itself as to the ongoing suitability of such BNP Sub-Custodian, for the maintenance of an appropriate level of supervision over such BNP Sub-Custodian and for confirming by means of appropriate periodic enquiries that the obligations of such BNP Sub-Custodian continue to be competently discharged.

Any cash held or received for the Fund by BNPP shall be held with BNPP as credit institution within the meaning of Regulation EU575/2013. Accordingly, the Fund's cash will not be held by BNPP as a trustee or agent nor may be segregated from the cash of BNPP and such cash may be used by BNPP in the course of its investment business and the Fund will rank as a general creditor of BNPP in the event of BNPP's insolvency.

As continuing security for the proper payment and discharge of the obligations of the Fund to BNPP and the BNP Affiliated Companies, the Fund's shall charge all investments and cash held by BNPP or any Affiliated Company in their favour as more fully set out in the Prime Brokerage Agreement.

Investments held on the books of BNPP may at all times be appropriated by BNPP and/or any Affiliated Company for their own account and dealt with (whether by sale, loan, rehypothecation or

otherwise) whereupon such investments will become the property of BNPP or the Affiliated Company and the Fund will have a right against BNPP for the return of equivalent assets. The Fund will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of BNPP or the relevant Affiliated Company, the Fund may not be able to recover such assets in full.

Neither BNPP nor any of the BNP Affiliated Companies will be liable for any loss suffered by the Fund or for any action taken or not taken in relation to the services provided under the Prime Brokerage Agreement unless BNPP or such Affiliated Company is negligent or guilty of wilful misconduct or fraud. BNPP will not be liable for any loss or liability resulting from a default or misconduct of any sub-custodian or other third party which is not an Affiliated Company. The Fund will indemnify BNPP and any Affiliated Company against any loss, liability or cost which BNPP or the relevant Affiliated Company may suffer or incur arising out of the Prime Brokerage Agreement.

It is the responsibility of the Fund (and not BNPP) to ensure that all assets of the Fund are delivered to BNPP as prime broker and custodian. BNPP will not be responsible for monitoring the Fund's compliance with this obligation.

Either party to the Prime Brokerage Agreement shall be entitled to terminate the Prime Brokerage Agreement at any time by giving not less than thirty (30) calendar days' notice, save that termination of the Prime Brokerage Agreement shall not affect any contractual provision intended to survive termination or any transaction or obligation outstanding at the termination date.

The Prime Broker is (i) authorised and supervised by the European Central Bank, (ii) authorised and supervised in France by the Autorité de Contrôle Prudentiel et de Résolution, (iii) supervised by the Autorité des Marchés Financiers for the provision of investment services and related ancillary services, (iv) authorised by and subject to limited regulation by the Prudential Regulation Authority, and (v) subject to limited regulation by the Financial Conduct Authority. The contact details of the Autorité de Contrôle Prudentiel et de Résolution, the Autorité des Marchés Financiers, the Prudential Regulation Authority and the Financial Conduct Authority are as follows:

Autorité de Contrôle Prudentiel et de Résolution
4 Place de Budapest
CS 92459
75436 Paris Cedex 09

Autorité des Marchés Financiers
17, place de la Bourse
75082 Paris Cedex 02

Prudential Regulation Authority
20 Moorgate
London, EC2R 6DA

Financial Conduct Authority

12 Endeavour Square
London, E20 1JN

BNPP is a service provider to the Fund and has no responsibility for the preparation of this document or the activities of the Fund. Accordingly, BNPP accepts no responsibility for any information contained in this document other than the above description. BNPP acts solely as a service provider and, therefore, will not participate in the Fund's investment decision-making process.

Bank of China (Hong Kong) Limited

Bank of China (Hong Kong) Limited ("**BOCHK**") has been appointed as the custodian of the Fund.

BOCHK was incorporated in Hong Kong on 16 October, 1964. It is licensed as a bank by the Hong Kong Monetary Authority ("**HKMA**") under the Banking Ordinance (Chapter 155 of the Banking Ordinance) ("**BO**") and is registered as a registered institution with the HKMA and the SFC under the BO and the SFO to conduct type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the SFO.

The contact details of the HKMA and the SFC are as follows:

Hong Kong Monetary Authority
55th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

Securities and Futures Commission
35/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

As a locally incorporated licensed bank, it was re-structured to the present form since 1 October 2001 by combining the businesses of ten of the twelve banks in Hong Kong originally belonging to the Bank of China Group. In addition, it holds shares in Nanyang Commercial Bank Limited and Chiyu Banking Corporation Limited, both of which are incorporated in Hong Kong, as well as BOC Credit Card (International) Limited.

BOC Hong Kong (Holdings) Limited was incorporated in Hong Kong on 12 September 2001 to hold the entire equity interest in BOCHK, its principal operating subsidiary. After a successful global IPO, BOC Hong Kong (Holdings) Limited began trading on the Main Board of The Stock Exchange of Hong Kong Limited on 25 July 2002 with stock code "2388" and became a Hang Seng Index constituent stock on 2 December 2002.

With a network of over 280 branches, servicing more than 600,000 corporates and 2 million retail customers, BOCHK is the second largest banking group in Hong Kong. It offers a full range of banking services, including global custody and also fund services for institutional clients.

Pursuant to the Custodian Agreement, BOCHK will act as the custodian of the Fund's assets, which will be held directly by the Custodian or through its agents, sub-custodians, or delegates pursuant to the Custodian Agreement. The Custodian shall exercise reasonable care in the appointment of such agents and shall remain liable for their gross negligence or wilful default.

The appointment of the Custodian may be terminated by not less than ninety (90) days' notice in writing.

The Custodian is under no duty to supervise compliance with the investment objective, investment policy, investment restrictions, borrowing restrictions or operating guidelines in relation to the Fund. None of the Custodian or its employees, service providers or agents is directly involved in the business affairs, organization, sponsorship or management of the Fund, and are not responsible for the preparation or issue of the Private Placement Memorandum other than the descriptions in respect of itself under this section headed "Management and Administration" - "Prime Brokers and Custodian". Neither shall the Custodian be liable for the Fund's assets held by other parties, if any, appointed from time to time by the Fund; nor for the custody of any bilateral private deals, non-listed derivatives or other non-tradable instruments.

The Fund shall indemnify and hold the Custodian harmless from and against all claims resulting from or arising in connection with the provision of services by the Custodian or by its agents, nominees, or sub-custodian under the Custodian Agreement between the Fund and the Custodian, save for any negligence, fraud or wilful breach of duty on the Custodian's part.

The Fund reserves the right to change the custodian arrangements described above by agreement with the Custodian, subject to the terms of the Custodian Agreement.

Pursuant to the fee letter entered into between the Fund and the Custodian, the Custodian is entitled to (among others) transaction charges at customary market rates and custody fees at different rates, largely depending on the investment instruments concerned as well as the markets where the Custodian is required to hold the Fund's assets. Such fees will be calculated monthly and will be paid monthly in arrears. The Custodian will also be entitled to reimbursement by the Fund for any out-of-pocket expenses or third-party charges incurred in the course of its duties.

6.7 Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer

The Fund has appointed a Compliance Officer ("CO"), Money Laundering Reporting Officer ("MLRO"), and Deputy Money Laundering Reporting Officer ("DMLRO") of the Fund (collectively, the "Officers"). The Officers shall carry out their functions in accordance with the

laws of the Cayman Islands. Investors may obtain details (including contact details) of the Officers of the Fund by contacting the Fund Manager or the Investment Advisor.

The CO shall act as point of contact with CIMA, respond to the competent authorities requests for information relating to the Fund's Anti-Money Laundering Program, provide Anti-Money Laundering/Counter Terrorist and Proliferation Financing ("AML/CTF") compliance oversight of the Fund's activities (including their investment activity as well as investor-related anti-money laundering issues), establish and maintain appropriate systems and controls (including documented policies and procedures) to ensure compliance with Cayman AML/CTF laws/regulations, oversee audits/testing of the Administrator's AML/CTF program and KYC documentation, ensure procedures are in place and employees are aware of procedures for the reporting of suspicious activity to the MLRO/DMLRO, maintain logs/records relating to specified scenarios such as rejection of subscriptions, investor account freezes and enhanced due diligence on politically exposed persons and other high risk investors, advise the relevant directors of AML/CTF compliance issues that need to be brought to its attention and report periodically to the relevant directors regarding the state of the Fund's AML/CTF program and controls.

The MLRO shall receive internal suspicious activity reports presented by the Fund, the Administrator or Fund Manager's staff or other service providers of the Fund as applicable and considering any such report in light of all other relevant information for the purpose of determining whether or not the information or other matter contained in the report gives rise to knowledge or suspicion of criminal conduct pursuant to the Anti-Money Laundering Regulations (2020 Revision), the Proceeds of Crime Law (2020 Revision) and the Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, file suspicious activity reports with the Financial Reporting Authority ("FRA") as required, maintain a log of all reports of suspicious activity (including where the filing of a suspicious activity report is not deemed necessary or appropriate), keep the Directors informed of all internal reports of suspicious activity and suspicious activity reports filed with the FRA, to the extent permitted by law and regulation.

In the absence of the MLRO, the DMLRO will be the final decision maker as to whether to file a suspicious activity report.

The Officers are subject to change without prior consent or notice to the Shareholders. Shareholders may request the Fund provide further particulars of the Officers.

7. ISSUE AND REDEMPTION OF SHARES

7.1 Issue of Shares

As at the date of this Private Placement Memorandum, Class A Shares, Class P Shares (including Shares of the Class P Non-Trailer Series and Class P Trailer Series) and Class I Shares shall be available for subscription on each Dealing Day at the Class A Subscription Price, Class P Subscription Price and Class I Subscription Price as set out in the section headed "Subscription Prices and Redemption Prices" - "Fees and Expenses".

Class A Shares are available for general subscription.

Class P Shares are offered in two series namely the Class P Non-Trailer Series and Class P Trailer Series. Class P Shares are generally available for subscription through approved private banking or financial institutions and other fund distribution partners ("**Distribution Partners**"). Subscriptions for Shares of the Class P Non-Trailer Series will not be subject to trailer fees and subscriptions for Shares of Class P Trailer Series will be subject to trailer fees payable to the Distribution Partners out of the Management Fee of the Fund Manager. For the avoidance of doubt, such trailer fee will be borne by the Fund Manager and will not be paid out of subscription monies or the Net Asset Value of Class P Shares. Save for the trailer fee arrangement as aforesaid, the terms and rights of Shares issued in Class P Trailer Series and Class P Non-Trailer Series are identical. If subscribers are in doubt as to their election to subscribe for Shares in either the Class P Non-Trailer Series or the Class P Trailer Series, please contact the Fund Manager or the relevant Distribution Partner for further instructions. The Fund Manager shall have discretion (subject to the overall approval of the Directors) to determine the eligibility and suitability of Distribution Partners and to accept or reject any application for subscription of Class P Shares through Distribution Partners whether generally or in a particular case.

Class I Shares are only available for subscription by by any principal, shareholder, officer, employees, affiliates and other related parties of the Fund Manager and/or the Investment Advisor, and such other persons which the Fund Manager designates in its discretion. The Fund Manager shall have discretion (subject to the overall approval of the Directors) to accept or reject any application for subscription of Class I Shares by any person, whether generally or in a particular case. For the avoidance of doubt, Class A Shares, Class P Shares and Class I Shares shall rank *pari passu*.

The Directors may resolve, in their sole discretion, to accept non-cash assets in satisfaction in whole or in part of the Subscription Price and any applicable Subscription Fee on an application for Shares. The value of such assets shall be calculated as determined by the Directors from time to time. The legal and beneficial title to the relevant assets must be transferred to the Fund. The

Directors will also have absolute discretion to decide all other matters relating to any subscription made by way of non-cash assets.

7.2 Procedure for Subscriptions

Applications to subscribe for Shares may be made on any Dealing Day at the Class A Subscription Price, Class P Subscription Price or Class I Subscription Price (as the case may be) applicable on that Dealing Day, provided that the Subscription Forms for subscription on a particular Dealing Day, together with cleared funds received representing the Class A Subscription Price (and any applicable Subscription Fee), Class P Subscription Price (and any applicable Subscription Fee) or the Class I Subscription Price (as the case may be) must be received by the Administrator's Service Provider on or before the Subscription Dealing Deadline for that Dealing Day, failing which the application for subscription will be dealt with on the next Dealing Day at the Class A Subscription Price, Class P Subscription Price or Class I Subscription Price (as the case may be) then applicable.

The Fund Manager shall have discretion whether or not to accept non-cleared fund subscriptions and late subscription applications.

The Fund Manager may add to the Class A Subscription Price per Class A Share, the Class P Subscription Price per Class P Share or the Class I Subscription Price per Class I Share, an amount which it considers to be an appropriate allowance to reflect fiscal and purchase charges which would be incurred for the Fund in investing an amount equal to that Net Asset Value per Share. In calculating the Net Asset Value per Share, the resulting amount shall be rounded to the nearest 0.01 of the Base Currency. Fractions not less than one thousandth of a Share may be issued. Subscription monies representing smaller fractions of a Share will be retained by the Fund.

Applications should be made by completing and signing the Subscription Form and returning the same by permitted means to the Administrator's Service Provider. In respect of the initial application for Shares in the Fund, where applications are made by electronic means or by facsimile, the original signed Subscription Form shall follow immediately by post. In respect of any additional subscription for Shares made by an applicants on any Subscription Day, such application shall be returned to the Administrator's Service Provider by electronic means or by facsimile.

Applicants should note that the Fund, the Fund Manager, the Investment Advisor, the Administrator and/or the Administrator's Service Provider accepts no responsibility for any loss caused as a result of the non-receipt, mis-delivery or illegibility of any application sent by electronic means or facsimile or for any loss caused in respect of any action taken as a consequence of such electronic instructions or facsimile instructions believed in good faith to have originated from properly authorized persons, or for any loss caused as a result of any application considered improperly or inadequately completed. This is notwithstanding the fact that an electronic transmission report or facsimile transmission report produced by the originator of such transmission disclosed that such transmission was sent.

In addition, Applicants shall also be required to fully indemnify each of the Fund, the Fund Manager, the Investment Advisor, the Administrator and/or the Administrator's Service Provider against any loss, cost, expense or liability of whatsoever nature which they may incur or suffer, directly or indirectly, as a result of any of them relying, acting or failing to act, in their discretion, upon instructions by electronic means or facsimile believed in good faith to have originated from properly authorized persons, or of the non-receipt, mis-delivery or illegibility of any application sent by electronic means or facsimile by the Applicant. The Applicant further agrees that the indemnity shall remain in force until such time the Fund, the Fund Manager, the Investment Advisor, the Administrator and/or the Administrator's Service Provider's appointment in respect of the Fund is terminated, and shall apply without prejudice to the completion of transactions already initiated. The application moneys should be sent by telegraphic transfer to the Fund's account in accordance with the instructions set out in the Subscription Form. Applicants are advised whenever possible to apply by electronic means or facsimile and to make payment by telegraphic transfer to avoid any delay in the allotment of their Shares. Payment by cheque is not accepted. All application moneys must originate from an account held in the name of the applicant. No third party payments will be accepted.

The minimum initial subscription and minimum subsequent subscription amount in respect of each class of Shares are as follows

Class of Shares	Series	Minimum Initial Subscription Amount	Minimum Subsequent Subscription Amount
Class A Shares	N/A	US\$1,000,000	US\$100,000
Class P Shares (in respect of each of Class P Non-Trailer Series or Class P Trailer Series calculated on a separate basis)	Class P Non-Trailer Series	US\$1,000,000	US\$100,000
	Class P Trailer Series	US\$1,000,000	US\$100,000
Class I Shares	N/A	US\$100,000	US\$100,000

The above minimum initial subscription amount and the minimum subsequent subscription amount are exclusive of any applicable Subscription Fee. The Directors or the Fund Manager may waive or

reduce the above minimum initial subscription amount and/or the minimum subsequent subscription amount whether generally or in a particular case, subject to compliance with the Mutual Funds Law.

Applicants subscribing for Shares are advised that the Shares are issued subject to the provisions of the Articles. Subscription for Shares will be suspended during any period calculation of Net Asset Value is suspended pursuant to the Articles. Please refer to the section headed "Valuation" for details on the circumstances under which calculation of Net Asset Value may be suspended.

Shares subscribed for on any Dealing Day will be issued on the Dealing Day provided that the application and application moneys in cleared funds are received by the Administrator's Service Provider on or before the Subscription Dealing Deadline for that Dealing Day. Share certificates will not be issued. Application moneys other than the Base Currency will be converted into the equivalent Base Currency and all bank charges and other conversion costs will be deducted from the application moneys prior to investment in Shares.

The relevant Class A Subscription Price, Class P Subscription Price and/or Class I Subscription Price applicable on any Dealing Day may be obtained from the Fund Manager.

Applicants of Class A Shares and Class P Shares will be charged with the Subscription Fee which shall be up to five per cent (5%) of the total subscription amount, unless waived or reduced by the Fund Manager. The Subscription Fee will be payable to the Fund Manager. Applicants for Class I Shares shall not be subject to a Subscription Fee.

Although the Shares will not be issued until the applicable Dealing Day, paid moneys are immediately deposited into the Feeder Fund's account and kept in custodial status without interest. Prior to the issuance of the Shares on the applicable Dealing Day, the Administrator may, at the direction of the Fund Manager, release such funds to ensure that investment in the Master Fund by the Feeder Fund and in turn, investment by the Master Fund can be effected on the Dealing Day. The Administrator shall not be liable for any loss which an applicant may suffer as a result of the Administrator releasing such funds for investment by the Feeder Fund or the Master Fund as aforesaid.

7.3 Procedure for Redemptions

Subscriptions in Class A Shares and Class P Shares are not subject to any Lock-Up Period.

Subscriptions in Class I Shares shall be subject to a Lock-Up Period of 1 year, counting from (i) the relevant Dealing Day on which such Class I Shares are issued, or (ii) in the event there are any transfer or switching of interest from Class A Shares or Class P Shares to Class I Shares, commencing from the date of switching. During the Lock-Up Period, no redemptions of Class I Shares shall be permitted unless otherwise consented by the Directors whether generally or in a particular case. Where a Shareholder has been issued Class I Shares at different times and subsequently makes a partial redemption of Class I Shares, Class I Shares shall unless otherwise

agreed by the Director and/or the Fund Manager and the relevant Shareholder, be redeemed on a “first issued, first redeemed” basis. Unless otherwise permitted by the Directors whether generally or in a particular case, Class I Shares may only be redeemed on the next upcoming Redemption Day after the expiry of the Lock-Up Period applicable to such Class I Shares. .

Subject to the Lock-Up Period applicable with respect to Class I Shares, Shareholders of the Feeder Fund may, in general, redeem their Shares of the relevant class on each Redemption Day. The Class A Redemption Price, Class P Redemption Price and/or Class I Redemption Price will be calculated in accordance with the provisions set out in the Articles and described under the section headed "Subscription Prices and Redemption Prices" and the applicable price at which Class A Shares, Class P Shares and/or Class I Shares will be redeemed on a Redemption Day may be obtained from the Fund Manager. "Fees and Expenses" below, upon proper receipt by the Administrator's Service Provider of a duly completed Redemption Form. Payment of redemption proceeds will be net of the redemption fee (if any) and any relevant bank charges (if any) for the redemption of those Shares. In calculating Net Asset Value per Share of the relevant class, the resulting amount shall be rounded to the nearest 0.01 of the Base Currency.

Subject to the Feeder Fund's ability to redeem capital from the Master Fund, on each Redemption Day, each Class A Shareholder and/or Class I Shareholder is entitled to redeem an aggregate net number of Class A Shares or Class I Shares (as applicable) up to 25% of the highest number of Shares in the relevant class held by such holder on any preceding day since the first issuance of Shares of the relevant class by such holder (“**Class A/I Historical High Shareholding**”) or such higher percentage of its Historical High Shareholding as the Directors or the Fund Manager may determine in its discretion from time to time (“**Class A/I Redemption Quota**”) over each calendar quarter ending on the last Business Day (if such day is not a Business Day, the preceding Business Day) of each March, June, September and December (each a “**Relevant Quarter**”), except for Class A Shares issued before 1 April 2012. With respect to the above redemption restriction, where a holder holds both Class A Shares and Class I Shares, the Class A/I Historical High Shareholding and Class A/I Redemption Quota shall be calculated separately with respect to the relevant Class and shall not be aggregated or combined.

For the avoidance of doubt, the Class A/I Historical High Shareholding for a Shareholder will be reset to zero upon each full redemption of all Shares in the relevant class held by such Shareholder in the Feeder Fund and will be calculated anew beginning from the next Dealing Day on which such Shareholder subsequently subscribes for Shares in the relevant class in the Feeder Fund.

If Shareholders redeem Shares in the relevant class in excess of their respective Class A/I Redemption Quota in a Relevant Quarter, the Feeder Fund’s obligation to redeem Shares in such classes is subject to postponement until the first Redemption Day in the next Relevant Quarter and all following Redemption Days (in relation to which the Feeder Fund has the same power) until the original request has been satisfied in full.

Any further subscriptions of additional Shares in the relevant class made by a holder of such class of Shares during the same Relevant Quarter will be netted against the total redemptions of Shares

of the same class made by the same holder during such Relevant Quarter and such holder will be entitled to redeem additional Shares of the relevant class up to the limit of their respective Class A/I Redemption Quota over the Relevant Quarter.

In any event, the Class A/I Redemption Quota for each Shareholder will be calculated anew beginning from the first Redemption Day of a Relevant Quarter and Shareholders will be entitled to redeem Class A Shares and/or Class I Shares (as applicable) up to their respective Class A/I Redemption Quota in a new Relevant Quarter.

For the avoidance of doubt, Class A Shares subscribed before 1 April 2012 are not subject to the above redemption restriction and may be fully redeemed up to one hundred per cent. (100%) by the relevant Shareholders on any Redemption Day.

Subject to the Feeder Fund's ability to redeem capital from the Master Fund, on each Redemption Day, Class P Shareholders are entitled to request for a redemption of Class P Shares. Notwithstanding the aforementioned, the Fund Manager's obligation to redeem Class P Shares may be subject to postponement if requests for Class P Shares received in respect of any one Redemption Day exceeds the Class P Quarterly Redemption Quota (defined below). The Class P Quarterly Redemption Quota is calculated at a rate of 25% of the number of Class P Shares (calculated on an aggregate basis of both Class P Non-Trailer Series and Class P Trailer Series) in issue as at the Redemption Dealing Deadline applicable to the first Redemption Day of each Relevant Quarter. For the avoidance of doubt, the Class P Quarterly Redemption Quota will be applied persistently in respect of each Redemption Day throughout the Relevant Quarter and will be applied at the aggregate class level rather than on an individual Class P Shareholder level. The Class P Quarterly Redemption Quota will not differentiate between the Class P Non-Trailer Series and Class P Trailer Series and will be calculated on an aggregate class basis. Separately, the Class P Quarterly Redemption Quota will not be adjusted to take into account the net effect of subscriptions for Class P Shares in respect of each Subscription Day in the Relevant Quarter.

For the avoidance of doubt, the Class P Quarterly Redemption Quota will be recalculated and reset at the start of each Relevant Quarter.

Accordingly, where the aggregate redemption requests in respect of Class P Shares received by the relevant Redemption Dealing Deadline applicable to a Redemption Day does not exceed the Class P Quarterly Redemption Quota, such redemption requests will be satisfied in full, subject to any additional restrictions set out in this Private Placement Memorandum. However, if Class P Shareholders' aggregate request for redemption of Class P Shares on a Redemption Day exceeds the Class P Quarterly Redemption Quota (if satisfied in full), the Feeder Fund's shall accordingly reduce all but not some of such requests applicable to such Redemption Day on a pro rata basis amongst such holders. Any portion of the unsatisfied redemption requests in respect of such Redemption Day and any redemption requests received in respect of the next upcoming Redemption Day in the same Relevant Quarter shall be postponed until the first Redemption Day

in the next Relevant Quarter and all following Redemption Days (in relation to which the Feeder Fund has the same deferral power) until the original request has been satisfied in full.

Any part of which redemption request to which effect is not given by reason of the exercise of this power by the Fund Manager on any Redemption Day will be treated as if the request had been made with priority in respect of the first Redemption Day of the next Relevant Quarter for redemption of Class P Shares and all following Redemption Days for redemptions accordingly to the length of time for which they have been carried forward until the original request has been satisfied in full.

Shareholders will have the right to require all or, subject to the minimum holding requirement of 1,000 Shares of the relevant class (or such smaller number of Shares of a class as determined by the Directors or the Fund Manager), a part of their Shares in such class to be redeemed on a Redemption Day, at the prevailing Class A Redemption Price, Class P Redemption Price or Class I Redemption Price (as applicable). If a redemption request is submitted which would bring the Shareholder's holding below the minimum holding requirement for a relevant class, the Directors or the Fund Manager may deem such request to be a redemption request to have been made in respect of all the Shares of a particular class held by that Shareholder. For the avoidance of doubt, the minimum holding requirement of 1,000 Shares (or such smaller number of Shares of a class as determined by the Directors or the Fund Manager) shall be applied at a share class level and accordingly in respect of Class P Shares, where a Class P Shareholder holds Shares in both Class P Non-Trailer Series and Class P Trailer Series, the minimum holding shall be applied on an aggregate basis.

Shareholders should obtain the Redemption Form from the Fund or the Fund Manager and complete the Redemption Form by stating the class of Share and the number or the amount of Shares to be redeemed or the redemption amount in the Base Currency, the series (where applicable) and giving payment instructions for the payment of redemption proceeds, and the same should be sent to the Administrator's Service Provider. Redemption Forms may be sent by electronic means or facsimile on or before the Redemption Dealing Deadline (for the avoidance of doubt submission of the original Redemption Form to the Administrator's Service Provider is not required), but no redemption proceeds will be paid until the Administrator's Service Provider has received all outstanding identification documents or other information pertaining to anti-money laundering obligations.

The Fund, the Fund Manager, the Investment Advisor, the Administrator and/ or the Administrator's Service Provider accept no responsibility for any loss caused as a result of the non-receipt, mis-delivery or illegibility of any Redemption Form sent by electronic means or facsimile or for any loss caused in respect of any action taken as a consequence of such electronic instructions or facsimile instructions believed in good faith to have originated from properly authorized persons; or for any loss caused as a result of Redemption Form being considered improperly or inadequately completed. This is notwithstanding the fact that an electronic transmission report or facsimile transmission report produced by the originator of such transmission discloses that such transmission was sent. None of the Fund, the Fund Manager, the

Investment Advisor, the Administrator and/or the Administrator's Service Provider accepts any responsibility for any loss caused as a result of such delay for refusal to process transfer requests or effect payment of redemption proceeds (as case may be) and claims for payment of interest due to such delays are not accepted.

In addition, Shareholders shall also be required to fully indemnify each of the Fund, the Fund Manager, the Investment Advisor, the Investment Advisor, the Administrator and/or the Administrator's Service Provider against any loss, cost, expense or liability of whatsoever nature which they may incur or suffer, directly or indirectly, as a result of any of them relying, acting or failing to act, in their discretion, upon instructions by electronic means or facsimile believed in good faith to have originated from properly authorized persons, or of the non-receipt, mis-delivery or illegibility of any Redemption Form sent by electronic means or facsimile. Shareholders further agrees that the indemnity shall remain in force until such time the Fund, the Fund Manager, the Investment Advisor, the Investment Advisor, the Administrator and/or the Administrator's Service Provider's appointment in respect of the Fund is terminated, and shall apply without prejudice to the completion of transactions already initiated.

Subject to the absolute discretion of the Directors or the Fund Manager to accept a redemption request after the Redemption Dealing Deadline but prior to the relevant Redemption Day on which the redemption is to be effected, all redemption requests must be received by the Administrator's Service Provider on or before the Redemption Dealing Deadline prior to the relevant Redemption Day and any redemption request received after the Redemption Dealing Deadline will be carried forward to the next Redemption Day whereupon all Shares which are the subject of such redemption request will (subject to the same limitation and as provided below) be redeemed at the Class A Redemption Price, Class P Redemption Price or Class I Redemption Price applicable on that day. If redemption requests are carried forward, the affected Shareholders will be informed by the Fund Manager and on any subsequent Redemption Day priority will be given to requests which have been carried forward according to the length of time for which they have been carried forward.

Redemption proceeds should be paid to the Shareholder's bank account. Redemption payment to a party other than the Shareholder will not be entertained.

The Directors or the Fund Manager have the discretion to accept a request by Class A Shareholders and/or Class I Shareholders in the Redemption Form to have their redemption proceeds paid one Business Day after the relevant Redemption Day (an "**Advanced Redemption Payment Request**") upon payment of a percentage of their gross redemption proceeds as administrative fees (an "**Advanced Redemption Payment Fee**") (collectively, the "**Advanced Redemption Payment Option**"). The Advanced Redemption Payment Option shall not be applicable to Class P Shares. The Advanced Redemption Payment Fee shall be determined by the Fund Manager at its sole discretion from time to time and shall be retained for the benefit of the Feeder Fund. For

the avoidance of doubt, redemption proceeds will only be paid to Shareholders under the Advanced Redemption Payment Option after deducting the relevant Advanced Redemption Payment Fee.

Applicable Shareholders who have made an Advanced Redemption Payment Request in the Redemption Form may cancel such request by notifying the Fund Manager and/or the Investment Advisor in writing no later than three Business Days before the relevant Redemption Day, subject to the Fund Manager's discretion to accept a later request either generally or in any particular case.

Applicable Shareholders should note that the rate of Advanced Redemption Payment Fee may be changed from time to time at the sole discretion of the Fund Manager. A Shareholder who elects for the Advanced Redemption Payment Option should request for the latest prevailing rate of Advanced Redemption Payment Fee from the Feeder Fund, the Fund Manager and/or the Investment Advisor. The Feeder Fund, the Fund Manager or the Investment Advisor shall have no obligation to update any Shareholder in this respect, unless such Shareholders otherwise specifically made such requests for the latest prevailing rate of Advanced Redemption Payment Fee.

The availability of the Advanced Redemption Payment Option and the rate of the Advanced Redemption Payment Fee to be paid shall be the same for all applicable redeeming Shareholders on a given Redemption Day.

The Directors or the Fund Manager shall have the sole and absolute discretion in deciding whether to accept an Advanced Redemption Payment Request made by redeeming Class A Shareholders or Class I Shareholders. In the event where the Directors or the Fund Manager in their sole discretion deem necessary, the Directors or the Fund Manager may reduce all but not some of such requests pro rata to a level deemed appropriate for the Master Fund and the Feeder Fund upon taking into account all relevant circumstances including the general market conditions and liquidity conditions of the Master Fund and the Feeder Fund.

No Advanced Redemption Payment Requests shall be accepted until (i) the Fund Manager and/or the Investment Advisor have informed Shareholders of the prevailing rate of Advanced Redemption Payment Fee to be paid and such Shareholders agree in writing to pay such fee to the Feeder Fund; and (ii) the Fund Manager is satisfied that the following conditions have been fulfilled (subject to the Fund Manager's discretion to waive any condition(s) either generally or in any particular case or cases):

- (i) The Advanced Redemption Payment Request must be made on or before the relevant Redemption Dealing Deadline for the Class A Shares and/or Class I Shares to be redeemed;
- (ii) The Redemption Form submitted by the Class A Shareholder and/or Class I Shareholder must state the Class of Shares and dollar amount of Shares to be redeemed and where

applicable the relevant sub-class, series or sub-series (as the case may be) of Shares to be redeemed and give payment instructions for the redemption proceeds;

- (iii) The Advanced Redemption Payment Option is only available for Class A Shareholders and/or Class I Shareholders holding at least 25% of its Historical High Shareholding in respect of a class of Shares or such other percentage as the Directors or the Fund Manager may, in their sole and absolute discretion, determine from time to time either generally or in any particular case or cases. For the avoidance of doubt and notwithstanding other requirements set out in this section, no Advanced Redemption Payment Request will be accepted for any redemption request made by a Shareholder if his/her aggregate redemption amount since the first issuance of Shares of the relevant class by such holder is in excess of 75% of its Historical High Shareholding in respect of such class unless the Directors or the Fund Manager, in their sole and absolute discretion, otherwise determine. Redemption proceeds in relation to redemption requests made in excess of such aggregate redemption amount will be paid in the usual manner for regular redemption requests as set out in this section. For the avoidance of doubt, such aggregate redemption amount will reset upon each full redemption of all Shares of the relevant class held by such Shareholder in the Feeder Fund and will be calculated anew beginning from the next Dealing Day on which such Shareholder subsequently subscribes for Shares in the Feeder Fund;
- (iv) The Directors or the Fund Manager shall have the sole and absolute discretion to refuse any Advanced Redemption Payment Requests made by Class A Shareholders and/or Class I Shareholders in extreme market conditions where the Master Fund or the Feeder Fund suffers a material reduction in their respective Net Asset Values and/or the Directors or the Fund Manager, in their sole and absolute discretion and for any reason, deem it impracticable or imprudent to accept Advanced Redemption Payment Requests by Shareholders; and
- (v) Class A Shareholders and/or Class I Shareholders who elect for the Advanced Redemption Payment Option agree to indemnify the Feeder Fund for any excess redemption proceeds received under an Advanced Redemption Payment Request if such amount exceeds the actual amount of redemption proceeds entitled by such Shareholders after finalization of the relevant Class A Redemption Price or Class I Redemption Price (as applicable) by the Administrator.

For the avoidance of doubt, the redemption proceeds in respect of an Advanced Redemption Payment Request shall only be paid to Shareholders upon completion of all client due diligence procedures and/or requirements as required by the Administrator and/or the Administrator's Service Provider from time to time.

If the Directors or the Fund Manager, in their sole and absolute discretion and for any reason, refuse an Advanced Redemption Payment Request made by Shareholders, the relevant redemption request will be treated as if no Advanced Redemption Payment Request has been made and instead a regular redemption request was made on or before the Redemption Dealing Deadline in respect

of the relevant Redemption Day. The redemption proceeds will be paid in the usual manner for regular redemption requests as set out below.

Subject to the Advanced Redemption Payment Option as set out above, payment of redemption proceeds will be made by telegraphic transfer in the Base Currency generally within seven Business Days after the finalization of Net Asset Value per Share on which the relevant Shares are redeemed (provided that receipt by the Administrator's Service Provider of a complete redemption request by electronic means or by facsimile and upon receipt of all outstanding identification documents and such other information pertaining to anti-money laundering obligations). The costs of such telegraphic transfer will be borne by the Shareholder redeeming the Shares. If it is requested the redemption proceeds are to be paid in a currency other than the Base Currency, the redemption proceeds will be converted into that other currency after all bank charges and other conversion costs having been deducted from the redemption proceeds. In addition, redemptions may be limited, and in some cases required (in whole or in part), in connection with the Feeder Fund's and/or the Master Fund's compliance with the requirements of ERISA. Further details are set out in the section headed "ERISA Considerations".

Where the Feeder Fund does not hold sufficient cash or cash equivalents to make payment for the redeemed Shares as set forth above without detriment to the Feeder Fund, as determined in the discretion of the Directors or the Fund Manager, then the Directors or the Fund Manager shall make such payment at the earliest possible date when the Feeder Fund is able to do so. In particular, Shareholders should note that in the event that there is a delay in receipt by the Feeder Fund of the proceeds of realisation of its investments to meet redemption requests, the Directors or the Fund Manager may delay the payment of the relevant portion of the amount due on the redemption of Shares. In such a case, the Directors or the Fund Manager shall notify the relevant Shareholders of such delay as soon as practicable.

Redemption of Shares is subject to certain restrictions. In particular, redemption of Shares will be suspended during any period when calculation of Net Asset Value is suspended in accordance with the Articles. Please refer to the section headed "Valuation" for details on the provisions of the Articles relating to suspension of Net Asset Value calculation.

The Fund may compulsorily redeem the Shares by giving at least seven Business Days' notice to Shareholders (to the extent practicable and permitted by applicable law and regulations). The Fund may also compulsorily redeem the Shares held by any person if, in the sole and conclusive opinion of the Fund and the Directors, the holding of Shares by such person:

- (a) is in breach of the laws or requirements of any country or governmental or other regulatory authority;
- (b) is in circumstances (whether directly or indirectly affecting such person whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Fund or the associates or agents or service providers of the

Fund or any Shareholder incurring any liability to taxation (including if the Shareholder ceases to be an Eligible Investor) or suffering any other pecuniary, fiscal, commercial or regulatory disadvantage which the Fund or its associates or the Fund's authorized agents or service providers might not otherwise have incurred or suffered;

- (c) may result in the Fund being required to comply with any registration or filing requirement in any jurisdiction to which it would not otherwise be required to comply; or
- (d) may be harmful or injurious to the business or reputation of the Fund or any of its service providers.

If the Directors determine that the continued operation of the Master Fund or the Feeder Fund is impracticable or imprudent (whether because of a material reduction in the Net Asset Value, the unwillingness of the Fund Manager to continue to provide services to the Master Fund or the Feeder Fund or for any other reason), the Feeder Fund may compulsorily cause the redemption of all of the outstanding Shares upon 7 Business Days' prior notice (to the extent practicable and permitted by applicable law and regulations) to the Shareholders.

7.4 **Anti-Money Laundering and Countering of Terrorist and Proliferation Financing**

In order to comply with legislation or regulations aimed at the prevention of money laundering and the countering of terrorist and proliferation financing the Fund is required to adopt and maintain procedures, and may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable), and source of funds. Where permitted, and subject to certain conditions, the Fund may also rely upon a suitable person for the maintenance of these procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of such procedures to a suitable person (a "**Relevant AML Person**").

Each of the Fund, or the Relevant AML Person on the Fund's behalf, reserves the right to request such information as is necessary to verify the identity of a Shareholder (i.e. a subscriber or a transferee) and the identity of their beneficial owners/controllers (where applicable), and their source of subscription funds. Where the circumstances permit, the Fund, or the Relevant AML Person on the Fund's behalf, may be satisfied that full due diligence may not be required at subscription where a relevant exemption applies under applicable law. However, detailed verification information may be required prior to the payment of any proceeds in respect of, or any transfer of, Shares in each Fund.

In the event of delay or failure on the part of the subscriber or the transferee, as applicable, in producing any information required for verification purposes, the Fund, or any Relevant AML Person on the Fund's behalf, may refuse to accept the application, or if the application has already occurred, may suspend or redeem the Shares, in which case any funds received will, to the fullest extent permitted by applicable law, be returned without interest to the account from which they were originally debited.

Each of the Fund, or the Relevant AML Person on the Fund's behalf, also reserve the right to refuse

to make any redemption or dividend payment to a Shareholder if the Directors or the Relevant AML Person suspect or are advised that the payment of redemption or dividend proceeds to such Shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund, or the Relevant AML Person with any applicable laws or regulations.

The Authority has a discretionary power to impose substantial administrative fines upon the Fund in connection with any breaches by the Fund of prescribed provisions of the Anti-Money Laundering Regulations (2020 Revision) of the Cayman Islands, as amended and revised from time to time, and upon any director or officer of the Fund who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund, the Fund will bear the costs of such fine and any associated proceedings.

If any person in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority ("**FRA**") of the Cayman Islands, pursuant to the Proceeds of Crime Law (2020 Revision) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2018 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing, applicants consent to the disclosure by the Fund or the Relevant AML Person of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

As a regulated mutual fund in the Cayman Islands, the Master Fund is also subject to the same legislation and regulations aimed at the prevention of money laundering that are applicable to the Feeder Fund. The Master Fund will discharge its obligations by implementing procedures substantially similar to the Feeder Fund.

7.5 Eligible Investors

Each Shareholder who is resident or based in Hong Kong must represent and warrant to the Fund, the Fund Manager and the Investment Advisor that, among other things, he is a "professional investor" as defined in the Securities and Futures Ordinance of Hong Kong (the "**SFO**") and the Securities and Futures (Professional Investor) Rules, and that he is able to acquire Shares without violating applicable laws. Each Shareholder consents to notify the Fund, the Fund Manager and the Investment Advisor in writing if he no longer falls into any categories of persons described in

the definition of "professional investor" in Part 1 of Schedule 1 of the SFO. The Fund will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful.

Shares may not be offered, issued or transferred, to or for the benefit of any person other than an Eligible Investor.

An "**Eligible Investor**" is any person who is either: (a) a Non-US Person; or (b) a Permitted US Person and, in each case:

- (a) whose acquisition or holding of Shares (whether on its own or in conjunction with any other circumstances appearing to the Fund Manager to be relevant) would (or, in the case of an existing Shareholder, does) not, in the reasonable opinion of the Fund Manager cause a legal, pecuniary, regulatory, tax or material administrative disadvantage to the Fund or to the Shareholders as a whole;
- (b) who warrants expressly at the time of investment that:
 - (i) its ordinary business or professional activity includes the buying and selling of investments whether as principal or agent; or (if a natural person), his or her individual net worth, or joint net worth with spouse, exceeds US\$1,000,000; or (if not a natural person), its assets under discretionary management exceed US\$5,000,000; and
 - (ii) it has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund; and
 - (iii) it is aware of the risks inherent in investing in the assets in which the Feeder Fund (through its investment in the Master Fund) will invest and the method by which the assets of the Feeder Fund (through its investment in the Master Fund) will be held and/or traded; and
 - (iv) it can bear the risk of loss of its entire investment; and
- (c) who meets any other suitability requirements (including without limitation any applicable anti-money laundering requirements), and gives any other representations and warranties set out or referred to in the Subscription Form.

7.6 **Benefit Plan Investors**

Without limiting any other provision hereof, the Feeder Fund may refuse or scale-back subscriptions from any investor or the transfer of Shares to any investor, if the admission of such investor (or, in the case of an existing investor increasing its subscription, the increased subscription of such investor) would otherwise cause the interests of Benefit Plan Investors in the Feeder Fund or the Master Fund, as applicable, to equal or exceed 25% of the value of any class of equity interests in the Feeder Fund or the Master Fund. The Fund Manager reserves the right,

however, to waive, in its sole discretion, the 25% limitation with respect to the Feeder Fund only and thereafter to comply with ERISA.

8. RISK FACTORS

THERE IS A SIGNIFICANT DEGREE OF RISK ASSOCIATED WITH AN INVESTMENT IN THE FUND AND SUCH AN INVESTMENT SHOULD ONLY BE MADE AFTER CONSULTATION WITH INDEPENDENT QUALIFIED INVESTMENT, LEGAL AND TAX ADVISERS. SHARES IN THE FUND ARE SUITABLE FOR INVESTMENT ONLY BY THOSE PERSONS AND INSTITUTIONS FOR WHOM SUCH INVESTMENT DOES NOT REPRESENT A COMPLETE INVESTMENT PROGRAM, WHO UNDERSTAND THE DEGREE OF RISKS INVOLVED AND BELIEVE THAT THE INVESTMENT IS SUITABLE BASED UPON INVESTMENT OBJECTIVES AND FINANCIAL NEEDS.

A. General Risks

The Shares may not be a suitable investment for all investors

Each potential investor in the Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Shares, the merits and risks of investing in the Shares and the information contained or incorporated by reference in this Private Placement Memorandum or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Shares and the impact the Shares will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Shares, including currency risk where the currency for payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Shares and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Potential loss of investment

An investment in the Fund is speculative and involves a high degree of risk, and there can be no assurance that the Fund will achieve its investment objectives.

AN INVESTOR COULD LOSE ALL OR A SUBSTANTIAL PORTION OF ITS INVESTMENT IN THE FUND.

No guarantee of return

Investors' returns on the Shares (by way of any redemption payments) will be determined by reference to cumulative net gains or losses (if any), arising from the investment activities of the Fund. The return on the Shares may vary significantly over time, and may decrease as well as increase. The Fund makes no representation as to any return that investors will earn on the Shares and there can be no assurance that the information, as set out in this Private Placement Memorandum, will be in any respect indicative of how the Shares will perform (either in terms of profitability or low correlation with other investments) in the future.

THE PAST INVESTMENT PERFORMANCE OF THE FUND MANAGER AND ANY ENTITIES WITH WHICH THEY HAVE BEEN ASSOCIATED MAY NOT BE INDICATIVE OF THE FUTURE RESULTS OF AN INVESTMENT IN THE FUND.

B. Risks relating to the Fund Manager and the Investment Advisor

All investment authority delegated to the Fund Manager and the Investment Advisor

The Shareholders have no authority to make investment decisions or to participate in the management of, or the exercise of business discretion with respect to, the Fund. The authority to make all decisions with respect to the investment of the Fund's assets is delegated to the Fund Manager and the Investment Advisor. Accordingly, no person should invest in the Fund unless it is willing to entrust all aspects of the management of the Fund's portfolio to the Fund Manager and the Investment Advisor, subject to the supervision of the Directors.

Limited operating history

The Feeder Fund's operating track record started in January 2009 and the Master Fund's track record started in January 2013. There is no certainty that the investment team or the strategies that will be applied will be successful.

The past investment performance of the Fund Manager and the Investment Advisor and any entities with which they have been associated may not be indicative of the future results of an investment in the Fund. Accordingly, an investment in the Fund entails a high degree of risk. It cannot be assumed that the Fund will achieve its investment objectives.

In addition, the operational infrastructure and systems to be used by the Fund Manager and the Investment Advisor will depend to a large degree on third party providers and outsourced solutions. The Fund Manager and the Investment Advisor believe that their operational systems and infrastructure are appropriate for their business and based on solutions provided by reputable and experienced third party providers and governed by appropriate service level agreements. However, there can be no assurances that issues will not arise that are beyond the immediate control of the Fund Manager and the Investment Advisor.

Performance Fee arrangement

Prospective investors should note that:

- (a) the fact that the Performance Fee is paid only in respect of increases in the Net Asset Value per Class A Share and Class P Share may create an incentive for the Fund Manager to make or recommend investments that are riskier or more speculative than would be the case if it were compensated solely based on a flat percentage of capital; and
- (b) the Performance Fee will be calculated on a basis which includes unrealised appreciation as well as realised gains.

Investment selection

The Fund Manager and the Investment Advisor will select investments on the basis of information and data which may be available to the Fund Manager and the Investment Advisor through the issuers of the securities and other instruments or through sources other than the issuers. Although the Fund Manager and the Investment Advisor evaluate all such information and data and seek independent corroboration when they consider it appropriate and when it is reasonably available, the Fund Manager and the Investment Advisor are not in a position to confirm the completeness, genuineness or accuracy of such information and data. As the Fund's investment strategies are heavily research and analysis-driven, any reliance on information that is incomplete, not genuine or otherwise inaccurate can adversely impact the success of the investment strategy and lead to substantial losses.

Extreme events

The business operations of the Fund, the Fund Manager and the Investment Advisor may be substantially interrupted or prevented as a result of or arising from acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, epidemics or acts of God.

The Commodity Exchange Act

Neither the Fund Manager nor the Investment Advisor is registered as commodity pool operator ("CPO") or commodity trading adviser ("CTA") under the Commodity Exchange Act in reliance of exemptions under CFTC Rules 4.13(a)(3) and 4.14(a)(8), respectively. The CEA provides certain protections to investors such as specified disclosures and certified annual reports under the CEA and imposes certain restrictions on registered investment companies (including, for example, limitations on the ability of registered investment companies to incur leverage), none of which will be applicable to the Fund.

The Investment Advisers Act

Neither the Fund Manager nor the Investment Advisor is registered with the SEC or any regulatory authority in the United States as an investment advisor. The Advisers Act imposes certain disclosure, reporting, record-keeping and compensation requirements upon registered advisers that are intended to protect their clients. The Investment Advisor is considered an "exempt reporting adviser" and files publicly available reports with the SEC and is subject to limited provisions of the Advisers Act and may, in the future, choose to be or may be required to be registered under the Advisers Act pursuant to applicable US securities laws. This reporting as an exempt reporting

adviser is primarily for statistical purposes and should not be considered a substitute for the supervision and regulation associated with full SEC registration. The Fund Manager may file a report with the SEC as an exempt reporting adviser in the future and may choose to be or may be required to be registered as an investment adviser under the Advisers Act.

C. General Market and Regulatory Risks

General trading risks

All investments present a risk of loss of capital. The Fund's investment program may utilize such sophisticated investment techniques as option transactions, swap transactions, limited diversification, margin transactions, short sales, contracts for differences and futures and forward contracts, which practices can, in certain circumstances, multiply the adverse impact to which the Fund may otherwise be subject. No guarantee or representation is made that the Fund's investment program will be successful.

Business and regulatory risks of hedge funds

Legal, tax and regulatory developments that may adversely affect the Fund could occur during the term of the Fund. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements enforced by the regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. The regulatory environment for private funds is evolving, and changes in the regulation of private funds and their trading activities may adversely affect the ability of the Fund to pursue its investment strategy, its ability to obtain leverage and financing and the value of investments held by the Fund. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict with certainty what, if any, changes in regulations may occur, but any regulations which restrict the ability of the Fund to trade in securities or the ability of the Fund to employ, or brokers and other counterparties to extend, credit in its trading (as well as other regulatory changes that result) could have a material adverse impact on the Fund's portfolio.

The Fund, the Fund Manager and the Investment Advisor may also be subject to regulation in jurisdictions in which the Fund, the Fund Manager and the Investment Advisor engage in business. Investors should understand that the Fund's business is dynamic and is expected to change over time. Therefore, the Fund may be subject to new or additional regulatory constraints in the future. This Private Placement Memorandum cannot address or anticipate every possible current or future regulation that may affect the Fund Manager, the Investment Advisor, the Fund or their businesses. Such regulations may have a significant impact on the shareholders or the operations of the Fund, including, without limitation, restricting the types of investments the Fund may make, preventing the Fund from exercising its voting rights with regard to certain financial instruments, requiring the Fund to disclose the identity of its investors or otherwise. The Fund Manager may, in its sole discretion, cause the Fund to be subject to such regulations if it believes that an investment or

business activity is in the Fund's interest, even if such regulations may have a detrimental effect on one or more Shareholders. Prospective shareholders are encouraged to consult their own advisors regarding an investment in the Fund.

Regulatory filings

Given the size of certain of its positions, the Fund may be required to file disclosure reports with the regulatory authorities of various jurisdictions. These disclosure reports are publicly available and may be utilized by regulators and the Fund's competitors to the Fund's detriment.

General economic conditions

The success of any investment activity is influenced by general economic conditions, which may affect the level and volatility of interest rates and the extent and timing of shareholder participation in the markets for both equity and interest-rate-sensitive securities. 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.

Investments in Asia generally

The Fund retains a bias towards the Asian market. Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain Asian countries in which the Fund will invest are new and largely untested. As a result, the Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of the Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of the Fund may be subject to withholding taxes imposed by foreign governments for which Shareholders may not receive a full foreign tax credit.

Regulatory controls and corporate governance of companies in developing countries confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary or is largely unenforced. The concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in more developed markets and there is generally a greater risk of fraud by officers or controlling shareholders of companies. In certain instances, management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited.

There are differences between the accounting and auditing standards, reporting practices and disclosure requirements applicable in certain Asian countries and those generally accepted internationally. In many countries in which the Fund is likely to invest, less audited information is available for local companies than would be customary or required for companies in more

developed countries. Tax rules may change unpredictably or be subject to unforeseeable interpretation or application without prior notice, which could have an adverse effect on the Fund and its Shareholders.

There is also the possibility of nationalization, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments, including war or terrorist attacks. All of these factors could adversely affect the economy of countries in which the Fund will invest, make the prices of such countries' assets or securities generally more volatile than the prices of assets or securities in more developed countries and increase the risk of loss to the Fund.

Market dislocation

The global financial crisis beginning in 2007 has caused significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high-yield bond markets, as well as in the wider global financial markets and the general economy. The economic downturn resulting from the crisis could continue to adversely affect the financial resources of companies in which the Fund invests and result in the inability of such companies to make principal and interest payments on, or refinance, outstanding debt when due, or to pay dividend or make other distributions in relation to equity investments. In the event of such defaults, the Fund may suffer a partial or total loss of capital invested in such companies, which would, in turn, have an adverse effect on the Fund's returns. Such events may also restrict the ability of the Fund to sell or liquidate investments at favourable times or for favourable prices. There can be no certainty as to the duration of the current market dislocation.

Risk of Natural Disasters and Epidemics

An outbreak of the highly pathogenic avian influenza caused by the H5N1 virus (“**avian flu**”) or the continued spread of the H1N1 virus (“**swine flu**”), Severe Acute Respiratory Syndrome (“**SARs**”), Middle East Respiratory Syndrome (“**MERS**”), Covid-19, the Zika virus or other contagious disease may have an adverse effect on the economies of countries globally, and, in particular cities or countries with high population density. In 2003, the outbreak of SARs, a highly contagious form of atypical pneumonia, resulted in seriously interrupted economic activity and the demand for goods throughout Asia. An outbreak of avian flu, swine flu, SARs, MERS, COVID-19, Zika or another contagious diseases or the measures taken by the governments of affected countries against such potential outbreaks, or the perception that an outbreak of avian flu, swine flu, SARs, MERS, COVID-19, Zika or another contagious disease may occur again, may have an adverse effect on economic conditions globally.

Legal and regulatory risks

General

The regulation of the international currencies, securities and derivatives markets has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future. The effect of regulatory change on the Fund, while impossible to predict, could be

substantial and adverse. The financial services industry generally, and the activities of hedge funds and their managers, in particular, has been subject to increasing legislation, regulation and oversight. As one of the consequences of the international financial crisis, a number of initiatives, both on a national and supranational level, have been announced, among them by the United States, several European governments as well as the European Union, the International Organization of Securities Commissions (IOSCO), and the Group of Twenty (G-20). It is not currently possible to predict the extent of such increasing legislation, regulation and oversight, which would potentially limit the Fund's investment opportunities and returns or fund raising ability and increase the Fund's, the Fund Manager's and the Investment Advisor's exposure to potential liabilities and to legal, compliance and other costs. Increased regulatory oversight can also impose administrative burdens on the Fund Manager and the Investment Advisor, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may divert the Fund Manager's and the Investment Advisor's time, attention and resources from its asset management activities. Investors in the Fund should be aware that increased legislation of the Fund could have substantial and adverse consequences for the Fund and its investors.

Regulatory action or changes in the legislative environment could cause the Fund Manager to re-domicile the Fund to another jurisdiction which may cause disruption and costs to the Fund and which may result in the Fund having to be domiciled in a legal and regulatory environment which is less favourable to it or to its investors than is currently the case.

Over-the-counter (OTC) derivatives and structured products

The international regulatory landscape for OTC derivatives and structured products is currently undergoing significant changes, in particular in relation to the requirements for clearing OTC transactions with central counterparties, trade reporting, the use of collateral and enhanced capital prudential and market conduct rules. New legislation relating to OTC derivatives has already been introduced in the US in 2010 (in the form of the US Dodd-Frank Wall Street Reform and Consumer Protection Act) and is expected to be passed in the European Union, Hong Kong and Singapore. Over the next few years, it is expected that the trend for further regulation of the OTC derivatives market to continue in the US, the European Union and many other jurisdictions in Asia and around the world, particularly in jurisdictions of those members of the G20 (including China, India, Indonesia, Japan and South Korea). Investors in the Fund should be aware that increased regulation of the OTC derivatives and structured products market could have substantial and adverse consequences for the Fund and its investors.

“Bad Actor” Disqualifications

In 2013, the SEC adopted amendments to the private placement exemption in Rule 506 under Regulation D of the Securities Act (“**Rule 506**”) that disqualify an issuer (such as the Fund) from relying on the Rule 506 exemption if any of its “Covered Persons” commits a “bad act”¹ (a

¹ Examples of “bad acts” that would disqualify a Covered Person include: “(i) criminal convictions, court injunctions or restraining orders in connection with the purchase or sale of a security, or making of a false filing with the SEC; (ii) final orders from certain

“Disqualified Person”). “Covered Persons” include the Fund; any affiliated fund; any director, executive officer or other officer participating in the offering, any beneficial owner of 20% or more of the Fund’s outstanding voting equity securities (a “Covered Investor”); any investment manager of an issuer that is a Portfolio Fund; any paid solicitor; the general partner or managing member, or a participating officer or director, of the Fund, an affiliated fund or an investment manager of any of them, or of a solicitor.

The bad acts that could result in the Rule 506 exemption being unavailable to an issuer are not limited to acts that the Fund or its Investment Advisor can control or prevent. Covered Persons include issuers (for example, a Covered Investor), and persons affiliated with issuers, other than the Fund or funds managed by the Investment Advisor. Any bad acts committed by certain of those issuers and/or their Covered Persons could cause the Fund (if and to the extent the Fund relies on the Rule 506 exemption) to be disqualified and lose its ability to rely on the Rule 506 exemption. If the Fund were to lose the ability to continue to rely on the Rule 506 exemption, it could have a devastating effect on its and consequently the Fund’s business.

Rule 506 creates a reasonable care exception that would apply if an issuer could establish that it did not know and, in the exercise of reasonable care, could not have known that a disqualification existed because of a bad act by a Covered Person. In order to rely on the reasonable care exception, a factual inquiry must be conducted based on various factors relevant to an issuer and any Covered Persons. To establish reasonable care, the Fund and/or the Investment Advisor intend to conduct due diligence on Covered Persons, and may, among other procedures, require Covered Persons (including Covered Investors) to provide information to the Fund concerning bad acts that occurred prior to September 23, 2013, and to notify the Fund of future bad acts and of becoming a Disqualified Person. There is no guarantee that these procedures will successfully detect bad actors or that they will be deemed to satisfy reasonable care standards.

Lack of Jurisdiction

The Fund and all or a substantial portion of the assets of the Fund are located outside of the United States. As a result, it may not be possible for US Persons to effect service of process within the United States upon such entities or to enforce against them judgments of United States courts predicated upon the civil liability provisions of the federal or state securities laws of the United States.

Data Protection Law risks

Under the Cayman Islands Data Protection Law, 2017 (“**DPL**”), data controllers are subject to additional obligations including, amongst others, processing personal data in accordance with lawful purposes, bearing responsibility for data processors who process personal data on their

regulators (including the CFTC) that bar the issuer from associating with a regulated entity or engaging in the business of securities, or are based on fraudulent, manipulative, or deceptive conduct; (iii) certain SEC disciplinary orders relating to brokers, dealers, investment companies, and investment advisers and their associated persons; (iv) SEC cease-and-desist orders related to violations of certain anti-fraud provisions and registration requirements of the federal securities laws; and (v) suspension or expulsion from membership in a self-regulatory organization (SRO) or from association with an SRO member.”

behalf, and providing data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include personal data retention limitations and the obligation to report any personal data breach to affected data subjects and the Cayman Islands Ombudsman without undue delay. Under the DPL, data subjects are afforded additional rights, including the right to access personal data, the right to have inaccurate personal information rectified, the right to have personal data held by a data controller erased in certain circumstances, and the right to restrict or object to processing in a number of circumstances. The implementation of the DPL may result in increased operational and compliance costs being borne directly or indirectly by the Fund. Further, there is a risk that the measures will not be implemented correctly by the Fund or its service providers. If there are breaches of these measures by the Fund or any of its service providers, the Fund or its respective service providers could face significant administrative fines, imprisonment, and/or be required to compensate any data subject who has suffered damage as a result as well as the Fund suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

D. Risks associated with the Fund's investment strategy

The following sets out some of the risk factors associated with the Fund's investment strategy.

Investment methodology

The Fund may employ certain strategies that depend upon the reliability and accuracy of the Fund Manager's and the Investment Advisor's analytical investment processes. To the extent such investment processes (or the assumptions underlying them) do not prove to be correct, the Fund may not perform as anticipated, which could result in substantial losses.

Counterparty trading relationships and market participant risk

The Fund has established relationships to obtain financing, derivative intermediation and prime brokerage services that permit the Fund to trade in any variety of markets or asset classes over time; however, there can be no assurance that the Fund will be able to maintain such relationships. An inability to maintain such relationships would limit the Fund's trading activities and could create losses, preclude the Fund from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent the Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships before the Fund establishes additional relationships could have a significant adverse impact on the Fund's business due to the Fund's reliance on such counterparties.

There is the possibility that the institutions, including brokerage firms and banks, with which the Fund does business, trades or invests, or with whom securities may be entrusted for custody, will encounter financial difficulties or fraud that may impair the operational capabilities or the capital position of the Fund. Although the Fund Manager and the Investment Advisor intends to utilize multiple brokers and will regularly monitor the financial condition of such brokers, if one or more of the Fund's brokers were to become insolvent or the subject of liquidation proceedings (both in

and out of bankruptcy), there exists the risk that the recovery of the Fund's securities and other assets from such a broker will be delayed or result in a recovery that is less than the value of the securities or assets originally entrusted to such broker. In addition to the risk of a counterparty or broker defaulting, there also is the risk that the Fund's counterparties or brokers will be required to restrict the amount of credit previously granted to the Fund due to their own financial difficulties, resulting in forced liquidation of substantial portions of the Fund's portfolio. See also "Counterparty risk in respect of prime brokers" below.

Hedging

The Fund may utilize a variety of financial instruments for risk management purposes. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a worse overall performance for the Fund than if it had not engaged in any such hedging transactions. Moreover, the portfolio is always exposed to certain risks that cannot be hedged, such as credit risk relating to particular securities.

Leverage

In order to implement its investment objective, the Fund may use certain forms of leverage. The Master Fund has the power to borrow and may do so when deemed appropriate by the Fund Manager or the Investment Advisor for any purpose, including without limitation to enhance the Fund's returns. While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent leverage is employed. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment could result in a substantial loss, which would be greater than if leverage were not used, and reduced return for the Fund.

Generally, most leveraged transactions involve the posting of collateral. Increases in the amount of margin or similar payments could result in the need for trading activity at times and prices which could be disadvantageous to the Fund and could result in substantial losses. The investment objective may require the use of considerable leverage. There can be no assurance that the leverage facilities will always be available and a loss of, or reduction in, the leverage facilities is likely to have the effect of causing the Fund to reduce its overall investment exposure. Terms upon which leverage facilities are available may be subject to change.

Emerging markets

The Fund may invest in equities, debt, structured finance securities, portfolios of credit default swaps or instruments, individual credit default swaps and other instruments relating to issuers or creditors in emerging markets. Such investments involve risk factors and special considerations which may not be typically associated with issuers or creditors in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on such creditors. Adverse government policies or actions, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries, including expropriation,

nationalisation, temporary or continuing freeze of assets or confiscation could result in loss to the Fund. The legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to creditors in more major markets.

Liquidity of investments

The Fund may make investments in markets that are volatile and which may become illiquid. Accordingly, it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive for the Fund to liquidate positions against which the market is moving. Alternatively it may not be possible in certain circumstances for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant market or otherwise). These risks may be accentuated where the Fund is required to liquidate positions to meet margin requests, margin calls or other funding requirements.

Nature of certain investments

There is no limitation or minimum requirements in relation to the size or operating experience of the companies in which the Fund may invest. Some small companies in which the Fund may invest may lack management depth or the ability to generate internally or obtain externally the funds necessary for growth. Companies with new products or services could sustain significant losses if projected markets do not materialize. Further, such companies may have, or may develop, only a regional market for products or services and may be adversely affected by purely local events. Such companies may be small factors in their industries and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

Concentration of holdings

The Fund may make certain investments that will constitute a significant percentage of the Fund's assets. Any losses incurred in connection with these concentrated holdings will have a significant effect on the success of the Fund. In addition, the Fund may have to hold these investments for a long period and thus may be unable to participate in other trading opportunities.

The Fund may hold large positions in a single company

The Fund may take positions in a company that result in the Fund being the sole holder of a particular security (e.g., convertible bonds) or holding a large portion of the company's outstanding stock. Such positions involve liquidity and valuation risks that smaller positions do not present.

Foreign exchange risks

A large portion of the Fund's assets may be invested in financial instruments denominated in currencies other than US Dollars and in other financial instruments, the price of which is calculated with reference to currencies other than the US Dollars. The Fund, however, values its assets in US Dollars. The Fund may also invest in currencies or financial instruments seeking a foreign exchange exposure. To the extent that such exposure is unhedged, the value of the Fund's assets

will fluctuate with US Dollar exchange rates as well as with price changes of the Fund's investments in the various local markets. Thus, an increase in the value of the US Dollar compared to the other currencies in which the assets of the Fund are invested reduces the US Dollar value of non-US Dollar financial instruments held by the Fund. Conversely, a decrease in the value of the US Dollar has the opposite effect of increasing the US Dollar value of non-US Dollar financial instruments held by the Fund. The Fund may utilise options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective or that they cover the entirety of the foreign exchange exposure of the Fund.

Foreign exchange rates can fluctuate considerably, exposing the Fund to significant financial losses. Various factors, for example, the political environment, the actions of regulators and central banks, perceived economic instability and the actions of currency speculators can cause such rates to fluctuate. Such fluctuations can be unpredictable, sudden and large. Such fluctuations may cause any payments due to the Fund to be lower or any payments required to be made by the Fund to be higher than the Fund may have anticipated, or may cause a significant loss of the Fund in relation to an investment exposed to foreign currency risks.

Interest rate risks

The Fund may make investments which are exposed to interest rate risks. To the extent prevailing interest rates change, do so to a larger extent or in a different way than anticipated by the Fund, the Fund could suffer significant financial losses. Increases in interest rates may also affect the Fund's borrowings, having a negative impact on the Fund's profitability.

Short sales

The Fund may engage in the short sale of securities as part of its trading strategy. A short sale involves the sale of a security that the Fund does not own in the expectation of purchasing the same security (or a security exchangeable for it) at a later date at a lower price. To make delivery to the buyer, the Fund must borrow the security, and the Fund is obligated to return the security to the lender, which is accomplished by a later purchase of the security by the Fund. Since the borrowed securities must later be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Theoretically, the potential loss on the securities sold short is unlimited as there is no ceiling on how far the price of the security may rise. Also, a short seller may be prematurely forced out of a position due to an inability to maintain a loan of the stock which is borrowed to establish the short. Furthermore, if the Fund has sold short the securities offered in an exchange offer or merger and has purchased the securities of the target company, the Fund is exposed to the risk that, if the transaction is not consummated, it may suffer losses with respect to its long and its short positions. The Fund has no policy limiting the amount of its capital it may deposit to collateralize its obligation to replace borrowed securities sold short.

Since 2008, a number of jurisdictions, including the United States, adopted temporary bans on short sales and enacted regulations aimed at greater disclosure of short selling. Although some of

the temporary bans have been lifted, regulators continue to focus on short selling issues. In some instances, regulators may impose restrictions in the way in which securities may be sold short, including, for example, by limiting short sales to instances where the price of a given security is otherwise increasing, which may limit the ability of the Fund effectively to implement certain of its short selling strategies. It is expected that further regulations may be introduced to curb or restrict short sale activities, including without limitation the outright prohibition of short selling practices with respect to any particular market, industry sector or type of security. Any such limitation on short selling can have a materially adverse impact on the Fund's investment program, including without limitation the Fund's ability to effectively hedge certain risks with respect to particular investment strategies or its ability to generate returns in otherwise core investment areas.

Suspensions of trading

Each securities exchange typically has the right to suspend or limit trading in all securities which it lists. Such a suspension would render it impossible for the Fund Manager and the Investment Advisor to liquidate positions and, accordingly, could expose the Fund to losses.

E. Risks associated with the Fund's investments

The following sets out some of the risk factors associated with the investments of the Fund.

Fixed income securities

The Fund may invest in bonds or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (including non-investment grade and, therefore, higher risk) debt securities. The Fund will therefore be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. Investments in debt securities issued by sovereign and government agencies may experience greater price volatility and greater risk of loss of principal and interest where rising government deficits and debt levels increase the risk of default. Such debt securities are subject to credit ratings reviews based on the economic circumstances of individual countries and these could result in the downgrade of such debt securities and/or default by the issues. This may cause the

value of such downgraded debt securities to fall significantly and subsequently be subject to greater price volatility and greater risk of loss of principal and interest than non-downgraded debt securities.

Convertible securities

The Fund's ability to engage in convertible securities investing is extremely dependent on the availability of financing on favourable terms. A host of factors can affect both the rate of return on positions in convertible securities and the risk inherent in those returns. For example, if the issuer of the bond defaults, a portion of the investment may be lost despite the protection offered by the security sold short. Similarly, a takeover of the issuer of the bonds may result in the loss of the bond premium, if any. Also, a convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. The bond premium (i.e., the incremental value of the bond in excess of the value of the security into which the bond is then convertible) may also be adversely affected by movements in interest rates and a change in market sentiment. Other developments may adversely affect the cash flow associated with a hedged position. For example, the imposition of a dividend or increase in the dividend rate on a stock which is sold short could create or increase the negative cash flow associated with the hedge, or create a disparity in values between the positions held to establish the hedge. A hedged position would also be adversely affected if the Fund was unable to maintain its short position. This could occur if a stock loan is called in before the position is unwound.

Equities

Equities invested in by the Fund may involve substantial risks and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. There are no absolute restrictions with regard to the size or operating experience of the companies in which the Fund may invest. In addition, companies in which the Fund may invest may lack management depth or the ability to generate internally, or obtain externally, the funds necessary for growth, and companies with new products or services could sustain significant losses if projected markets do not materialize.

Privately placed securities and other illiquid securities owned by the Fund may be difficult to sell, be saleable only at a substantial discount or upon registration with a regulator, and present valuation difficulties.

Derivatives

The Fund may use derivatives, such as options, futures, swaps and contracts for difference. Substantial risks are also involved in borrowing and lending against derivatives. Derivatives prices can be volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the derivatives positions held by the Fund, thereby causing substantial losses. Many of these instruments are not traded on exchanges but rather through an informal network of banks and dealers who have no obligation to

make markets in them and can apply essentially discretionary margin and credit requirements (and thus in effect force the Fund Manager or the Investment Advisor to close out positions). In addition, some derivatives carry the additional risk of failure to perform by the counterparty to the transaction. Many unforeseeable events, such as a change of government policies, can have profound effects on interest and exchange rates, which in turn can have large and sudden effects on prices of derivative instruments.

Trading in derivative instruments can result in large amounts of operational leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by the Fund and could cause the Fund's Net Asset Value to be subject to wider fluctuations than would be the case if the Fund did not use the leverage feature of derivative instruments.

Futures

The Fund may use futures in effecting its investment strategy. Futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.

Forward contracts

The Fund may enter into forward contracts and options thereon, which, unlike futures contracts, are not traded on exchanges and are not standardized. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The counterparties who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market traded by the Fund due to unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading to less than that which the Fund Manager or the Investment Advisor would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in major losses to the Fund.

Options

The Fund may buy and sell options, and there are various risks inherent in such trading. For example, the seller (writer) of a covered call option (e.g. the writer has a long position in the underlying security) assumes the risk of a decline in the market price of the underlying security to a level below the purchase price of the security, less the premium received on the call option. The writer of a covered call option also gives up the opportunity for gain on the underlying security above the exercise price of the call. The writer of an uncovered call option assumes the risk of a

theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing the premium invested in the option. The seller (writer) of a covered put option (e.g. the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option less the premium received on the put option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing the premium it paid to purchase the put option. The options markets have the authority to prohibit the exercise of particular options, which if imposed when trading in the option has also been halted, would lock holders and writers of that option into their positions until one of the two restrictions has been lifted.

Structured securities

The Fund may invest in structured securities, including subordinated tranches of such securities. In general, the risks associated with an investment in structured securities include those arising from investment in the underlying pool of mortgage loans or receivables and the risks of investing in fixed income instruments with positive duration. In addition, as an investor in subordinated structured securities in particular, the Fund could be the first in line among the debt holders to bear the risk of loss from delinquencies and defaults experienced on the collateral. Further, the structures used to issue these securities are often complex, unusual and difficult to analyze.

Prices of mortgage-backed and asset-backed securities and their derivatives can be highly volatile. Price movements for such securities are influenced by, among other things, changing supply and demand relationships; government, trade, fiscal, and economic events; and changes in interest rates. The yield characteristics of mortgage-backed and asset-backed securities differ from traditional debt securities. The major differences include more frequent interest and principal payments, usually monthly, and the possibility that prepayments of principal may (particularly with mortgage-backed securities) be made at any time. Prepayment rates are influenced by changes in current interest rates and a variety of other factors. In general, changes in the rate of prepayments will change the yield to maturity of the security. These differences can result in significantly greater price and yield volatility than is the case with traditional debt securities.

Swaps

The Fund may enter into swap and similar transactions involving or relating to interest rates, currencies, securities interests, commodities interests, indices, prices, or other items. A swap transaction is an individually negotiated, non-standardised agreement between two parties to exchange cash flows (and sometimes principal amounts) measured by different interest rates, equities, credits, exchange rates, indices, or prices, with payments generally calculated by reference to a principal ("**notional**") amount or quantity. Swap contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. As a result, the Fund will be subject to the risk of the inability or refusal to perform with respect to such contracts on the part

of the counterparties with which the Fund trades. The swap market is generally not regulated by any governmental authorities. Speculative position limits are not applicable to swap transactions, although the counterparties with which the Fund will deal may limit the size or duration of positions available to the Fund as a consequence of credit considerations. Participants in the swap markets are not required to make continuous markets in the swap contracts they trade.

Repurchase Agreements

The Fund may enter into repurchase agreements with respect to securities. Repurchase agreements involve credit risk to the extent that the Fund's counterparties may avoid such obligations in bankruptcy or insolvency proceedings, thereby exposing the Fund to unanticipated losses. The amount of credit risk incurred by the Fund with respect to a particular repurchase agreement will depend in part on the extent to which the obligation of the Fund's counterparty is secured by sufficient collateral.

Under a repurchase agreement, the Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price which is higher than the value of the securities. If it chooses to reinvest the cash collateral received under the repurchase agreement, it is also subject to market risk arising in respect of such investment.

Reverse Repurchase Agreements

The Fund may enter into reverse repurchase agreements. If the seller of securities to the Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Fund will seek to dispose of such securities, which action could involve costs or delay. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

Securities Lending

The principal risk when lending securities is that the borrower might become insolvent or refuse to honour its obligations to return the securities. In this event, the Fund could experience delays in recovering its securities and may possibly incur a capital loss. The Fund may also incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received from a securities lending counterparty. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the securities lending counterparty at the conclusion of the securities

lending contract. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

Foreign exchange

The Fund may seek active speculative investment opportunities by taking long or short positions in currencies through use of currency-related derivatives such as currency options and forward contracts. Such currency transactions involve a significant degree of risk and the markets in which currency exchange transactions are effected may be highly volatile. Moreover, the general absence of high margins on currency contracts and the low cost of carrying cash positions can result in a high degree of leverage. A relatively small price movement, therefore, in a currency contract could result in immediate and substantial losses to the Fund, which may exceed the amount invested in those contracts.

Transaction costs related to investments

The performance of the Fund will be affected by charges related to the investments of the Fund. The Fund may be engaged in a high level of trading resulting in commensurately higher transaction costs. Typically, high portfolio turnover may result in correspondingly high transaction costs and the exact amount of brokerage and related transaction costs that will be incurred will depend upon a number of factors including the nature and frequency of the market opportunities presented, the size of transactions and the transaction rates in effect from time to time.

F. Risks associated with the Fund vehicles and service providers

The following are some of the risks associated with the Fund and the Fund Manager, the Investment Advisor, and other service providers of the Fund.

Counterparty risk in respect of prime brokers

A large part of the Fund's assets will be held in accounts maintained for the Fund by its prime brokers. While the prime brokers are subject to various laws and regulations designed to protect their customers from the consequences of an insolvency of a prime broker, the actual extent of such protection may be limited due to uncertainties and contractual carve-outs. In addition, Assets held as collateral by a prime broker in relation to facilities offered to the Fund, assets held as collateral by counterparties to derivative transactions with the Fund and assets deposited as margin with either a prime broker, counterparties or with executing brokers might not be segregated from the assets of such prime broker, counterparties or such executing brokers. Such assets might therefore be available to the creditors of such persons in the event of their insolvency. In addition, no independent custodian has, as at the date of this Private Placement Memorandum, been appointed to hold the cash or other assets of the Fund. Bank accounts in which the cash of the Fund are held are generally operated by the Fund Manager and/or the Administrator under authority from the Fund.

Similarly, cash held or received for the Fund by or on behalf of a prime broker will not normally be treated as client money and will not be subject to the client money protections under applicable laws. Accordingly the Fund's cash will also be collateral and will not be segregated from the cash of the relevant prime broker. As a consequence such cash may be used by the relevant prime broker in the course of its business and the Fund will rank as a general creditor of the relevant prime broker in the event of the relevant prime broker's insolvency. This may also result in an adverse effect on the net asset value of the Fund.

Custodians or sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where the Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Fund may even be unable to recover all of its assets. The costs borne by Fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

Lack of segregation and rehypothecation risk

The stability and liquidity of repurchase agreements, swap transactions, forward transactions and other over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that the Fund Manager and the Investment Advisor will monitor on an ongoing basis the creditworthiness of firms (including the prime brokers and custodians) with which the Master Fund will enter into repurchase agreements, interest rate swaps, caps, floors, collars or other over-the-counter derivatives. If there is a default by the counterparty to such a transaction, the Master Fund will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual remedies may involve delays or costs which could result in the Net Asset Value of the Master Fund being less than if the Master Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent. If one or more of the Master Fund's counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the Securities Investor Protection Act or the United States Bankruptcy Code), there is a risk that the recovery of the Master Fund's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty.

In addition, the Master Fund may use counterparties located in various jurisdictions around the world. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Master Fund's assets will be subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalise about the effect of their insolvency on the Master Fund and its assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Master Fund, which could be material.

Prime brokers may hold investments of the Fund in custody and use such assets as collateral subject to a security interest in favour of the prime brokers. The prime brokers may, at their option and instead of holding collateral in custody, also take full legal and beneficial ownership of investments transferred to them by the Fund in which case any such collateral will be held by the prime brokers absolutely as their property, in order to collateralize the Fund's obligations to the prime brokers. Any such collateral transferred to the prime brokers in this manner will not be segregated from other investments belonging to the prime brokers and may be available to creditors of the prime brokers in the event of their insolvency.

Any collateral may be sold, lent or otherwise used by the prime brokers for their own purposes, whereupon such collaterals will become the property of the prime brokers and the Fund will have a right against the prime brokers for the return of assets equivalent to the collateral so used. In relation to the Fund's right to the return of such collateral, the Fund will rank as an unsecured creditor and, in the event of the insolvency of the prime brokers, the Fund may not be able to recover such equivalent assets in full. In addition, the Fund's cash held with the prime brokers will not be segregated from the prime brokers' own cash and will be used by the prime broker in the course of their business and the Fund will, therefore, rank as an unsecured creditor in relation thereto in the event of the insolvency of the prime broker, the Fund may not be able to recover such equivalent assets in full.

Prime brokers may also transfer collateral to accounts with different entities within the prime broker's group, which may be unregulated entities and hence not subject to the regulatory oversight to which the prime brokers are subject. The lack of regulatory oversight of such unregulated entities may increase the risk that the Fund may not recover all or part of its assets, or that the recovery of such assets is delayed.

Prime brokers will trade with an exchange as a principal on behalf of the Fund in a "debtor-creditor" relationship, unlike other clearing broker relationships in which the broker is merely facilitator of the transaction. Such prime broker could, therefore, have title to all of the assets of the Fund associated with the Shares (for example, the transactions that the prime broker has entered into on behalf of the Fund as principal as well as the margin payments that the Fund provides). In the event of the insolvency of such prime broker, the prime broker could default on the transactions that it has entered into as principal and the Fund's assets associated with the Shares could become part of the insolvent prime broker's estate, to the detriment of the Fund.

Other counterparty risk

Many of the markets in which the Fund may effect its transactions are "over-the-counter" or "inter-dealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund Manager and the Investment Advisor have concentrated the Fund's

transactions with a single counterparty or small group of counterparties. Neither the Fund Manager nor the Investment Advisor are restricted from dealing with any particular counterparty or from concentrating any or all of the Fund's transactions with one counterparty. Moreover, the Fund Manager and the Investment Advisor have a limited internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Fund Manager and the Investment Advisor to transact business with any one or more counterparties, the lack of complete evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

System risks

The Fund relies to a significant extent on computer systems and software used by the Fund Manager, the Investment Advisor and other service providers to develop and execute investment strategies, analyse investment opportunities, price the Fund's assets, execute and settle trades, and conducting risk and operational controls. Such systems and software may be subject to errors, defects, interruptions or failure. In the event of such malfunction, the Fund may incur significant losses to the extent its or its service providers' ability to evaluate, make, hold, monitor, or dispose of investments, or to monitor risks and operations is affected. The Fund Manager and the Investment Advisor may not be in a position to verify the accuracy of the operation or results of the systems used by it or other service providers and may rely on erroneous computations or data, causing losses to the Fund.

Reliance on information from third parties

In order to value the assets and liabilities of the Fund, the Fund Manager and the Investment Advisor will rely on information provided by service providers or outside parties, and such persons may provide inaccurate, incomplete, not current or otherwise unreliable information. To the extent that the information received by the Fund, the Fund Manager and the Investment Advisor is inaccurate or unreliable, the valuation of the Fund's assets and liabilities and ultimately the calculation of the Net Asset Value of the Fund may be inaccurate, causing the Fund to restate its accounts and causing losses to the Fund and the investors. For example, if the Net Asset Value in any period proves to have been too high, redemptions made during that period would have been made at a redemption price which was higher than the actual Net Asset Value of the Fund, causing a loss to the remaining Fund Investors. Conversely, subscriptions for Shares in the Fund made at a price lower than the actual Net Asset Value due to the miscalculation, inaccurate, incomplete, not current or unreliable information would cause a loss to then existing Fund Investors.

Operational risks

The Fund relies on the Fund Manager and the Investment Advisor to establish appropriate systems and procedures to control operational risks relating to the management of the business of the Fund, including the evaluation, making, holding, monitoring and divesting of investments, the valuation of the Fund's assets, and the making up of the Fund's books and accounts. The Fund is dependent on being able to monitor, process and book a large number of transactions and positions on a daily basis and relies heavily on the accuracy, integrity and continuous operation of its financial and

data processing systems. Errors or failures occurring in the operation of the Fund may cause the Fund to suffer significant disruption as well as liability to third parties or other financial losses.

Misconduct of service providers

Misconduct of the employees of the Fund Manager, the Investment Advisor and other service providers could cause significant losses to the Fund, including the unauthorized entering into transactions, the failure to comply with operational and risk procedures, the use of sensitive information for personal trading activities, the non-compliance with applicable law or regulations, and the concealing of the foregoing, and may result in reputational damage, litigation, business disruption and/or financial losses to the Fund, for which the Fund Manager, the Investment Advisor and the relevant service provider may not be liable at all or only to a limited extent.

Institutional risk

Institutions, such as brokerage firms or banks, will generally have custody of the Fund's assets. These assets will often be registered in a "street name", not in the name of the Fund. Bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Fund.

Conflicts of Interest

There will be no limitation with respect to the Fund Manager's other activities and investments or with respect to the activities of other investment portfolios managed by the Fund Manager. Accordingly, conflicts of interest may occur. Please refer to the section headed "11. *Potential Conflicts of Interest*" in this Private Placement Memorandum further information.

Risks in relation to the Investment Advisor's Policies

The Investment Advisor currently has in place various policies such as the liquidity risk management policy as well as the policies in relation to securities lending, repurchase and reverse repurchase transactions. Although the Investment Advisor has in place such policies with an aim to effectively manage the risk profile of the Fund, and such policies are reviewed on a periodic basis, there is no guarantee that such policies in place will be sufficient or adequate to cater for all situations which the Fund may face, particularly under uncertain market conditions and in the face of unpredictable counterparty risks.

Valuation and Accounting

The Fund intends to adopt IFRS in drawing up the annual accounts of the Fund. However, investors should note that the calculation of the Net Asset Value in the manner described in this Private Placement Memorandum (which the Fund intends to adopt for the purpose of determining pricing for subscription and redemption of Shares and for the purpose of the calculation of various fees as described in this Private Placement Memorandum) may not necessarily comply with generally accepted accounting principles, that is, IFRS. Accordingly, investors should note that the Net Asset Value as described in this Private Placement Memorandum may not necessarily be the same as the

net asset value to be reported in the annual accounts as the Fund Manager may make necessary adjustments in the annual accounts to comply with IFRS.

The Net Asset Value will be determined by the Administrator and/or the Administrator's Service Provider (in consultation with the Fund Manager). Since the value assigned to the Fund's assets and liabilities affects the Management Fee and Performance Fee payable to the Fund Manager, the Fund Manager's involvement in the valuation process creates a potential conflict of interest. There is no guarantee that the value determined with respect to a particular asset or liability by the Administrator and/or the Administrator's Service Provider will represent the value that will be realized by the Fund on the eventual disposition of the related investment or that would, in fact, be realized upon an immediate disposition of the investment. There are inherent limitations in the valuation of the Fund's assets and liabilities and the calculation of Net Asset Value, which will be affected by a number of factors, including system error, oversight, breakdowns in processes, a lack of availability of information in a timely manner, exchanges communicating incorrect information, rapidly evolving changes to particular industries, regulatory changes and tax and accounting policies.

G. Risks related to an investment in the Fund

"Master-feeder" structure

The Feeder Fund generally invests through a "master-feeder" structure. The "master-feeder" fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in the master fund may be materially affected by the actions of a larger feeder fund investing in the master fund. If a larger feeder fund withdraws from the master fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. The master fund may become less diverse due to a redemption by a larger feeder fund, resulting in increased portfolio risk. The Master Fund is a single entity and creditors of the Master Fund may enforce claims against all assets of the Master Fund, whether these assets are attributable to the Feeder Fund or any Other Feeder Fund. Given that the Master Fund will hold and make substantially all of the investments of the Feeder Fund, this may result in the loss of all or a significant portion of the Feeder Fund's assets.

1940 Act

While the Fund may be considered an investment company, it is not registered and does not intend to register as such under the 1940 Act. The Fund is relying upon an exclusion available to investment companies not making any public offering in the US and offering and selling its securities only to persons that are Qualified Purchasers. Accordingly, the provisions of the 1940 Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody to at all times be segregated from the securities of any other person and marked to identify clearly such securities as the property of such investment company and regulate the relationship between the investment adviser and the investment company) will not be applicable to the Fund. US Persons investing in the Fund will be required to make certain representations intended to ensure that the Fund may rely upon the exclusion referred

to above (and to covenant to keep those representations accurate). The Fund has the right to refuse to accept initial subscriptions for Shares from, and to refuse to approve transfers of outstanding Shares to, any prospective investor for any reason including for the purpose of preserving the exclusion referred to above. The Fund also has the right to require a shareholder to surrender for redemption all or a part of its Shares for various reasons, including to preserve the foregoing exclusions.

Contagion risk

The Master Fund and the Feeder Fund have the power to issue participating shares in different classes, sub-classes, series or sub-series. The Articles provide for the manner in which the liabilities are to be attributed across the various classes, sub-classes, series or sub-series (liabilities are to be attributed to the specific class, series or sub-series in respect of which the liability was incurred). However, the Master Fund and the Feeder Fund are separate legal entities. Shareholders of one or more classes, sub-classes, series or sub-series of Shares may be compelled to bear the liabilities incurred in respect of other classes, sub-classes, series or sub-series which such Shareholders do not themselves own if there are insufficient assets in that other class, series or sub-series to satisfy those liabilities. Accordingly, there is a risk that liabilities of one class, series or sub-series may not be limited to that particular class, series or sub-series and may be required to be paid out of one or more other classes, sub-classes, series or sub-series.

Subscription monies

Where a subscription for Shares is accepted, the Shares will be treated as having been issued with effect from the relevant Dealing Day notwithstanding that the subscriber for those Shares may not be entered in the Feeder Fund's register of members until after the relevant Dealing Day. The subscription monies paid by a subscriber for Shares will accordingly be subject to investment risk in the Feeder Fund from the relevant Dealing Day.

Redemption monies

Where a redemption request is accepted, the Shares will be treated as having been redeemed with effect from the relevant Redemption Day irrespective of whether or not such redeeming Shareholder has been removed from the Feeder Fund's register of members or the redemption proceeds has been determined or remitted. Accordingly, on and from the relevant Redemption Day, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under this Private Placement Memorandum with respect to Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Feeder Fund) save the right to receive the redemption proceeds and any distribution which has been declared prior to the relevant Redemption Day but not yet paid (in each case with respect to the Shares being redeemed). Such redeeming Shareholders will be creditors of the Feeder Fund with respect to the redemption proceeds. In an insolvent liquidation, redeemed Shareholders will rank behind ordinary creditors but ahead of Shareholders.

Class P Quarterly Redemption Quota

Investors should note that Class P Shareholders seeking to redeem their Class P Shares on any Redemption Day shall be subject to the Class P Quarterly Redemption Quota. The Class P Quarterly Redemption Quota is calculated based on the number of Class P Shares in issue as at the Redemption Dealing Deadline applicable to the first Redemption Day of each Relevant Quarter, and such Class P Quarterly Redemption Quota shall be applied persistently in respect of each Redemption Day throughout the Relevant Quarter regardless of any change in the number of Class P Shares in issue in respect of subsequent Redemption Days in the same Relevant Quarter. As such, holders or investors of Class P Shares should be aware that notwithstanding there may have been substantive subscription for Class P Shares on a Subscription Day during the same Relevant Quarter, however redemption requests will still be limited in accordance with the Class P Quarterly Redemption Quota which is based on the historical number of Class P Shares in issue. Accordingly, such redeeming Class P Shareholders may only be permitted to redeem on a Redemption Day in the next Relevant Quarter during which time the Net Asset Value attributable to Class P Shares and accordingly the Redemption Price per Class P Share such redeeming holder may receive may have decreased significantly.

Dividends and distributions

The Directors reserve the right, subject to applicable laws, to declare and pay dividends. However, there is no guarantee that dividends will be declared by Directors and the Directors may instead reinvest all of the Fund's income and gains. Accordingly, an investment in the Feeder Fund may not be suitable for investors seeking income returns for financial or tax planning purposes.

Risks associated with distributions from retained earnings or out of / effectively out of the Fund's capital

Where dividends are declared and the income and/or capital gain generated by the Fund is insufficient to pay a distribution as the Fund declares, the Fund Manager may at its discretion declare and determine that such distributions are to be paid from retained earnings, capital of the Fund or paid out of gross income while charging all or part of its fees and expenses to capital (i.e. payment of fees and expenses out of capital). Charging all or part of its fees and expenses to capital may result in an increase in distributable income available for payment as dividends and therefore may effectively pay dividends out of capital. Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investments. Any such distributions may result in an immediate reduction of the Net Asset Value per Share.

It should be remembered that the Net Asset Value per Share can go down as well as up. An investor may not get back the amount he has invested, particularly if Shares are redeemed soon after they are issued and the Shares have been subject to charges.

Reserve for contingent liabilities

Under certain circumstances, it may be 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.

Risk of litigation

The Fund Manager and the Investment Advisor may accumulate substantial positions in the securities of a specific company on behalf of the Fund. Sometimes the Fund Manager and the Investment Advisor may engage in a proxy fight, become involved in litigation or attempt to gain control of a company. Under such circumstances, the Fund may be named as a defendant in a lawsuit or regulatory action and be subject to the costs involved.

In addition, because the Fund will purchase many investments through separate written contracts (as opposed to via an exchange) and because such contracts may contain extensive obligations on behalf of the issuer, there may be instances in which the Fund may pursue litigation in order to enforce its rights. Such litigation may be costly and may not ultimately be successful.

Risk of Force Majeure and Accidents

None of the Fund, the Fund Manager, the Investment Advisor, the other service providers or any of their respective directors and officers will be responsible to the Shareholders for any losses arising from any accidents or force majeure events which are beyond their reasonable control, including, but not limited to any change to applicable regulations, breakdown or failure of communication or computer facilities, acts of war or of God, civil strife or terrorism, postal or other strikes or similar industrial action and the non-performance of any relevant exchange, custodian, clearing system and/or broker for any reason.

Cyber Crime and Security Breaches

With the increasing use of the Internet and technology in general, the Fund is exposed to operational and information security risks through breaches in cyber security. Cyber security breaches include, without limitation, infection by computer viruses and gaining unauthorised access to the Fund's systems through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operations to be disrupted. Cyber security breaches may also occur in a manner that does not require gaining unauthorised access, such as denial-of-service attacks or situations where authorised individuals intentionally or unintentionally release confidential information stored on the Fund's systems. A cyber security breach may cause disruptions and impact the Fund's business operations, which could potentially result in financial losses, the inability to determine the Net Asset Value of the Fund, violation of applicable law, regulatory penalties and/or fines, compliance and other costs. The Fund and its Shareholders could be negatively impacted as a result. In addition, because the Fund works closely with third-party service providers, including the Fund Manager, the Investment Advisor, the Custodian and the Administrator, indirect cyber security breaches at such third-party service

providers may subject the Fund and its Shareholders to the same risks associated with direct cyber security breaches. Further, indirect cyber security breaches at an issuer of securities in which the Fund invests may similarly negatively impact the Fund and its Shareholders. While the Fund has established risk management systems designed to reduce the risks associated with cyber security breaches, there can be no assurances that such measures will be successful.

Effect of substantial redemptions

In the event that there are substantial redemptions of Shares, it may be more difficult for the Fund to generate the same level of profits operating on a smaller capital base. In the event that there are substantial redemptions on any date or over a short period of time, the Fund Manager and the Investment Advisor may find it difficult to adjust the asset allocation and trading strategies to the suddenly reduced amounts of assets under management. Under such circumstances, in order to provide sufficient funds to pay redemptions, the Fund Manager and the Investment Advisor might be required to liquidate positions at an inappropriate time or on unfavourable terms. In addition, regardless of the period of time in which redemptions occur, the resulting reduction of the Fund's Net Asset Value could make it more difficult for the Fund to generate profits or recover losses.

Early termination

In the event of the early termination of the Fund, the Fund would have to distribute to the Shareholders their pro rata interest in the assets of the Fund associated with the Shares. Certain assets associated with the Shares held by the Fund may be highly illiquid and might have little or no marketable value. It is possible that at the time of such sale or distribution, certain securities held by the Fund would be worth less than the initial cost of such securities, resulting in a loss to Shareholders.

Limited regulation

Neither the Feeder Fund nor the Master Fund is registered as an investment company or mutual fund under the laws of any jurisdiction (except that the Feeder Fund and the Master Fund are registered in the Cayman Islands) and is therefore not supervised by any supervisory or regulatory body or subject to the rules or regulations of any such body other than the Authority, which will not approve or disapprove the objectives or policies of the Fund, or its suitability as an investment for any person.

Fees, costs and expenses

The Fund is subject to the Management Fee, the Performance Fee and certain other fixed and contingent costs payable irrespective of profitability. Such fees costs and expenses will adversely affect the Net Asset Value per Share.

Accounting

The accounts of the Fund will be drawn up in accordance with IFRS. To the extent that the valuation basis adopted by the Fund deviates from IFRS, the Fund may be required to include a

reconciliation note in the annual accounts of the Fund to reconcile values arrived at by applying the Fund's valuation rules. If the Net Asset Value of the Fund is not adjusted in preparation of the annual accounts, non-compliance with IFRS may result in the auditors qualifying their opinion on these annual accounts depending on the nature and level of materiality of the non-compliance.

Tax Treatment

There may be changes in tax laws or interpretations of tax laws adverse to the Fund or its Shareholders. There can be no assurance that the structure of the Fund or of any investment will be tax-efficient to any particular Shareholders. Prospective investors are urged to review the section of this Private Placement Memorandum headed "Taxation" and to consult their own tax advisors with reference to their specific tax situations, including any applicable US taxes.

Valuations

Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions of the Fund could have an adverse effect on the Net Asset Value of the Shares if judgements regarding appropriate valuations should prove incorrect.

Illiquidity of Shares in the Feeder Fund

The Fund Manager does not expect that an active secondary market will develop in the Shares. Further, redemptions, transfers and exchanges of Shares may be suspended in certain circumstances. Also, Shareholders' redemption rights are limited. Shareholders may thus not be able to liquidate their investment in such circumstances and Shares may not be readily accepted as collateral for a loan.

Side Letters

Subject to all applicable laws and the Articles, the Fund, the Fund Manager or the Investment Advisor may enter into non-material side letters with investors. The power to enter into side letters binds the Fund and may contain terms the effect of which may provide an investor with more favourable treatment than other holders of the same class of equity interest enhancing that investor's ability to either (i) redeem equity interests of that class or (ii) to make a determination as to whether to redeem equity interests of that class, and which in either case might reasonably be expected to put other holders of equity interests of that class who are in the same position at a material disadvantage in connection with the exercise of their redemption rights. In addition, side letters may provide certain investor(s) with additional and/or different rights (including, without limitation, with respect to the Performance Fees, Management Fees, minimum and additional subscription amounts, informational rights, capacity rights and other rights) than the other investors. Some regulators, including the SEC and the Financial Services Authority of the United Kingdom, are taking or are contemplating to take regulatory action in respect of the use of side letters. As a result, the Fund, the Fund Manager or the Investment Advisor, if and when it decides to enter into side letters, may be subject to regulatory action in connection with entering into side letters, or may be forced to rescind some of the side letters or certain provisions thereof, affecting the investors having entered into such side letters. Where the Fund and/or the Fund Manager or its

associates has granted preferential rights of redemption, the material terms relating to such preferential rights will be made available on request.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN INVESTING IN THE FUND. POTENTIAL INVESTORS SHOULD READ THIS ENTIRE DOCUMENT AND CONSULT THEIR OWN PROFESSIONAL ADVISERS BEFORE DECIDING WHETHER TO INVEST IN SHARES OF THE FUND.

9. FEES AND EXPENSES

The Fund bears the cost of all brokers, interest on borrowing and fees in respect thereof, the Cayman Islands annual government fees, the fees and expenses of the auditors of, and the legal advisors to, the Fund, the cost of preparing, printing and distributing periodic and annual reports and statements and all other operating expenses.

Set out below are specific notable items of fees and expenses to be borne by the Fund or the investor:

9.1 Management Fee and Performance Fee

Under the terms of the Investment Management Agreement, the Feeder Fund will pay the Fund Manager a management fee ("**Management Fee**") at a rate of two per cent per annum (2% p.a.) of the Net Asset Value of Class A Shares and the Net Asset Value of Class P Shares calculated as at each Valuation Day, which shall accrue monthly and be payable monthly in arrears. In calculating the Management Fee payable in respect of each month, such Management Fee shall be pro-rated by the total number of days of the relevant month. The Management Fee will be paid out of the assets of or attributable to the Feeder Fund as soon as practicable after it becomes payable.

No Management Fee shall be payable with respect to Class I Shares.

The Fund Manager is entitled to receive a performance fee (the "**Performance Fee**") payable annually in arrears with respect to Class A Shares and Class P Shares. The Performance Fee is generally calculated as of the last Valuation Day of each Financial Year and is accrued as at each Valuation Point. The Performance Fee will be calculated separately for each series of Class A Shares and each sub-series of Class P Non-Trailer Series and Class P Trailer Series of Class P Shares. The Performance Fee is generally paid to the Fund Manager within one month after the last Valuation Day of the relevant Financial Year or upon receipt of the instruction from the Fund Manager to the Administrator.

In order to ensure that the Shareholders bear the Performance Fee according to the actual performance of their Class A Shares and/or Class P Shares, having regard to the different times and prices at which such Class A Shares or Class P Shares in respect of each of the Class P Non-Trailer Series and Class P Trailer Series were acquired, a new series of Class A Shares and a new sub-series in respect of Class P Shares of each of Class P Non-Trailer Series and Class P Trailer Series in the Feeder Fund will be issued on each Dealing Day.

The Performance Fee shall be equal to twenty per cent (20%) of the increase in the Net Asset Value per Class A Share, Class P Non-Trailer Series Share and Class P Trailer Series Share of the relevant series or sub-series as at the last Valuation Point in each Financial Year over the Performance Benchmark applicable to such series of Class A Shares or sub-series of Class P Non-Trailer Series Shares and Class P Trailer Series Shares (as applicable) multiplied by the number of Class A Shares or the number of Class P Non-Trailer Series Shares and Class P Trailer Series Shares (as applicable)

of the relevant series or sub-series in issue as at the last Valuation Point in the relevant Financial Year. The absolute Performance Fee amount payable to the Fund Manager shall be represented by the aggregate sum of Performance Fee payable with respect to each series of Class A Share and each sub-series Class P Non-Trailer Series Share and Class P Trailer Series Share calculated in the manner as set out above.

In the event that a Shareholder redeems all or a portion of its Class A Shares and/or Class P Non-Trailer Series Shares and/or Class P Trailer Series Shares which are subject to a Performance Fee other than at the end of the Financial Year, net realized and unrealized appreciation or depreciation, as the case may be, attributable to such Class A Shares Class P Non-Trailer Series Shares and Class P Trailer Series Shares (as applicable) shall be determined through the Valuation Point relating to the date of redemption and the Performance Fee, if any, on the Class A Shares and/or Class P Non-Trailer Series Shares and/or Class P Trailer Series Shares (as applicable) which were redeemed will be calculated as of that Valuation Point and made to the Fund Manager.

If the Investment Management Agreement is terminated at any time other than at the end of a Financial Year, the Fund Manager will receive any Performance Fee that has accrued in respect of the Class A Shares at the time of termination.

No Performance Fee shall be payable with respect to Class I Shares.

The Fund Manager may reduce, waive, calculate differently or rebate the Performance Fee calculated with respect to one or more Class A Shareholder and/or Class P Shareholders at its absolute discretion.

9.2 Consolidation of Shares

As soon as practicable after the last Valuation Point in each Financial Year, all series of Class A Shares and all sub-series of Class P Non-Trailer Series Shares and Class P Trailer Series Shares which shall have borne a Performance Fee in respect of the relevant year will normally be consolidated into a single series or sub-series, being the oldest series or sub-series to have borne a Performance Fee in respect of the relevant year and the Performance Benchmark for all Shares of the consolidated series or sub-series will be the Net Asset Value per Class A Share or per Class P Non-Trailer Series Shares or per Class P Trailer Series Shares (as applicable) of the consolidated series or sub-series as at the last Valuation Point in the relevant Financial Year, after making the Performance Fee.

For the avoidance of doubt, Class I Shares shall not be issued in series and shall not be subject to consolidation at any time.

9.3 Subscription Prices and Redemption Price

Subscription Price and Redemption Price with respect to Class A Shares

The Class A Subscription Price per Class A Share in each new series shall be equal to the Redemption Price (before any deduction for the Performance Fee, except where such Shares are subscribed for on the last Dealing Day in each Financial Year) calculated in relation to the relevant Dealing Day of the oldest series of Class A Shares in issue on such day.

The Class A Redemption Price of Class A Shares and series for any relevant Redemption Day will, subject as provided below, be determined by (i) determining the Net Asset Value of the Feeder Fund related to such class at the relevant Valuation Point before deducting any liabilities which are specifically attributable to any particular class and series; (ii) apportioning the resulting amount between each series pro rata in accordance with the Net Asset Value of each series of such class prior to the relevant Valuation Point; (iii) deducting the liabilities and adding any assets specifically attributable to the relevant class and series from or to such apportioned amount; and (iv) dividing the resulting amount by the number of Shares of the relevant class and series, the resulting amount being rounded to the nearest minimum integral unit of the Base Currency of the relevant series (amounts of 0.5 or more being rounded up).

Details of the Class A Subscription Price or Class A Redemption Price of each Class A Share may be obtained by the relevant Shareholder from the Fund Manager.

Subscription Price and Redemption Price with respect to Class P Shares

In respect of Class P Shares, a sub-series of each of Class P Non-Trailer Series and Class P Trailer Series will be issued on each Dealing Day. The Class P Subscription Price applicable in respect of Class P Non-Trailer Series and Class P Trailer Series will be the applicable Class P Redemption Price for each of such series (before any deduction for the Performance Fee attributable to Shares of the Class P Non-Trailer Series and the Class P Trailer Series except where such Class P Non-Trailer Series Shares and Class P Trailer Series Shares are subscribed for on the last Dealing Day in each Financial Year) calculated in relation to the relevant Dealing Day of the oldest sub-series of Shares of Class P Non-Trailer Series and Shares of the Class P Trailer Series in issue on such day, subject to such fiscal adjustments as may be necessary.

The Class P Redemption Price of Class P Shares of each of the Class P Non-Trailer Series and Class P Trailer Series for any relevant Redemption Day will, subject as provided below, shall be determined by (i) determining the Net Asset Value of the Feeder Fund related to such class at the relevant Valuation Point before deducting any liabilities which are specifically attributable to any particular class; (ii) determining the Net Asset Value attributable to each of the two series (Class P Non-Trailer Series and Class P Trailer Series) at the relevant Valuation Point before deducting any liabilities which are specifically attributable to each of the series; (iii) apportioning the resulting amount between each sub-series pro rata in accordance with the Net Asset Value of each sub-series of such series and class prior to the relevant Valuation Point; (iv) deducting the liabilities and adding any assets specifically attributable to the relevant class, series and sub-series from or to such apportioned amount; and (v) dividing the resulting amount by the number of Shares of the relevant class, series and sub-series, the resulting amount being rounded to the nearest minimum integral unit of the Base Currency of the relevant series (amounts of 0.5 or more being rounded up).

Details of the Class P Subscription Price or Class P Redemption Price of each Class P Share may be obtained by the relevant Shareholder from the Fund Manager.

Subscription Price and Redemption Price with respect to Class I Shares

The Class I Subscription Price or Class I Redemption Price of each Class I Share for any relevant Dealing Day or Redemption Day will, subject as provided below, be determined in accordance with the provisions of the Articles. In calculating the Class I Subscription Price or Class I Redemption Price of a Class I Share, the Net Asset Value of such class as at the Valuation Point relating to relevant Valuation Day will be divided by the number of Class I Shares then in issue, the resulting amount being rounded to the nearest cent (0.5 of a cent being rounded up), or such other decimal place(s) as the Directors may determine from time to time.

Details of the Class I Subscription Price or Class I Redemption Price of each Class I Share may be obtained by the relevant Shareholder from the Fund Manager.

9.4 Subscription Fee

In respect of Class A Shares and Class P Shares, a Subscription Fee of up to 5% of the total subscription amount attributable to Class A Shares and Class P Shares respectively, from time to time determined by the Fund Manager in their discretion is payable by an investor to the Fund Manager, as may be determined by the Fund Manager upon subscription for Class A Shares and/or Class P Shares. The Subscription Fee is agreed upon and specified in the Subscription Form. The Fund Manager has discretion to waive or reduce the Subscription Fee and may share such Subscription Fee with any distributor, delegate or agent, including but not limited to any Distribution Partner(s).

In respect of Class I Shares, no Subscription Fee shall be levied.

9.5 Redemption Fee

No redemption fee is payable in respect of a redemption of Shares of any class. Shareholders shall bear the Advanced Redemption Payment Fee under the terms as set out in the section headed "Advanced Redemption Payment Option" if the Directors or the Fund Manager accepts an Advanced Redemption Payment Request by Shareholders in the Redemption Form.

9.6 Administrator's Fees

The Administrator and their respective service providers, as the case may be, will also be entitled to customary fees as agreed from time to time with the Fund. The Administrator and their service providers, as the case may be, will also be entitled to be reimbursed for all out-of-pocket expenses properly incurred in the course of performance of their duties. The Administrator and the Administrator's Service Provider will share the fees payable for administrator services.

9.7 Organisational Expenses

All costs and expenses associated with the establishment, organization and structuring of the Feeder Fund have been fully amortized. All costs and expenses associated with the restructuring of the Feeder Fund into a feeder fund as part of a master-feeder structure are borne by the Fund Manager.

9.8 Prime Brokerage Fees

The Prime Brokers will be entitled in their respective capacity as a Prime Broker, to interest on any advances which it makes to the Fund and such fees as may be agreed with the Fund from time to time in relation to any other facilities the Prime Brokers provide to the Fund. The Prime Brokers will not charge any additional fee for acting as custodian of the Fund's assets they hold as prime broker or sub-custodian, unless otherwise agreed.

9.9 Other Operating Expenses

The Fund Manager is responsible for providing all its office personnel, office space and office facilities required for the performance of their services. The Fund bears all other expenses incidental to its operations and business, including (i) brokerage commissions and charges, (ii) fees and charges of custodians, sub-custodians and clearing agencies, (iii) interest and commitment fees on loans and debit balances, (iv) income taxes, withholding taxes, transfer taxes and other governmental charges and duties, (v) fees of the Fund's legal advisors, independent auditors and other experts, (vi) the costs of maintaining the Fund's registered office in the Cayman Islands and of maintaining the Fund's exempted company status and mutual fund registration in the Cayman Islands, and (vii) the costs of printing and distributing any offering memorandum and subscription materials and any reports and notices to Shareholders or prospective investors.

10. VALUATION

10.1 Calculation of Net Asset Value

The Net Asset Value will be calculated as at the Valuation Point relating to each Valuation Day in accordance with the Articles and this Private Placement Memorandum.

As the Feeder Fund will invest substantially all of its assets in the Master Fund, the Net Asset Value of the Feeder Fund and the Shares will to a large extent relate to that of the Master Fund and consequently the Administrator, subject to the supervision and ultimate discretion of the Directors and the directors of the Master Fund, will conduct the calculation of the Net Asset Value in respect of both the Feeder Fund and the Master Fund as follows:

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof unless the Directors shall have determined that any such deposit, bill, demand note or account receivable is not worth the full amount thereof in which event the value thereof shall be deemed to be such value as the Directors shall deem to be the reasonable value thereof;
- (b) except in the case of any interest in a unit trust, mutual fund corporation, open-ended investment Fund or other similar open-ended investment vehicle (a "**managed fund**") to which paragraph (c) applies and subject as provided in paragraphs (d), (e) and (f) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market shall be made by reference to the last traded price on the principal exchange for such investments as at the close of business in such place on the day as of which such calculation is to be made; and where there is no stock exchange, commodities exchange, futures exchange or over-the-counter market all calculations based on the value of investments quoted by any person, firm or institution making a market in that investment (and if there shall be more than one such market maker then such particular market maker as the Directors may designate) shall be made by reference to the price quoted thereon; provided always that if the Directors in their discretion consider that the prices ruling on an exchange other than the principal exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;
- (c) subject as provided in paragraphs (d), (e) and (f) below, the value of each interest in any managed fund which is valued as at the same day as the Fund shall be the net asset value per unit, share or other interest in such managed fund calculated as at that day or, if the Directors so determine or if such managed fund is not valued as at the same day as the Fund, the last published net asset value per unit, share or other interest in such managed fund (where available) or (if the same is not available) the last published redemption or bid price for such unit, share or other interest. If there are no price quotations available for the valuation of the managed fund, it shall be calculated in accordance with the values published, or reported in writing to the Fund as at or around the relevant Valuation Day,

by or on behalf of the managed fund, or if the managed fund is not valued as at the relevant Valuation Day, shall be the latest published or reported value. Valuations may be in the absolute discretion of the Directors subject to later adjustment. In performing the calculations, the Directors shall be entitled to rely on the un-audited valuations and reports and estimated valuations received from third parties, including the managed fund and its administrator, agents, investment manager or advisor, or other dealing subsidiary and shall not be responsible for verifying nor shall they be required to verify either the contents or veracity of such valuations and reports;

- (d) if no net asset value, bid and offer prices or price quotations are available as provided in paragraphs (b) or (c) above, the value of the relevant asset shall be determined from time to time in such manner as the Directors shall determine;
- (e) for the purpose of ascertaining quoted, listed, traded or market dealing prices, the Directors, the Administrator or their agents shall be entitled to use and rely upon mechanised and/or electronic systems of valuation dissemination with regard to valuation of investments of the Fund and the prices provided by any such system shall be deemed to be the last traded prices for the purpose of paragraph (b) above;
- (f) notwithstanding the foregoing, the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value; and
- (g) any value (whether of a security or cash) otherwise than in US dollars shall be converted into US dollars at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

The term 'last traded price' referred to in paragraph (b) above, refers to the last traded price reported on the exchange for the day, commonly referred to in the market as the 'settlement' or 'exchange price', and represents a price at which members of the exchange settle between them for their outstanding positions. Where a security has not traded then the last traded price will represent the 'exchange close' price as calculated and published by that exchange in accordance with its local rules and customs.

Subject as otherwise required by IFRS, securities will be valued by giving priority to unadjusted market prices and, for hard-to-value securities, priority will be given to valuation inputs that are directly observable (i.e. those derived from market data, including publicly available information about events and transactions or reflective of assumptions that market participants would use) with the lowest priority being given to inputs that are unobservable (i.e. where market data is not available regarding the assumptions that market participants would use).

Pricing models may be used to determine a fair value for hard-to-value securities. To the extent pricing models are used, all information which is reasonably available at the relevant Valuation Day that would be considered by a market participant in the application of such model will be

taken into account but neither the Fund, the Fund Manager, the Investment Advisor, the Administrator nor the Administrator's Service Provider need undertake exhaustive efforts to obtain that information.

The Fund will prepare its annual report and accounts in accordance with IFRS. Investors should note that the above valuation policies may not necessarily comply with IFRS. Under IFRS, investments should be valued at fair value and bid and ask pricing is considered to be representative of fair value for long and short listed investments respectively. However, under the valuation basis described above, listed investments are expected to be valued at the last traded price instead of bid and ask pricing as required under IFRS. To the extent that the valuation basis adopted by the Fund deviates from IFRS, the Directors may be required to make adjustments in the annual accounts of the Fund in order to comply with IFRS, and if relevant will include a reconciliation note in the annual accounts of the Fund to reconcile values shown in the annual accounts determined under IFRS to those arrived at by applying the Fund's valuation rules. Otherwise, non-compliance with IFRS may result in the Auditor issuing a qualified or an adverse opinion on the annual accounts depending on the nature and level of materiality of the non-compliance. The Directors have considered the impact of such non-compliance and does not expect this issue to materially affect the results and Net Asset Value of the Fund.

The Fund Manager may be involved in the pricing of the assets and liabilities of the Fund. The Directors or the Fund Manager (to the extent not contrary to any laws and regulations applicable to the Directors or the Fund Manager) may calculate or assist in the calculation of the Net Asset Value, as the Directors and/or the Fund Manager are best placed to provide information given their knowledge and skills in assessing values of the relevant assets and liabilities. To the extent that the Fund Manager is involved in pricing of the assets of the Fund and/or the calculation of the Net Asset Value, the Fund Manager has a conflict of interest because valuations directly impact the Management Fee and Performance Fee payable to the Fund Manager.

Whenever prices are provided or sourced by the Directors or the Fund Manager, the Directors or the Fund Manager will provide any supporting information that is used to determine the prices to the Administrator and/or the Administrator's Service Provider and the Administrator and/or the Administrator's Service Provider must take steps that are reasonable and proportionate to the risk of material error or bias to verify the facts on which the prices are determined and the appropriateness of the provided price to the extent reasonably possible.

10.2 Calculation of Net Asset Value per Share of each Class for each Series (where applicable)

1. Once the Net Asset Value of the Fund has been calculated for any Valuation Day pursuant to the valuation rules, the Net Asset Value shall be calculated by the Administrator (in consultation with the Fund Manager) as at the relevant Valuation Day in accordance with the following rules.
2. The Administrator shall determine the Net Asset Value of the Fund by deducting from the Net Asset Value of the Fund the fees, costs, expenses or other liabilities attributable to the

Fund (including any fees payable not already deducted in ascertaining the Net Asset Value of the Fund but excluding any series-specific fees, costs, expenses or other liabilities).

3. The Administrator shall determine the Net Asset Value of each class by:
 - (a) allocating among each class the Net Asset Value of the Fund pro rata in accordance with the Net Asset Value of each class immediately following the preceding Valuation Point; and
 - (b) deducting from the Net Asset Value of the class in question the fees, costs, expenses or other liabilities attributable to that class (including any fees payable not already deducted in ascertaining the Net Asset Value of the Fund but excluding any series-specific fees, costs, expenses or other liabilities) and adding to the Net Asset Value assets specifically attributable to that class (but excluding any series-specific assets) in order to arrive at the actual Net Asset Value of each class.
4. The Administrator shall determine the Net Asset Value of each share of the Master Fund by dividing such Net Asset Value as calculated under paragraph 3(b) above by the number of shares of the relevant class in issue, the resulting amount being rounded to the nearest minimum integral unit of the Base Currency of the relevant class (amounts of 0.5 or more being rounded up). Any rounding will be retained by the Master Fund.
5. The Administrator shall determine the Net Asset Value of each series (where applicable) and Share by:
 - (a) allocating among each series the Net Asset Value of each class pro rata in accordance with the Net Asset Value of each series immediately following the preceding Valuation Point; and
 - (b) deducting from the Net Asset Value of the series in question the fees, costs, expenses or other liabilities attributable to that series not already deducted in ascertaining the Net Asset Value of the class and adding to the Net Asset Value assets specifically attributable to that series in order to arrive at the actual Net Asset Value of each series; and
 - (c) calculating the Net Asset Value per Share of each series by taking the Net Asset Value of each series calculated under paragraph 5(b) above and dividing such Net Asset Value by the number of Shares of the relevant series in issue, the resulting amount being rounded to the nearest minimum integral unit of the Base Currency of the relevant series (amounts of 0.5 or more being rounded up). Any rounding will be retained by the Feeder Fund.

The Administrator and the Administrator's Service Provider, in calculating the Net Asset Value of the Fund, may rely without further enquiry upon prices and valuations supplied to it in accordance with the foregoing and shall have no liability to the Fund, any Shareholder or any other person in respect of such reliance."

10.3 Suspension of Net Asset Value Calculation

The calculation of Net Asset Value may be suspended under certain circumstances:

- (i) The Directors may suspend the determination of the Net Asset Value and Net Asset Value per Share, subscriptions for and redemptions of Shares and/or extend the period for payment of redemption monies to persons who have redeemed Shares during the whole or any part of a period:-
 - (a) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which a substantial part of the investments of the Fund are quoted, listed, traded, or dealt in is closed (other than for ordinary holidays); or
 - (b) trading, valuation, quoting or dealings of any investments on any such stock exchange, commodities exchange, futures exchange or over-the-counter market are suspended or restricted; or
 - (c) when there exists a state of affairs as a result of which disposal of some or all of the investments of the Fund cannot in the absolute discretion of the Directors be effected normally or without seriously prejudicing the interests of the Shareholders; or
 - (d) when a breakdown occurs in the system or means of communication normally employed in determining the value of the investments of the Fund or the Net Asset Value or Net Asset Value per Share or when for any other reason the value of any of the investments, which represent a significant part of the value of the Fund or the amount of any significant liability of the Fund or the Net Asset Value or Net Asset Value per Share, cannot, in the opinion of the Directors, be promptly, fairly and accurately be ascertained; or
 - (e) when realisation of investments of the Fund or the transfer of funds involved in such realisation cannot in the opinion of the Directors, be effected at normal prices or normal rates of exchange; or
 - (f) if the remittance of moneys involved in the subscription or redemption of Shares cannot be carried out without delay and at normal rates of exchange; or
 - (g) the business operations of the Fund Manager, the Administrator or the Administrator's Service Provider in respect of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, or acts of God; or
 - (h) the Feeder Fund has adopted a resolution to wind up.

No Shares may be issued or redeemed during such a period of suspension. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

In addition, the Board of Directors may also suspend the payment of redemption proceeds to a Shareholder if the Board of Directors reasonably deems it necessary to do so to comply with anti-money laundering laws and regulations applicable to the Fund, the Fund Manager, the Investment Advisor, the Administrator and their affiliates, subsidiaries or associates or any of the Fund's other service providers.

Redemptions may be limited or required by the Fund Manager to ensure that the assets of the Fund are not deemed to constitute "plan assets" for purposes of ERISA and the Plan Asset Regulation.

No Shares may be issued or redeemed during such a period of suspension.

11. POTENTIAL CONFLICTS OF INTEREST

The Fund Manager and its delegates and affiliates (including the Investment Advisor) may engage in or possess an interest in other business ventures of every kind and description, including: (i) investment advisory or supervisory services with respect to securities or other types of financial investments; or (ii) managing other investment fund, limited partnerships or other entities with substantially the same or different objectives. Moreover, the Fund Manager and its delegates and affiliates (including the Investment Advisor) will devote to the Fund only so much of its time as it deems necessary or appropriate in connection with the activities of the Fund.

The Fund Manager and its delegates and affiliates (including the Investment Advisor) may enter into portfolio transactions for or with the Fund either as agent, in which case they may receive and retain brokerage commissions, or as principal with the Fund provided that such transactions are carried out in good faith and as if effected on normal commercial terms negotiated on an arm's length basis, consistent with best execution standards and subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.

The Fund Manager and its delegates and affiliates (including the Investment Advisor) may also act as the investment manager or investment advisor of other funds whose investment objectives, investment approach and investment restrictions are similar to those of the Fund. The Fund Manager and its delegates and affiliates (including the Investment Advisor) 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 Fund Manager and its delegates and affiliates (including the Investment Advisor) are under any obligation to offer investment opportunities of which any of them become aware to the Fund or to account to the Fund in respect of (or share with the Fund or to inform the Fund of) any such transactions or any benefit received by any of them from any such transaction, but will allocate appropriate investment opportunities on a fair and equitable basis between the Fund and other clients.

Each of the Fund Manager and its delegates and affiliates (including the Investment Advisor) reserve the right to co-invest on its own account or for other funds and/or other clients with the Fund, although any such co-investment must be made on terms no better than those in which the Fund is investing. Each of the Fund Manager and its delegates and affiliates (including the Investment Advisor) may hold and deal in Shares or in investments held by the Fund either for their own account or for the account of their clients.

The Fund Manager and its delegates and affiliates (including the Investment Advisor) may enter into transactions for the account of the Fund with affiliated brokers or dealers, provided that such transactions are carried out on arm's length terms, consistent with best execution standards and at a commission rate no higher than customary institutional rates. The Fund may deposit funds with or borrow funds from the Fund Manager and its delegates and affiliates (including the Investment Advisor), provided that (i) in the case of a deposit, interest is received at a rate not lower than the prevailing commercial rate for a deposit of that size and term, and (ii) in the case of a loan, interest charged and fees levied in connection with the loan are no higher than the prevailing commercial rate for a similar loan.

The Fund Manager and its delegates and affiliates (including the Investment Advisor) and/or any fund or accounts it manages may obtain products or services other than the execution of securities transaction from the brokers in exchange for the direction of brokerage transactions of the fund to the brokers which may include research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation service and computer hardware and software used for in support of the investment process, but shall not include, travel, accommodation or entertainment.

The Administrator, the Administrator's Service Providers, and the Prime Brokers may from time to time act as administrator, registrar, secretary, custodian or service provider or carry out other functions as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly taking into account the interests of Shareholders as a whole.

In addition, any of the foregoing may deal, as principal or agent, with the Fund provided that such dealings are carried out in good faith, on the best terms reasonably obtainable having regard to the best interests of the Fund and as if effected on normal commercial terms negotiated on an arm's length basis.

The Fund Manager may be involved in pricing of the assets of the Fund and/or the calculation of the Net Asset Value. To the extent that the Fund Manager is so involved, the Fund Manager has a conflict of interest because valuations directly impact the Management Fee and Performance Fee payable to the Fund Manager.

12. TAXATION

12.1 Cayman Islands

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the Shareholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Feeder Fund.

The Feeder Fund has received an undertaking from the Financial Secretary of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Feeder Fund or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Feeder Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Feeder Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Feeder Fund.

The Cayman Islands and Automatic Exchange of Financial Account Information

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States and (the "US IGA"). The Cayman Islands has also signed, along with over 100 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard ("CRS" and together with the US IGA, "AEOI").

Cayman Islands regulations have been issued to give effect to the US IGA and CRS (collectively, the "AEOI Regulations"). Pursuant to the AEOI Regulations, the TIA has published guidance notes on the application of the US IGA and CRS.

All Cayman Islands "Financial Institutions" are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Fund does not propose to rely on any Non-Reporting Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations.

The AEOI Regulations require the Fund to, amongst other things (i) register with the IRS to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution", (iii) adopt and implement written policies and procedures setting out how it will address its obligations under

CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered “Reportable Accounts”, (v) report information on such Reportable Accounts to the TIA, and (vi) file a CRS Compliance Form with the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (e.g. the IRS in the case of a US Reportable Account) annually on an automatic basis.

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that further information may need to be provided to the Fund, the Fund’s compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Fund may be obliged, and/or reserves the right, to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption of the investor concerned and/or closure of the investor's account. In accordance with TIA issued guidance, the Fund is required to close an investor's account if a self-certification is not obtained within 90 days of account opening.

12.2 Hong Kong

The Fund

In general, exposure to Hong Kong profits tax will only arise if the Fund is regarded as carrying on a trade, profession or business in Hong Kong either on its own account or through another person (e.g. the Fund Manager or the Investment Advisor) and/or constituting a permanent establishment (as effective in relation to a year of assessment beginning on or after 1 April 2019) in Hong Kong. The Inland Revenue (Amendment) (No.6) Ordinance 2018 introduced a new definition of permanent establishment in Hong Kong for non-residents of a non-treaty jurisdiction under which a person, including a corporation or partnership irrespective of its place of incorporation or establishment, may potentially be subject to Hong Kong profits tax.

If the Fund is regarded as carrying on a trade, profession or business and/or constituting a PE (as effective in relation to a year of assessment beginning on or after 1 April 2019) in Hong Kong, a liability to profits tax, the rate of which is currently up to 16.5 per cent., will only exist in respect of any profits which arise in or are derived from Hong Kong from that trade, profession or business and which are not capital in nature. Such amounts may include profits arising from the disposal of securities listed on the Hong Kong Stock Exchange, unlisted securities where the purchase or sale contracts are effected (i.e. negotiated, concluded and executed) in Hong Kong and interest income arising from certain debt instruments where the loan funds were first made available to the issuer in Hong Kong to the extent that the Fund is not regarded as carrying on a money lending business. Whether a gain is regarded as being capital in nature is a question of fact which has to be determined based on the specific facts and circumstances of each case.

The Inland Revenue (Amendment) (No.3) Ordinance 2018, which was enacted into law on 29 March 2018, implements a two-tier profits tax system in Hong Kong, under which the profits tax rate applicable to the first HK\$2 million of assessable profits (“**Assessable Profit Threshold**”) of corporations would be lowered to 8.25 per cent. and for unincorporated businesses lowered to 7.5

per cent. respectively, subject to certain exceptions. Any assessable profits beyond the Assessable Profit Threshold would be subject to a profits tax rate of 16.5 per cent. for corporations and 15 per cent. for unincorporated businesses (collectively, the “**Two-Tier Profits Tax Arrangement**”).

Notwithstanding the above general rules, pursuant to the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006, as amended by the Inland Revenue (Amendment) (No. 2) Ordinance 2015 (“**Offshore Funds Ordinance**”), profits earned by a non-Hong Kong resident fund will be exempt from profits tax if certain conditions can be satisfied. The conditions, as they pertain to the Fund, are:

- the Fund must be a non-resident of Hong Kong. Whether the Fund is regarded as non-resident of Hong Kong generally depends on the location where the “central management and control” of the Fund is exercised;
- the Fund does not carry on any other business in Hong Kong;
- the Fund does not otherwise qualify as a “fund” as defined under The Inland Revenue (Profits Tax Exemption For Funds) (Amendment) Ordinance 2019 (“**Exemption Amendment Ordinance**”), which came into operation on 1 April 2019;
- the activities of the Fund are restricted to “specified transactions” (as defined in the Offshore Funds Ordinance) and transactions incidental thereto. “Specified transactions” is defined in the IRO to include “a transaction in securities”, “a transaction in futures contracts”, “a transaction in foreign exchange contracts”, “a transaction consisting in the making of a deposit other than by way of a money lending business”, “a transaction in foreign currencies”, and “a transaction in exchange-traded commodities”. “Securities” is widely defined but excludes shares or debentures (or rights, options or interests in, or in respect of, such shares or debentures) of a private company which is not a “special purpose vehicle” (“**SPV**”) (as defined in the Offshore Funds Ordinance) or an “excepted private company” (“**EPC**”) (as defined in the Offshore Funds Ordinance);
- either the “specified transactions” are carried out through or arranged by a “specified person” i.e., an authorised financial institution registered with the Securities and Futures Commission (“**SFC**”) in Hong Kong or a corporation holding any of the Type 1 to 10 licenses issued by the SFC under Part 1 of Schedule 5 of the Securities and Futures Ordinance; or the Fund is a “qualifying fund” (as defined in the Offshore Funds Ordinance); and
- income arising from transactions incidental to the “specified transactions” does not exceed 5 per cent. of the total trading receipts from the “specified transactions” and incidental transactions of the Fund.

Profits made by a SPV from the disposal of an EPC or another SPV (i.e. an interposed SPV) holding an EPC will also be exempt from profits tax in Hong Kong to the extent the SPV is owned by a fund exempted under the Offshore Funds Ordinance.

Exemption Amendment Ordinance

Notwithstanding the general rules as described above, the Exemption Amendment Ordinance, which came into operation on 1 April 2019, introduced a new “unified profits tax fund exemption regime” (“**Unified Regime**”), which may allow “funds”, meeting the relevant definition and

qualifying conditions to benefit from profits tax exemption even though its profits may otherwise be treated as taxable under the above Offshore Funds Ordinance.

Under the Unified Regime, a “fund” may enjoy profits tax exemption without restriction as to its structure, size or location of its central management and control. In addition, unlike the above Offshore Funds Ordinance, where a “fund” qualifying for tax-exemption carries out a transaction which does not qualify for tax exemption, this would not taint or impact the tax exemption status of other qualifying transactions of the “fund”.

Under the Exemption Amendment Ordinance, the definition of a “fund” is largely similar to that of a “collective investment scheme” under Part 1 of Schedule 1 to the Securities and Futures Ordinance with certain amendments. Broadly, the definition of “fund” under the Exemption Amendment Ordinance is an arrangement in respect of any property which:

- (a) either (i) the property is managed as a whole by, or on behalf of, the person operating the arrangement; and/or (ii) the contributions of the participating persons and the profits or income from which payments are made to them, are pooled under the arrangement; and
- (b) the participating persons do not have day-to-day control over the management of the property; and
- (c) the actual or pretended purpose or effect of the arrangement is to enable the participating person, whether by acquiring any right, interest, title or benefit in the property or any part of such property or otherwise, to participating in or receive profits, income payment other returns.

However, business undertakings for general commercial or industrial purpose and intra-group arrangements, in which all participants in the arrangement are corporations in the same group of companies as the operator of the arrangement or arrangements in which all the participants are employees (or close relatives of such employees) of the same corporate group as the operator of the arrangement, do not qualify as a “fund”.

Under the Unified Regime, profits of a “fund” derived from transactions in “qualifying assets” (as defined below) and transactions incidental thereto (which does not exceed 5 per cent. of the total trading receipts from such qualifying transactions) carried out or arranged by a “specified person” (e.g. a corporation licensed under the SFO for carrying on a business in any regulated activity within the meaning of the SFO) will be exempt from profits tax. If the “fund” is a “qualified investment fund”, defined as a “fund” which (a) at all times after the final closing of sale of interest, the number of independent investors exceeds four and the capital commitments made by investors exceeds 90 per cent. of the aggregate capital commitments; and (b) the person that directly or indirectly originates or sponsors the “fund” and has the power to make investment decisions on behalf of the “fund” and its associates are entitled to no more than 30 per cent. of the net proceeds arising out of the transaction of the “fund”, it can qualify for profits tax exemption even if its transactions are not carried out through or arranged by a “specified person”.

“Qualifying assets” as prescribed under the Exemption Amendment Ordinance include (i) securities; (ii) shares, stocks, debentures, loan stocks, funds, bonds or notes of, or issued by, a

private company (whether incorporated in or outside Hong Kong, if certain tests are satisfied); (iii) futures contracts; (iv) foreign exchange contracts; (v) deposits other than those made by way of a money-lending business; (vi) certificates of deposits; (vii) exchange-traded commodities; (viii) foreign currencies; (ix) over-the-counter derivative products; and (x) an investee company's shares co-invested by a partner fund and Innovation and Technology Venture Fund Corporation under the Innovation and Technology Venture Fund Scheme.

The profits tax exemption applicable to a "fund" shall extend to any special purpose entities ("SPEs" or each an "SPE") (as defined under the Exemption Amendment Ordinance) of such "funds", to the extent that corresponds to the percentage of shares or interest the "fund" holds in such SPE.

Under the Exemption Amendment Ordinance, there are certain anti-avoidance measures in place in respect of investments in private companies (where applicable) by a "fund" and its "SPEs" which must met in order to enjoy the profits tax exemptions as follows:

- (a) the private company must not directly or indirectly hold more than 10 per cent. of the value of its assets in immovable property (other than infrastructure) in Hong Kong; and
- (b) the investment in the private company must have been held by the "fund" for at least two years; or
- (c) if the holding period in (b) above is not satisfied, (i) the "fund" does not have a controlling stake in the private company, or (ii) where the "fund" has a controlling stake in the private company, the private company does not hold more than 50 per cent. of the value of its assets in short term assets (i.e. assets held for less than three consecutive years before the date of disposal).

It is the intention of the Directors to conduct the affairs of the Fund as far as possible that the Fund should not have any profits tax liability in Hong Kong. However, no assurance can be given that profits from certain investments will not give rise to a liability for profits tax in Hong Kong for the Fund.

There is no Hong Kong withholding tax imposed on dividend and interest payments. In addition, there is no general turnover, sales or value added tax imposed in Hong Kong.

If the Fund acquires or disposes of any "Hong Kong stock" (as defined under the Hong Kong Stamp Duty Ordinance ("SDO")), stamp duty will be imposed at the current rate of 0.2 per cent. on the stated consideration or fair market value of the stock, whichever is higher. The purchaser and seller are each liable for one-half of the amount of Hong Kong stamp duty chargeable upon such transfer (i.e. 0.1 per cent. each).

The Shareholders

For the Shareholders where the interests in the Fund represent capital assets to them for Hong

Kong profits tax purposes, gains arising from the sale or other disposal of the interest in the Fund should be capital in nature and not taxable. For the Shareholders carrying on a trade or business in Hong Kong and who also invest in securities for trading purposes (e.g. dealers in securities, financial institutions, insurance companies), such gains may be considered to be part of the Shareholders' normal business profits rather than capital gains and hence, and in such circumstances may be subject to Hong Kong profits tax (which is currently charged at the rate of up to 16.5 per cent. for corporations, and up to 15 per cent. for unincorporated businesses) if the gains in question arise in or are derived from Hong Kong. Please note that the Two-Tier Profits Tax Arrangement shall apply to the abovementioned profit tax rates for calculating profits tax payable by any Shareholder.

Distributions by the Fund should generally not be subject to Hong Kong profits tax in the hands of the Shareholders (whether by way of withholding or otherwise).

Under the Offshore Funds Ordinance and the Exemption Amendment Ordinance, there are certain anti-avoidance provisions (the “**Deeming Provisions**”) which deem certain Hong Kong residents to have derived assessable profits from a fund notwithstanding the fund and/ or the SPV or SPE itself being tax exempt and despite no distribution being made by the fund. These Deeming Provisions may apply, *inter alia*, where the Hong Kong resident, alone or with his “associates” (as defined in the Offshore Funds Ordinance and Exemption Amendment Ordinance), holds 30 per cent. or more of the beneficial interest in the fund or where such Hong Kong resident is an “associate” (as defined in the Offshore Funds Ordinance and Exemption Amendment Ordinance) of the fund (irrespective of the percentage holding of the beneficial interest in the fund). Should the Deeming Provisions apply, it is generally the Hong Kong resident who will be obliged to report and be subject to Hong Kong profits tax on a deemed basis in respect of his or her share of the tax exempt profits in the fund or the SPV or the SPE concerned. The Deeming Provisions would not apply if the Fund is regarded as being bona fide widely held. The Shareholders should seek their own independent Hong Kong tax advice on this issue.

Hong Kong stamp duty will not be imposed in respect of the issuance of participating shares by the Fund. There should be no charge to Hong Kong stamp duty on the transfer, disposal or withdrawal of any interests in the Fund, on the basis that the share register of Fund will be maintained outside Hong Kong and the participating shares in the Fund should therefore not constitute “Hong Kong stock” for the purposes of the SDO.

This Hong Kong tax disclosure is general in nature and does not purport to cover all Hong Kong tax consequences of investing in the Fund. Prospective Shareholders should independently consult their own professional advisers on the potential taxation consequences of their subscribing for, buying, holding, transferring, selling, withdrawing or otherwise disposal of the participating shares in the Fund.

12.3 US Federal Income Tax Considerations

In General

The following discussion summarizes certain US federal income tax ("**US Tax**") considerations that may be relevant to the acquisition, ownership, and disposition of Shares by a Shareholder who acquires Shares pursuant to the offering described in this Private Placement Memorandum. The discussion is based upon the Code, the income tax regulations promulgated under the Code (the "**Treasury Regulations**"), administrative rulings, court cases, and other applicable law, all of which are subject to change, possibly with retroactive effect. The discussion does not address all of the US Tax consequences of an investment in the Feeder Fund, since these depend upon each particular Shareholder's situation. The discussion also does not take into account considerations that may relate to special classes of taxpayers, except as expressly discussed below. In addition, the discussion does not address any other federal, state, local or non-US tax consequences of an investment in the Feeder Fund, other than those described in this summary. Prospective investors are urged to consult with their own tax advisors before making an investment in the Feeder Fund.

For the purposes of this discussion, a "US Shareholder" is a Shareholder that is a United States person. A "United States person" is (i) an individual who is a citizen of the United States or is treated as a resident of the United States for US Tax purposes; (ii) a corporation or partnership that is either created or organized in or under the laws of the United States or any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to US Taxation regardless of its source; or (iv) a trust that (a) is subject to the supervision of a court within the United States and the control of one or more United States persons or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. A "Non-US Shareholder" is a Shareholder that is not a United States person.

If an entity classified for US Tax purposes as a partnership holds Shares in the Feeder Fund, the tax treatment of a partner of such partnership generally will depend upon the status of the partner and the activities of such partnership. Accordingly, the discussion does not apply to Shareholders that are classified for US Tax purposes as partnerships. Each partnership (and its partners) contemplating an investment in the Feeder Fund should consult its own tax advisor.

The Fund has not sought a ruling from the IRS or any other federal, state or local agency with respect to any tax matters, nor has it obtained an opinion of counsel with respect to any tax matters, including the classification of the Master Fund or the Feeder Fund for US Tax purposes.

US Federal Income Tax Classification of the Fund

The Feeder Fund expects to be classified for US Tax purposes as an association taxable as a corporation and not as a partnership. The Master Fund expects to be classified for US Tax purposes as a partnership and not an association taxable as a corporation. Assuming that the Master Fund qualifies as a partnership for US Tax purposes (and is not treated as a "publicly traded partnership" or "taxable mortgage pool" taxable as a corporation), it will generally not be subject to US Tax on a net income basis (other than potentially with respect to certain assessments upon audit). The remainder of this discussion assumes that the Master Fund will be treated as a partnership for US Tax purposes.

Unless otherwise indicated, references in the following discussion to the tax consequences of the Feeder Fund's investments, activities, income, gain, loss, expense, credits, and items of tax preference include any direct investments, activities, income, gain, loss, expense, credits, and items

of tax preference of the Feeder Fund and those indirectly attributable to the Feeder Fund as a result of its investment in the Master Fund.

Taxation of the Feeder Fund

The Feeder Fund does not expect (though no assurance can be given) that it will be treated as engaged in a trade or business within the United States or recognise income effectively connected with such a trade or business within the United States for US Tax purposes ("ECI").

In the event the Feeder Fund is considered to be engaged in a trade or business in the United States, the Feeder Fund would be subject to US Tax (and possibly state and local income tax) on ECI attributable to such trade or business in the United States on a net income basis, and would be required to file US Tax returns (and possibly state and local tax returns) with regard to such income. The US federal "branch profits tax" may also apply to earnings and profits received by the Feeder Fund that are attributable to such ECI.

Even if the Feeder Fund is not engaged in a trade or business within the United States, the Feeder Fund will generally be subject to US Tax on any gain from the disposition of a "United States real property interest", including stock of a "United States real property holding corporation" (a "USRPHC"), in each case as defined in section 897(c) of the Code, and would be required to file US Tax returns (and possibly state and local tax returns) with regard to such income. The US federal "branch profits tax" may apply to earnings and profits received by the Feeder Fund that are attributable to any such gain, but will not apply to earnings and profits attributable to gain from the disposition of stock of a USRPHC.

US source interest income received by the Master Fund that is allocable to the Feeder Fund should generally not be subject to US federal withholding tax under the "portfolio interest exception" provided for in the Code so long as the interest is paid on an obligation that is in registered form and the Master Fund and the Feeder Fund provide certain required certifications. Interest will not be eligible for the portfolio interest exception if (i) the Feeder Fund is a "10-percent shareholder" within the meaning of section 871(h)(3)(B) of the Code or a "related controlled foreign corporation" within the meaning of section 881(c)(3)(C) of the Code with respect to the issuer of obligation or (ii) the interest allocated to the Feeder Fund is determined by reference to certain financial information of the issuer of the obligation or a person related to the issuer of the obligation (such as the issuer's sales or other cash flow, income or profits, or changes in value of property of the issuer), or is otherwise treated as contingent interest for purposes of Code section 871(h)(4)(A). The Master Fund generally expects US source interest allocated to the Feeder Fund to qualify for the portfolio interest exception and therefore, does not expect the Fund to be subject to any US federal withholding tax on any interest payments allocated to it.

Non-US Shareholders

A Non-US Shareholder generally will not be subject to US Tax with respect to its investment in the Feeder Fund unless (i) its investment in the Feeder Fund is effectively connected with the conduct by the Non-US Shareholder of a trade or business within the United States or (ii) the Non-US Shareholder is an individual present in the United States for 183 days or more in a taxable year and certain other conditions are met.

Non-US Shareholders may be required to make certain certifications to the Feeder Fund as to the beneficial ownership of their Shares and the non-US status of such beneficial owner, in order to be exempt from US information reporting and backup withholding on distributions from the Feeder Fund.

US Tax-Exempt Shareholders

A US Shareholder that is exempt from taxation under Section 501 of the Code (a "**US Tax-Exempt Shareholder**") generally will be exempt from US Tax on certain categories of income, such as dividends, interest, capital gains and similar income realized from securities investment or trading activity. This type of income is exempt even if it is realized from securities trading activity which constitutes a trade or business. This general exemption from tax does not apply to the "unrelated business taxable income" ("**UBTI**") of a US Tax-Exempt Shareholder. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the US Tax-Exempt Shareholder's exempt purpose or function. UBTI also includes (i) income derived by a US Tax-Exempt Shareholder from debt-financed property and (ii) gains derived by a US Tax-Exempt Shareholder from the disposition of debt-financed property.

The Feeder Fund is generally expected to be classified as a "passive foreign investment company" (a "**PFIC**") for US Tax purposes. However, unless dividends paid by the Feeder Fund to the US Tax-Exempt Shareholder are characterized as UBTI by the US Tax-Exempt Shareholder under Section 512 of the Code, the PFIC rules will not apply to the investment. Each prospective Investor should consult an independent tax adviser regarding the application and consequences of the PFIC rules to them and of any reporting obligation they may have as a result of investing in a PFIC.

Income or gain realized by a US Tax-Exempt Shareholder in respect of its Shares in the Feeder Fund generally should not be taxable as UBTI, provided that the US Tax-Exempt Shareholder does not use borrowed funds constituting "acquisition indebtedness" in connection with its acquisition of Shares in the Feeder Fund.

US Tax-Exempt Shareholders are urged to consult their tax advisors concerning the US Tax and other tax consequences of an investment in the Feeder Fund, including US federal excise tax considerations for US Tax-Exempt Shareholders that are "private foundations" and the US Tax considerations for US Tax-Exempt Shareholders that are "applicable educational institutions."

There are special considerations which should be taken into account by certain beneficiaries of charitable remainder trusts that invest in the Feeder Fund. Charitable remainder trusts should consult their own tax advisors concerning the US Tax consequences of such an investment on their beneficiaries.

Reporting Requirements for US Shareholders

US Shareholders may be subject to substantial penalties if they fail to comply with special information reporting requirements with respect to their investment in the Feeder Fund, including certain reporting requirements prescribed by the Code with respect to ownership of interests in non-U.S. corporations. In addition, Treasury Regulations require that each taxpayer participating in a "reportable transaction" must disclose such participation to the IRS. The scope and application of these rules is not completely clear. Potential investors should consult with their tax advisors regarding applicable reporting requirements.

A US person that owns, actually or by attribution, 10% or more of the Feeder Fund or that acquires more than US\$100,000 worth of Interests may be required to file additional information with respect to its investment, with the IRS.

Under certain Treasury Regulations, a US Shareholder that participates in “reportable transactions” (as defined in the regulations) must attach to its US Tax return a disclosure statement on IRS Form 8886. US Shareholders should consult their own tax advisors as to the possible obligation to file IRS Form 8886 with respect to the acquisition, ownership, or disposition of Shares, or any related transaction.

A “United States person” (and, potentially, a person who is not a “United States person” and who is engaged in business in the United States) who owns an interest in certain foreign financial accounts that, when aggregated with the value of certain other foreign financial accounts, are worth more than \$10,000 during any part of a calendar year is generally required to file a Report of Foreign Bank and Financial Accounts (an “FBAR”) with respect to such accounts by April 15 following the close of such calendar year. Relevant guidance provides that, for persons who fail to file by April 15, the deadline will be automatically extended to October 15. The definition of “United States person” for this purpose generally includes US citizens, residents of the United States and of US territories and possessions, and entities created, organized or formed under the laws of the United States, or a US territory or possession. Under current IRS guidance, an investment in the Feeder Fund is not treated as a foreign financial account for purposes of the FBAR filing requirements. The penalties for failing to file an FBAR when required can be severe.

In addition, in general, an individual who owns an interest in a foreign entity such as the Feeder Fund that, when aggregated with the value of certain other foreign assets, is worth more than \$50,000 on the last day of a taxable year or more than \$75,000 at any time during a taxable year must attach a disclosure statement to his or her tax return for that taxable year. For married taxpayers filing jointly, the general disclosure filing thresholds are \$100,000 on the last day of a taxable year or \$150,000 at any time during a taxable year. The filing thresholds are higher for US persons whose tax homes are in countries other than the United States and who meet one of two “presence abroad” tests. For an individual who meets these requirements, the filing thresholds are \$200,000 on the last day of a taxable year or \$300,000 at any time during a taxable year. For married taxpayers filing jointly who meet these requirements, the filing thresholds are \$400,000 on the last day of a taxable year or \$600,000 at any time during a taxable year. Certain US entities are required to file disclosure statements as though the entities were individuals. The filing of a disclosure statement will not satisfy an FBAR filing requirement, and the filing of an FBAR will not eliminate any requirement to file IRS Form 8938.

The Feeder Fund expects to be classified as a PFIC for US Tax purposes. For that reason, a US Shareholder will generally have to file IRS Form 8621 for each tax year in which that US Shareholder holds Shares. US Tax-Exempt Shareholders generally will not have to file IRS Form 8621 unless the income derived by the US Tax-Exempt Shareholder from the Shares would be taxable for US Tax purposes.

Prospective investors should consult their own advisors about these and any other reports required for US Tax purposes, including reporting that relates to transactions of the Feeder Fund that are considered to be “reportable transactions” for US Tax purposes that might be attributed to investors in the Feeder Fund. This Private Placement Memorandum is not intended to describe all US federal

income tax reporting requirements that may apply to an investment in the Feeder Fund. The penalties for failing to satisfy certain reporting requirements can be severe. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain US-related financial intermediaries generally are subject to information reporting and may be subject to backup withholding unless (1) the recipient establishes that it is an exempt recipient, or (2) in the case of backup withholding, the recipient provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. A Non-US Shareholder generally will establish itself as an exempt recipient by providing a properly completed and executed series of IRS Form W-8.

The amount of any backup withholding from a payment to an Shareholder will be allowed as a credit against the Shareholder's US Tax liability and may entitle the Shareholder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Account Tax Compliance Act

Under legislation commonly referred to as “FATCA”, unless a “foreign financial institution,” as defined in the Code and Treasury Regulations, timely agrees to collect and disclose to the US Treasury certain information with respect to its investors and its investors’ investments, or collects and discloses such information to a foreign government pursuant to an applicable intergovernmental agreement between the United States and that foreign government, and meets certain other conditions, certain payments to that foreign financial institution of dividends, interest, and certain other categories of investment income from sources within the United States will generally, assuming certain other conditions are met, be subject to a 30% US federal withholding tax. While such withholding would have applied also to payments of gross proceeds from the sale or other disposition on or after January 1, 2019 of property of a type which can produce US source dividends and interest, recently proposed Treasury Regulations eliminate such withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. The Feeder Fund expects to be treated as a foreign financial institution for these purposes, and the Master Fund may be treated as a foreign financial institution for these purposes. Both are subject to the terms of the US IGA. If the Feeder Fund timely collects and discloses such information to the Cayman Islands pursuant to the US IGA, then the Feeder Fund generally will not be subject to such withholding. However, under certain circumstances, if the Feeder Fund timely collects and discloses such information to the Cayman Islands pursuant to the US IGA and the Feeder Fund is treated as making certain US-source payments (i) to investors that fail to provide similar information directly to the Feeder Fund or that, under certain circumstances, fail to provide similar information directly to the US Treasury, or (ii) to investors that are “foreign financial institutions” and that fail to agree to provide similar information to the US Treasury, or, in certain circumstances, to a non-US government, with respect to their own (and possibly certain of their affiliates’) account holders, then the Feeder Fund may be subject to a 30% federal withholding tax with respect to certain amounts allocable to those investors. If the Master Fund is treated as a foreign financial institution, similar rules will apply

to the Master Fund and its investors. Shareholders will be required to provide information to the Feeder Fund from time to time so the Feeder Fund and the Master Fund can meet their obligations under these rules.

The Feeder Fund may cause the compulsory redemption of all or a portion of a Shareholder's shares where such Shareholder refuses to assist with the Feeder Fund's compliance with FATCA. Please see the discussion above under the section headed "The Cayman Islands and Automatic Exchange of Financial Account Information" – "Taxation".

ERISA CONSIDERATIONS

THE FOLLOWING SUMMARY OF CERTAIN ASPECTS OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") IS BASED UPON ERISA, JUDICIAL DECISIONS, US DEPARTMENT OF LABOR REGULATIONS AND RULINGS IN EXISTENCE ON THE DATE HEREOF. THIS SUMMARY IS GENERAL IN NATURE AND DOES NOT ADDRESS EVERY ERISA ISSUE THAT MAY BE APPLICABLE TO THE FEEDER FUND, THE MASTER FUND OR A PARTICULAR INVESTOR. ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN COUNSEL IN ORDER TO UNDERSTAND THE ERISA ISSUES AFFECTING THE FEEDER FUND, THE MASTER FUND AND THE INVESTOR.

General

Persons who are fiduciaries with respect to an ERISA Plan, an individual retirement account or a "Keogh" plan subject to the provisions of Section 4975 of the Code (an "**Individual Retirement Fund**") and together with ERISA Plans, "**Plans**") should consider, among other things, the matters described below before determining whether to invest in the Feeder Fund (and thus the Master Fund).

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, United States Department of Labor ("**DOL**") regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors of the potential investment, including the fact that the returns may be subject to United States Federal tax as unrelated business taxable income, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's funding objectives, and the limitation on the rights of investors to redeem all or any part of their Shares or to transfer their Shares. Before investing the assets of a Plan in the Feeder Fund (and thus the Master Fund), a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities, DOL regulations and other relevant authority. If a fiduciary with respect to any such Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such Plan, the fiduciary may be held personally liable for losses incurred by the Plan as a result of such breach.

Plan Assets Defined

ERISA and the Plan Asset Regulation describe when the underlying assets of an entity in which Benefit Plan Investors invest are treated as "plan assets" for purposes of ERISA. As a general rule, when a Plan invests assets in another entity, the Plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However,

when a Plan acquires an "equity interest" in an entity that is neither: (a) a "publicly offered security;" nor (b) a security issued by an investment fund registered under the Investment Company Act of 1940, as amended, then the Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that: (i) the entity is an "operating company" under the Plan Asset Regulation; or (ii) equity participation in the entity by Benefit Plan Investors is not "significant" (as defined below).

Under ERISA and the Plan Asset Regulation, the assets of an entity will not be treated as "plan assets" if investment by Benefit Plan Investors is not "significant" (i.e., Benefit Plan Investors hold less than 25% of the value of each class of equity interests in the entity). For purposes of the Plan Asset Regulation, an equity interest includes any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity or equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate (as determined under the Plan Asset Regulation) of any such person (other than a Benefit Plan Investor) (a "**Controlling Person**") are not considered for purposes of determining whether the assets of an entity will be treated as "plan assets" for purposes of ERISA and the Plan Asset Regulation.

Limitation on Investments by Benefit Plan Investors

It is the current intent of the Fund Manager to monitor the investments in the Feeder Fund and the Master Fund (by limiting purchases, transfers, and redemptions of Shares and in certain cases by requiring transfers or redemptions (in whole or in part)) to attempt to ensure that the aggregate investment by Benefit Plan Investors does not equal or exceed 25% of the value (as determined for purposes of the Plan Asset Regulation) of each of (x) any class of the Shares in the Feeder Fund and (y) any class of the shares in the Master Fund, so that assets of neither the Feeder Fund nor the Master Fund should be treated as "plan assets" under ERISA and the Plan Asset Regulation. Shares held by the Fund Manager and its affiliates (including any entity controlling, controlled by or under common control with the Fund Manager) are not considered for purposes of the above described 25% limitation. If the assets of the Feeder Fund or the Master Fund were treated as "plan assets" of a Benefit Plan Investor, the Fund Manager would be a "fiduciary" (as defined in ERISA and the Code) with respect to each such Benefit Plan Investor, and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA and the Code. In such circumstances, the Feeder Fund (and/or the Master Fund, as appropriate) would be subject to various requirements. In particular, the assets of the Feeder Fund (and/or the Master Fund, as appropriate) would be subject to rules restricting transactions with "parties in interest" and "disqualified persons" (as defined in ERISA and the Code) and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the Code unless the Feeder Fund (and/or the Master Fund, as appropriate) obtained appropriate exemptions from the DOL allowing the Feeder Fund (and/or the Master Fund, as appropriate) to conduct its operations as described herein. The Fund Manager reserves the right to limit or require the transfer or redemption of any investor (in whole or in part), including, without limitation, to ensure compliance with the percentage limitation on investment in the Feeder Fund by Benefit Plan Investors as set forth above and similar rules apply to the Master Fund.

Notwithstanding the foregoing, the Fund Manager may decide to allow investment in the Feeder Fund to exceed the 25% test applicable for purposes of ERISA and Section 4975 of the Code. In such event, the assets of the Feeder Fund would be expected to be "plan assets" for purposes of ERISA and Section 4975 of the Code, as applicable. Among other issues that might arise if the Feeder Fund's assets are "plan assets" of an ERISA Plan are issues relating to reporting, custody and bonding. In preparing its annual reports, an ERISA Plan investing in the Feeder Fund may need to report not only information with respect to its interest in the Feeder Fund, but also information with respect to the underlying assets of the Feeder Fund. The Feeder Fund will not be obligated to undertake any special reporting directly to the DOL that might be available to certain look-through entities. Pursuant to ERISA, none of the indicia of ownership of an ERISA Plan asset may be held outside the jurisdiction of the district courts of the United States, unless, generally, the asset is a foreign security or foreign currency held incident to the purchase, sale or maintenance of such a security and certain other requirements are met. In light of the foregoing, the assets of the Feeder Fund will generally be held in the United States. ERISA also requires that each fiduciary be bonded as provided therein. The Feeder Fund will not be procuring its own bond, and it will be the responsibility of each investing ERISA Plan to satisfy any required bonding requirements under ERISA arising as a result of an acquisition or holding of an interest in the Feeder Fund. Each ERISA Plan will need to determine for itself on the advice of counsel whether each of the arrangements described in this paragraph are sufficient.

Representations by Plans

A Plan proposing to invest in the Feeder Fund (and thus the Master Fund) will be required to make representations, among other things, to the effect that it is, and any fiduciaries responsible for the Plan's investments are, aware of and understand the Feeder Fund's and the Master Fund's investment objectives, policies and strategies, and that the decision to invest plan assets in the Feeder Fund (and thus the Master Fund) was made with appropriate consideration of relevant investment factors with regard to the Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA and/or the Code. In addition, all prospective purchasers and transferees of Shares in the Feeder Fund or the Master Fund will be required to represent, among other things, as to whether (and to what extent) they are or may be a Benefit Plan Investor or Controlling Person. Further, each purchaser and transferee of a Share in the Feeder Fund and the Master Fund that represents that it is a Benefit Plan Investor will be required to have represented, among other things, that its purchase and holding thereof will not result in or create a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available.

WHETHER OR NOT THE ASSETS OF THE FEEDER FUND OR THE MASTER FUND ARE TREATED AS "PLAN ASSETS" UNDER ERISA, AN INVESTMENT IN THE FEEDER FUND (AND THUS THE MASTER FUND) BY AN ERISA PLAN IS SUBJECT TO ERISA. ACCORDINGLY, FIDUCIARIES OF ERISA PLANS SHOULD CONSULT WITH THEIR OWN COUNSEL AND OTHER ADVISERS AS TO THE CONSEQUENCES UNDER ERISA OF AN INVESTMENT IN THE FEEDER FUND (AND THUS THE MASTER FUND).

The provisions of ERISA and the Code are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA and the Code contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisors regarding the consequences under ERISA and the Code of the acquisition and ownership of Shares.

13. MEMORANDUM AND ARTICLES

The Articles comprise the constitution of the Feeder Fund. The memorandum of association provides that the Feeder Fund's objects are unrestricted. The articles of association provides, *inter alia*, as follows:

13.1 Share Capital

Ten Management Shares have been issued, fully paid at par, by the Feeder Fund. The Management Shares are issued for the purpose of enabling all the Shares to be redeemed without liquidating the Feeder Fund, and carry the right to return of nominal amount paid up thereon on winding up of the Feeder Fund. The Management Shares of the Feeder Fund are currently held by Fangyuan Financial Holdings Group.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on Shareholders.

The Directors shall be entitled from time to time at their absolute discretion to create and constitute such class or classes of Shares, as they may consider appropriate. Subject to the provisions of the Articles, the unissued Shares shall be available for issue and shall be at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as they may determine.

The Feeder Fund may by ordinary resolution of the holder of the Management Shares increase its share capital, convert its paid up shares into stock and reconvert that stock into paid up shares of any denomination, consolidate its shares or subdivide any of them into shares of a smaller amount or cancel authorized but unissued shares.

Subject to the provisions of Cayman Islands law and the rights of any holders of any class of Shares, the Feeder Fund may by special resolution of the holder of the Management Shares reduce its share capital or any capital redemption reserve or share premium account.

The Feeder Fund was incorporated in the Cayman Islands as an exempted company with limited liability on 25 November 2008 under the Companies Law.

The authorized capital of the Feeder Fund is US\$380,000 divided into 10 Management Shares of a nominal or par value of US\$0.01 each and 37,999,990 Shares of a nominal or par value of US\$0.01 each.

13.2 Share Rights

Holder of Management Shares shall:

- (i) have the right to receive notice of, attend at and vote as a Member at any general meeting of the Feeder Fund;

- (ii) not be entitled to any dividends in respect of such Management Shares;
- (iii) in the event of a winding-up or dissolution of the Feeder Fund, whether voluntary or involuntary or for the purposes of a reorganization or otherwise or upon any distribution of capital, be entitled, *pari passu* with the holders of Shares, to an amount equal to the capital paid up on such Management Shares out of the assets of the Feeder Fund but shall confer no other right to participate in the profits of the Feeder Fund; and
- (iv) not be subject to redemption of such Management Shares, whether at the option of the Feeder Fund or the holder.

Holder of Shares shall:

- (i) if and for so long as there are shares of any other class in issue and outstanding, not be entitled to receive notice of, attend at or vote as a Member at any general meeting of the Feeder Fund except in relation to a class meeting held pursuant to Article 7(1) of the Articles or otherwise required by law, PROVIDED THAT a separate class meeting of holders of the Shares may be held for the purpose of the removal of any Director and to such class meeting all the provisions of the Articles relating to general meetings of the Feeder Fund or to the proceedings thereat shall, *mutatis mutandis*, apply;
- (ii) be entitled to such dividends as the Directors may from time to time declare;
- (iii) in the event of a winding-up or dissolution of the Feeder Fund, whether voluntary or involuntary or for the purposes of a reorganization or otherwise or upon any distribution of capital, be entitled, *pari passu* with the holders of Management Shares, to an amount equal to the capital paid up on such Shares and, thereafter, subject to the provisions of the Articles, to share *pro rata* in the surplus assets of the Feeder Fund; and
- (iv) be entitled, and be subject, to redemption or repurchase of such Shares as provided in the Articles.

13.3 Variation of Class Rights

All or any of the special rights for the time being attached to any class of shares of the Feeder Fund 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 altered or abrogated with the sanction of a resolution passed by a majority of three-fourths at a separate general meeting of the holders of such shares or with the written consent of all of such holders.

The rights attached to any class of shares of the Feeder Fund shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied by:

- (i) the creation, allotment or issue of further shares ranking *pari passu* therewith;

- (ii) the creation of Management Shares or Shares; or
- (iii) the allotment, issue or redemption of Shares, or allotment or issue of Management Shares.

13.4 Form of Shares

Shares and Management Shares will be in registered form and share certificates will not be issued. The Feeder Fund's register of members is conclusive evidence of ownership of Shares. The Feeder Fund treats the registered owner of a Share and Management Share as the legal and beneficial owner thereof and does not recognize any equitable interest or trust. A contract note will be issued upon acceptance of a subscriber's application and will be sent by electronic means to the subscriber's address of record.

13.5 Transfer of Shares

Subject as provided below, Shares or Management Shares may be transferred by an instrument in writing signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. Each transfer must be approved by the Directors pursuant to the Articles. The transferor will be deemed to remain the Shareholder, or the holder of Management Shares, until the name of the transferee is entered in the register of members of the Fund in respect of such Shares or Management Shares.

In exercising the Director's discretion under the Articles, transfers may be limited, and in some cases required (in whole or in part), in connection with the Feeder Fund's and/or the Master Fund's compliance with the requirements of ERISA and HIRE.

13.6 Compulsory Redemption or Transfer of Shares

The Directors (i) may require a Shareholder to transfer his Shares or, failing a transfer, may redeem his Shares at the Net Asset Value per Share as at the Valuation Day immediately preceding the date of the notice provided to the Shareholder notifying him of the redemption, or (ii) will not approve a transfer of Shares to a prospective Shareholder, if it comes to the notice of the Directors that the Shareholder holds or would hold his Shares (a) in breach of the law or requirements of any country, any governmental or other regulatory authority; (b) in circumstances (whether directly or indirectly affecting the Shareholder and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors may result in the Feeder Fund or the associates or agents or service providers of the Feeder Fund incurring any liability to taxation (including if the Shareholder ceases to be an Eligible Investor) or suffering any other pecuniary disadvantage which the Feeder Fund may not otherwise have incurred or suffered; (c) in circumstances which may result in the Feeder Fund being required to comply with any registration or filing requirement in any jurisdiction to which it could not otherwise be required to comply; or (d) in circumstances which may be harmful or injurious to the business or reputation of the Feeder Fund or any of its service providers.

13.7 Termination of the Fund

If the Directors determine that the continued operation of the Master Fund or the Feeder Fund is impracticable or imprudent (whether because of a material reduction in the Net Asset Value, the unwillingness of the Fund Manager to continue to provide services to the Master Fund or the Feeder Fund or for any other reason), the Feeder Fund may compulsorily cause the redemption of all of the outstanding Shares upon 7 Business Days' prior notice (to the extent practicable and permitted by applicable law and regulations) to the Shareholders.

13.8 Dividends

Subject to Cayman Islands laws, the Feeder Fund may pay dividends to Shareholders out of the profits of the Feeder Fund, realized or unrealized, or from any reserve set aside from profits which the Directors determine is no longer needed. The net income and net realized profits attributable to the Shares will be reflected in the respective Net Asset Value per Share. Nonetheless, subject to Cayman Islands laws, the Directors, in their discretion and in consultation with the Fund Manager, may pay dividends for a particular class or classes of Shares. Dividends will not be paid on Management Shares.

The Directors, in consultation with the Fund Manager, may declare and pay distributions out of the available net income of the relevant class or classes of Shares. Such distributions may be made on such date, at such frequency (e.g. annual / semi-annual / quarterly / monthly) and at such rate, as the Directors (in consultation with the Fund Manager) may in their discretion determine from time to time. There is no guarantee that distribution payments will be made and/or the rate of distribution will remain unchanged from any previous distributions.

In the event that the net distributable income attributable to the relevant class or classes of Share during the relevant period is insufficient to pay the distributable amount, denominated in the Base Currency of the relevant class or classes of Shares, the Directors, in consultation with the Fund Manager, may in their discretion determine such distributions be paid from retained earnings or capital. The Directors, in consultation with the Fund Manager, may also, at their discretion, pay a part or all of the fees and expenses out of the capital of the relevant class or classes of Shares. Payment of distributions out of capital, or effectively out of capital, amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of, or effectively out of, the capital of the relevant class or classes of Shares may result in an immediate reduction of the Net Asset Value per Share of the relevant class or classes of Shares.

Distributions declared in respect of a class, if any, shall be distributed among the Shareholders rateably in accordance with the number of Shares of the relevant class held by them on the record date as determined by the Directors, in consultation with the Fund Manager. For the avoidance of doubt, only Shareholders whose names are entered on the register of members on such record date shall be entitled to the distribution declared in respect of the corresponding distribution.

Distributions may be paid in cash or may be applied to subscribe for additional Shares in the relevant class or classes of Shares at the option of the Shareholder and as soon as practicable following the applicable distribution payment date. Unless otherwise stated, a Shareholder may irrevocably elect to (i) automatically reinvest any declared distributions; or to (ii) receive cash for any declared distributions by notifying the Feeder Fund and/or the Administrator in the Subscription Form at the time of initial subscription of Shares or at any other time as determined by the Directors, in consultation with the Fund Manager, from time to time.

In the event a Shareholder makes an election to automatically reinvest any declared distributions, the distributions to which the Shareholder is entitled to will be used to purchase additional Shares of the relevant class or classes at the prevailing Class A Subscription Price, Class P Subscription Price or Class I Subscription Price (as the case may be) on the Dealing Day which is the same as the scheduled distribution payment date (or on such other day as the Directors, in consultation with the Fund Manager, may from time to time determine) instead of be paid to such Shareholder in cash. In the event that a Shareholder does not indicate his or her preference for receiving distributions in the form of cash payments or reinvestment in additional Shares in the relevant class or classes of Shares at the time of initial subscription or at any other time as determined by the Directors, in consultation with the Fund Manager, from time to time, the Shareholder will be deemed to have consented in writing to irrevocably and fully reinvest any declared distributions back into the Feeder Fund. For the avoidance of doubt, once Shareholders make an election to either (i) automatically reinvest any declared distributions; or to (ii) receive cash for any declared distributions, they will not be permitted to modify their elected option until they have fully redeemed their Shares in the relevant class. For the avoidance of doubt, Shareholders may elect a different distribution option in respect of different classes of Shares held by such holder.

Any payment of distributions in cash will normally be paid by direct transfer or telegraphic transfer in the Base Currency to the pre-designated bank account of the Shareholder (at his own risk and expense and after deducting any applicable bank charges and other conversion costs). If the Shareholder requests for the distribution payments to be paid in a currency other than the Base Currency, the Directors have the absolute discretion, whether generally or in any particular case, to cause all or part of the distributions of a class or classes of Shares to be converted into that other currency after all bank charges and other conversion costs having been deducted from the distribution payments. Distribution payments to a party other than the Shareholder will not be entertained.

Distributions shall be made to Shareholders on an annual basis or at such other frequency as determined by the Directors, in consultation with the Fund Manager. Shareholders shall be given not less than one month's prior notice should there be any changes to the frequency of distributions. The applicable rate of distribution will be proposed by the Fund Manager from time to time, subject to the Directors' final approval, and will be notified to Shareholders not less than 10 days prior to the record date as determined by the Directors, in consultation with the Fund Manager, in respect of the corresponding distribution.

The Directors, in consultation with the Fund Manager, may amend the dividend policy with respect to payment of distributions and/or fees and charges out of capital by giving not less than one

month's prior notice to Shareholders. The Directors, in consultation with the Fund Manager, may also change the frequency of distributions by giving not less than one-month's prior notice to Shareholders.

13.9 Directors

The remuneration of the Directors may be determined by the Directors.

A Director and his connected persons may hold any other office or place of profit under the Feeder Fund (other than the office of auditor) in conjunction with his office of Director, or may act in a professional capacity to the Feeder Fund on such terms as the Directors may determine. No Director shall be disqualified by his office from contracting with the Feeder Fund in any capacity, nor shall any such contract or arrangement entered into by the Feeder 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 Feeder Fund for any profit realized by any such contract or arrangement by reason of such Director holding that office provided that he has declared the nature of his interest in accordance with the Articles.

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Feeder Fund) unless the nature of his interest is declared at the first opportunity at a meeting of the Directors or by writing to the Directors and no other Director objects to the interested Director voting on such arrangement. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

There is no provision in the Articles requiring a Director to retire by reason of any age limit and no share qualification for Directors.

13.10 Borrowing Powers

Subject to the provisions in this Private Placement Memorandum, the Directors may exercise all the Feeder Fund's powers to borrow and to charge its assets, which powers the Directors have delegated to the Fund Manager.

13.11 Indemnities

There are indemnities in favour of the Directors and other officers for the time being of the Feeder Fund.

13.12 Side Letters

Subject to all applicable laws and the Articles, the Fund and/or the Fund Manager or its associates may enter into side letter arrangements with investors granting an investor preferred economic and other terms as compared to other Shareholders. These may include, but are not limited to, rebates of fees and/or charges payable to the Fund Manager or its associates, the reservation of capacity

in the Fund, preferential rights of redemption, and the provision of additional liquidity, co-investment opportunities or additional information to the investor. The Fund Manager or its associates may also agree to consult with or obtain prior approval from particular investors before taking certain actions. Where the Fund has granted preferential rights of redemption, the material terms relating to such preferential rights will be made available on request.

13.13 Winding up of the Feeder Fund

A special resolution of the holder of the Management Shares is required for the winding up of the Feeder Fund pursuant to the Companies Law.

14. GENERAL INFORMATION

The Fund Manager and other authorized agents receive fees as mentioned under the section headed "Fees and Expenses".

14.1 Material Contracts

The Fund has entered into the following contracts since its incorporation which are or may be material, not being contracts entered into in the ordinary course of business:

- (a) the Investment Management Agreement dated 1 January 2020 entered into between the Feeder Fund, the Master Fund and the Fund Manager;
- (b) the Investment Advisory Agreement dated 1 January 2020 entered into between the Fund Manager and the Investment Advisor;
- (c) the Administration Agreement and Addendum to Administration Agreement between the Feeder Fund and the Administrator dated 30 December 2008 and 18 December 2014 respectively;
- (d) the Administration Agreement and Addendum to Administration Agreement between the Master Fund and the Administrator dated on or about 1 February 2013 and 18 December 2014 respectively;
- (e) the Custodian Agreement between the Master Fund and Bank of China (Hong Kong) Limited pursuant to which Bank of China (Hong Kong) Limited was appointed to act as a custodian in relation to the Master Fund dated on or about 1 February 2013;
- (f) the agreement dated on or about 1 February 2013 between the Master Fund and Goldman Sachs International pursuant to which Goldman Sachs International was appointed to act as a Prime Broker in relation to the Master Fund;
- (g) the agreement dated on or about 7 August 2015 between the Master Fund and Morgan Stanley & Co. International plc pursuant to which Morgan Stanley & Co. International plc was appointed to act as a Prime Broker in relation to the Master Fund;
- (h) the agreement dated on or about 29 July 2016 between the Master Fund and Credit Suisse AG, Dublin Branch pursuant to which Credit Suisse AG, Dublin Branch was appointed to act as a prime broker in relation to the Master Fund; and
- (i) the agreement dated on or about 27 September 2018 between the Master Fund and BNP Paribas, London Branch pursuant to which BNP Paribas, London Branch was appointed to act as a prime broker in relation to the Master Fund.

14.2 Accounts and Reports

The Financial Year end of the Fund is 31 December of each year. The financial statements of the Fund shall be audited annually by the Auditor, and the annual audited accounts is required to be submitted to the Authority within six months of the Financial Year end or such extension of this period as the Authority may allow. The annual audited accounts and every document required to be attached thereto shall be made available to the investors free of charge upon request from the Fund Manager or the Investment Advisor at the address in the “Corporate Information” section of this Private Placement Memorandum or to ir@prudenceinv.com.

No annual general meetings of the Fund will be held.

The Fund is not engaged in any litigation or arbitration proceedings and is not aware of any litigation or claim pending or threatened by or against it.

14.3 Directors' Interests

In the event that a Director has any interest, direct or indirect, in the promotion of, or in, any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Fund, he may sell such assets to, or acquire such assets from, the Fund provided that:

- (a) the Director declares the nature of his interest as required under the Articles; and
- (b) the Directors are satisfied that:
 - (i) the transaction is on arms' length terms; and
 - (ii) the transaction does not materially disadvantage the Fund or Shareholders.

Directors may acquire shares in the Fund on the same terms as other investors.

14.4 Regulation of the Fund in the Cayman Islands

The Feeder Fund and the Master Fund are each regulated as a mutual fund pursuant to section 4(3) of the Mutual Funds Law. As a section 4(3) mutual fund, the minimum initial investment purchasable by an investor in each of the Feeder Fund and the Master Fund is CI\$80,000 (or its equivalent in another currency, approximately US\$100,000).

The Authority has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Feeder Fund or the Master Fund to have its or their accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the Directors and may result in the Authority applying to the court to have the Feeder Fund or the Master Fund wound up.

In addition the Authority may ask the Feeder Fund and the Master Fund to give the Authority such information or such explanation in respect of the Feeder Fund and the Master Fund as the Authority may reasonably require to enable it to carry out its duty under the Mutual Funds Law.

Neither the Feeder Fund nor the Master Fund are, however, subject to supervision in respect of their investment activities or the constitution of their investment assets by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Feeder Fund and the Master Fund in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this Private Placement Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands.

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

14.5 Requests for Information

The Feeder Fund and the Master Fund, or any of its or their Directors or agents domiciled in the Cayman Islands, may be compelled to provide information, including, but not limited to, information relating to the subscriber, and where applicable the subscriber's beneficial owners and controllers, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2020 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2017 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Feeder Fund, the Master Fund and any of its or their Directors or agents, may be prohibited from disclosing that the request has been made.

14.6 Master Fund Subscriptions, Redemptions and Calculation of Net Asset Value

Unless otherwise specifically stated herein, subscriptions, redemptions, calculation of net asset value and other corporate mechanics taking place at the Master Fund level will generally be effected in a manner which corresponds to those taking place at the Feeder Fund level (as more specifically set out in this Private Placement Memorandum and the Articles), save that certain requests and notices (including, for example, subscription and redemption requests) may be deemed automatically submitted, served or withdrawn by the Feeder Fund or the Master Fund, as applicable, in order to give effect to the intended operation of the master-feeder structure and provided further that, save as set out herein, any fees or expenses charged at the Feeder Fund level

will not also be charged at the Master Fund level.

14.7 Mail Handling

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

14.8 Disclaimer Language – Maples and Calder

Maples and Calder (Hong Kong) LLP (“**Maples and Calder**”), 26th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, acts as Cayman Islands legal counsel to the Fund. In connection with the Fund's offering of Shares and subsequent advice to the Fund, Maples and Calder will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Maples and Calder's representation of the Fund is limited to specific matters as to which it has been consulted by the Fund. There may exist other matters that could have a bearing on the Fund as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the Fund Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Private Placement Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Private Placement Memorandum. In the course of advising the Fund, there are times when the interests of Shareholders may differ from those of the Fund. Maples and Calder does not represent the Shareholders' interests in resolving these issues. In reviewing this Private Placement Memorandum, Maples and Calder has relied upon information furnished to it by the Fund and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund.

14.9 Soft Wind Down

If the Directors, in consultation with the Fund Manager, decide that the investment strategy is no longer viable they may resolve that the Fund be managed with the objective of realising assets in an orderly manner and distributing the proceeds to Shareholders in such manner as they determine to be in the best interests of the Fund, in accordance with the terms of the Articles and this Private Placement Memorandum, including, without limitation, compulsorily redeeming Shares, paying any dividend proceeds in specie and/or declaring a suspension while assets are realised. This process is integral to the business of the Fund and may be carried out without recourse to a formal liquidation under the Companies Law or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of the Management Shareholder(s) to place the Fund into liquidation.

14.10 **Applicable Law and Jurisdiction**

Statements made in this Private Placement Memorandum are based on the laws and practice in force as at the date of publication of this Private Placement Memorandum in the Cayman Islands.

All matters relating to the Fund shall be construed and enforced in accordance with the laws of the Cayman Islands. The Fund, the Shareholders, and all other relevant parties shall submit to the non-exclusive jurisdiction of the courts of the Cayman Islands for these purposes.

Sanctions

The Fund is subject to laws that restrict it from dealing with entities, individuals, organisations and/or investments which are subject to applicable sanctions regimes.

Accordingly, the Fund will require the subscriber to represent and warrant, on a continuing basis, that it is not, and that to the best of its knowledge or belief its beneficial owners, controllers or authorised persons ("**Related Persons**") (if any) are not; (i) named on any list of sanctioned entities or individuals maintained by the US Treasury Department's Office of Foreign Assets Control ("**OFAC**") or pursuant to European Union ("**EU**") and/or United Kingdom ("**UK**") Regulations (as the latter are extended to the Cayman Islands by Statutory Instrument), (ii) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, OFAC, the EU and/or the UK apply, or (iii) otherwise subject to sanctions imposed by the United Nations, OFAC, the EU or the UK (including as the latter are extended to the Cayman Islands by Statutory Instrument) (collectively, a "**Sanctions Subject**").

Where the subscriber or a Related Person is or becomes a Sanctions Subject, the Fund may be required immediately and without notice to the subscriber to cease any further dealings with the subscriber and/or the subscriber's interest in the Fund until the subscriber or the relevant Related Person (as applicable) ceases to be a Sanctions Subject, or a licence is obtained under applicable law to continue such dealings (a "**Sanctioned Persons Event**"). The Fund, the Directors, the Administrator, the Administrator's Service Provider, the Fund Manager and the Investment Advisor shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Fund subsequently become subject to applicable sanctions, the Fund may immediately and without notice to the subscriber cease any further dealings with that investment until the applicable sanctions are lifted or a licence is obtained under applicable law to continue such dealings.

14.11 **Beneficial Ownership Regime**

The Fund is regulated as a mutual fund under the Mutual Funds Law and, accordingly, does not fall within the scope of the primary obligations under Part XVIIIA of the Companies Law (the "**Beneficial Ownership Regime**"). The Fund is therefore not required to maintain a beneficial

ownership register. The Fund may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. It is anticipated that such particulars will generally be limited to the identity and certain related particulars of (i) any person holding (or controlling through a joint arrangement) a majority of the voting rights in respect of the Fund; (ii) any person who is a member of the Fund and who has the right to appoint and remove a majority of the board of Directors of the Fund; and (iii) any person who has the right to exercise, or actually exercises, dominant direct influence or control over the Fund.

14.12 Disclosure of Information to Regulatory and Tax Authorities

Subject to applicable laws and regulations, the Fund, the service providers of the Fund or any of their delegates may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdiction (including but not limited to the IRS), certain information in relation to the Fund or any Shareholder, including but not limited to information relating to leverage, the assets and liabilities and securities financing transactions of the Fund, a Shareholder's name, address, tax identification number (if any), social security number (if any) and certain information relating to the Shareholder's holdings of Shares, to enable the Fund, the service providers or any of their delegates to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law, regulation or agreement under FATCA).

14.13 Data Protection and Data Disclosure

The Cayman Islands Data Protection Law, 2017, effective 30 September 2019, governs the use of personal data by Cayman Islands entities. It also addresses extra-territorial storage and transfer of personal data. Under the provisions thereof, the DPL applies to the processing of personal data where the data controller is established in the Cayman Islands and the personal data is processed in the context of that establishment, or where the data controller is not established in the Cayman Islands but the personal data is processed in the Cayman Islands otherwise than for the purposes of transit of the personal data through the Cayman Islands.

The DPL therefore has the potential to apply to the Fund, the Fund Manager, the Investment Advisor and/or the Administrator amongst others where the Fund is an established Cayman Islands entity and its service providers process any personal data from investors.

The Fund has certain duties under the DPL of the Cayman Islands based on internationally accepted principles of data privacy.

The Fund has prepared a document outlining the Fund's data protection obligations and the data protection rights of investors (and individuals connected with investors) under the DPL (the "**Fund Privacy Notice**"). The Fund Privacy Notice is contained within the Subscription Agreement and is available to existing investors by email from the Fund Manager and/or the Investment Advisor.

Prospective investors should note that, by virtue of making investments in the Fund and the

associated interactions with the Fund and its affiliates and/or delegates (including completing the Subscription Agreement, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Fund with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Fund and its affiliates and/or delegates (including, without limitation, the Administrator) with certain personal information which constitutes personal data within the meaning of the DPL. The Fund shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Administrator and/or the Fund Manager, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that they have read in detail and understood the Fund Privacy Notice and that the Fund Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Fund. The Subscription Agreement contains relevant representations and warranties.

Oversight of the DPL is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPL by the Fund could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

14.14 Cayman Islands Economic Substance Law

As a result of the OECD'S Global Base Erosion and Profit Shifting initiative and the European Union Code of Conduct Group substance requirements, the Cayman Islands has enacted *The International Tax Co-operation (Economic Substance) Law, 2018* (“**ES Law**”) and issued related Regulations and Guidance Notes. As a member of the BEPS Inclusive Framework jurisdictions, the Cayman Islands is committed to meeting substantial activities requirements put in place by the OECD Forum on Harmful Tax Practices. Similar legislation has been introduced in numerous jurisdictions, including the Channel Islands and the British Virgin Islands. Under the ES Law, certain vehicles formed or registered in the Cayman Islands are required to have economic substance in the Cayman Islands. The requirement to show economic substance is primarily aimed at preventing base erosion and profit shifting. The ES law applies to “relevant entities”. Investment funds such as the Fund are specifically excluded from the definition of relevant entity and, as such, they are not within the scope of the ES Law. The definition of “investment fund” is broad and will include a wide range of investment funds, including those that are not licensed or registered with the Authority. Accordingly, no current requirements are imposed on the Fund by the ES Law.

14.15 Enquiries

Enquiries or complaints concerning the Fund should be directed to the Fund Manager and/or the Investment Advisor, at the address as set out under the section headed “Corporate Information” above or to ir@prudenceinv.com. The Fund Manager and/or the Investment Advisor will handle or channel to the relevant party any enquiries or complaints from Shareholders and will revert to the Shareholders accordingly.

APPENDIX 1

Summary of Securities Lending, Repurchase Agreements and Reverse Repurchase Transactions Policy of the Investment Advisor

The Fund may from time to time lend securities from its portfolio to brokers, dealers and financial institutions and receive collateral in cash or securities through appropriate agreements, including but not limited to stock borrowing and lending agreements and Global Master Repurchase Agreements. The Fund is expected to retain the rights of beneficial ownership as to the loaned securities, including voting rights and rights to interest or other distributions, and will generally have the right to regain record ownership of loaned securities to exercise such beneficial rights. Such loans will generally be terminable at any time. The Fund may pay administrative, custodial, finders' fees or such other fees as may arise in connection with the arranging of such loans.

The Fund may also from time to time engage in repurchase transactions, under which the relevant Fund sells securities to a counterparty and agrees to buy such securities back from the counterparty at an agreed price in the future. The Fund may also engage in reverse repurchase transactions, under which the Fund purchases securities from a counterparty and agrees to sell such securities back to the counterparty at an agreed price in the future.

The Investment Advisor has established an internal policy, which is applicable to transactions in relation to securities lending, repurchase and reverse repurchase transactions (collectively, "**securities financing transactions**"). The Investment Advisor's internal policy sets out the broad principles applicable to assessing whether certain types of collateral may be received in relation to securities financing transactions. For example, to qualify under this policy, such collateral must be able to, following a counterparty failure, (i) hold for a period without breaching applicable laws or regulations; (ii) hold value; (iii) whose risk may be managed appropriately; and (iv) be liquidated in an orderly way when required. The Investment Advisor will also ensure that variation margins is calculated at least on a daily basis and any amounts exceeding the acceptable threshold appropriate for the relevant counterparty are collected. In addition, the Investment Advisor has in place contingency plans on how collateral should be managed following a default situation, which principally focuses on a liquid or preserve strategy. As a matter of risk management, the policy also establishes a credit assessment to evaluate and monitor the creditworthiness of the counterparties of the Fund.

The Investment Advisor's also has in place a haircut policy which will be applied at such rates depending on the market risk of the asset used as collateral. Such rates are calculated based on the value of the transacted security and expressed as a percentage of the value of the transacted security and is reviewed periodically. Shareholders may contact the Investment Advisor's to obtain the latest haircuts applicable to repurchase transactions and reverse repurchase transactions.

Where the Investment Advisor's receives cash as collateral for securities financing transactions, the Investment Advisor's has in place a cash collateral reinvestment policy and will conduct regular stress tests with an aim to meet foreseeable and unexpected calls for return of cash collateral on an ongoing basis.

Details in relation to the Investment Advisor's securities financing transactions will be disclosed to Shareholders on an annual basis, such information shall include, but shall not be limited to, global data, concentration data, re-use / re-hypothecation data, return data and number of custodians and amount of collateral assets received by each custodian.

Shareholders may contact the Investment Advisor at the address as set out under the section headed "Corporate Information" in this Private Placement Memorandum for further details on the Investment Advisor's internal policy on security financing transactions.

APPENDIX 2

Summary of Liquidity Risk Management Policy

Liquidity risk is the risk that a particular position cannot be easily unwound or offset due to insufficient market depth or market disruption; or that the Fund's financial obligations (such as investor redemptions) cannot be met. An inability to sell a particular investment or portion of the Fund's assets may have a negative impact to the value of the Fund (as the case may be) and to the Fund's ability to meet its investment objectives. Additionally, an inability to sell the Fund's assets may have negative implications for investors being able to redeem in a timely fashion, and also to investors who remain invested in the Master Fund.

The Investment Advisor has established a liquidity management policy to manage and ensure that activities of the Fund commensurate with the liquidity profile of the Fund, taking into account its investment strategy, liquidity profile, underlying assets and obligations and redemption policy.

The liquidity management policy involves monitoring the liquidity of both individual positions and the overall position of the Fund and its portfolio with consideration to the prevailing market and funding conditions. In particular, the Investment Advisor may monitor and review the liquidity position of the Fund by adopting one or more of the following approaches:

- (f) monitoring and reviewing the trading volumes and concertation of positions;
- (g) review data, metrics and information available from trading desks and other public sources
- (h) monitoring redemption patterns and inflows and outflows of the Fund; and
- (i) measure and monitor market liquidity and funding liquidity positions;

The Investment Advisor also has in place various liquidity management tools which are further set out in this Private Placement Memorandum, such tools include but are not limited to the imposing redemption notice periods, redemption gates and/or suspension provisions where applicable. In addition, regular stress testing is conducted to assess the liquidity characteristics of the Fund's asset and to identify the corresponding risks under various market conditions. A risk committee has been established, which shall be independent from the portfolio management function, will review and oversee the stress testing

The liquidity risk management policy is subject to review and updates by the Risk Committee from time to time to ensure its continued appropriateness and effective implemented.

Shareholders may contact the Investment Advisor at the address as set out under the section headed "Corporate Information" in this Private Placement Memorandum for further details on the Investment Advisor's risk management policy.