

Long Corridor Alpha Opportunities Feeder Fund

AMENDED AND RESTATED CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

THESE ARE SPECULATIVE SECURITIES.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

Name: _____

Number: _____

September 1st, 2021

IMPORTANT NOTICES

This Memorandum is submitted in connection with the offer of up to 4,990,000 non-voting redeemable Participating Shares in Long Corridor Alpha Opportunities Feeder Fund ("**Fund**") to a limited number of offerees, qualified institutional investors and sophisticated investors. Please refer to **Appendix B** of this Memorandum for the restrictions on the offer of Participating Shares in the Fund in certain jurisdictions. By accepting delivery of this Memorandum, each recipient irrevocably agrees not to reproduce, circulate or distribute this Memorandum in whole or in part to any other person, with the exception of professional advisers, without the prior written consent of the Fund. The recipient further agrees that it will cause its directors, officers and professional advisers to use this Memorandum only to evaluate the specific private offer contemplated by this Memorandum and will return this Memorandum to the Fund without retaining any copies, upon request, or if a decision is made not to apply for any Participating Shares.

No application has been made to list the Participating Shares on any stock exchange. Save for any filings required to be made for the purposes of compliance with the securities laws of a state of the United States, neither this Memorandum nor any other offering or related document has been registered or filed in any jurisdiction in connection with the offer of the Participating Shares, with the exception of filing this document with the Cayman Islands Monetary Authority to register the Fund as a regulated mutual fund under the Cayman Mutual Funds Act (as amended).

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.

INVESTOR RESPONSIBILITY

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of an investment in the Fund. Neither the delivery of this Memorandum nor the issue of Participating Shares shall under any circumstances create any implication or constitute any representation that the affairs of the Fund have not changed since the date of issue of this Memorandum. Prospective investors are not to construe this Memorandum as legal, investment or tax advice.

Prospective investors should review this Memorandum carefully and in its entirety and consult with their legal, tax and financial advisers in relation to: (a) the legal and regulatory requirements within the countries of their nationality, ordinary residence or domicile for the purchase, holding, redemption or disposition of Participating Shares; and (b) any foreign exchange restrictions to which they are subject in relation to the purchase, holding, redemption or disposition of Participating Shares.

Prior to the subscription for any Participating Shares, the Fund will make available to each applicant, or its representative, the opportunity to ask questions of and receive answers from representatives of the Fund concerning any aspect of the investment and to obtain any additional information, to the extent that the Fund possesses such information or can acquire it without unreasonable effort or expense. This Memorandum constitutes an offer only if the name of an offeree appears in the appropriate space provided on the cover page of this Memorandum and/or if delivery of this Memorandum is properly authorised by the Manager or an approved placement agent.

The Directors of the Fund, whose names appear in the section headed "**Management and Administration – Fund – Long Corridor Alpha Opportunities Feeder Fund - Directors of the Fund**", accept responsibility for the information contained in this Memorandum. To the best of the knowledge and belief of the directors of the Fund (who have taken reasonable care to ensure that such is the case) the information contained in this Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. Unless otherwise indicated in this Memorandum, the opinions expressed in this Memorandum are those of the Directors of the Fund.

DISTRIBUTION

No person has been authorised to issue any advertisement, give any information or make any representations in connection with the offer, subscription or sale of Participating Shares other than those contained in this Memorandum and, if given or made, such advertisement, information or representations must not be relied on as having been authorised by the Fund, the

Master Fund, the Manager, the Investment Adviser, the Administrator, the Prime Brokers or their respective Affiliates. The Board, in consultation with the Manager, reserves the right to amend or replace this Memorandum at any time should there be material amendments to the same prior to the sale of the Participating Shares.

The distribution of this Memorandum and the offering or purchase of the Participating Shares may be restricted in certain jurisdictions. The information below is for general guidance only, and it is the responsibility of any person or persons in possession of this Memorandum and wishing to make application for Participating Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction.

No persons receiving a copy of this Memorandum or the accompanying Subscription Agreement in any jurisdiction may treat this Memorandum or such Subscription Agreement as constituting an invitation to them to subscribe for Participating Shares, nor should they in any event use such Subscription Agreement, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Subscription Agreement could lawfully be used without compliance with any registration or other legal requirements.

Accordingly, this Memorandum does not constitute an offer or solicitation to sell or a solicitation of an offer to buy, nor may there be any offer, solicitation or sale of the Participating Shares in any jurisdiction in which such offer, solicitation or sale is not authorised or to any person to whom it is unlawful to make any such offer, solicitation or sale. This Memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement, and the offering contemplated in this Memorandum is not, and under no circumstances is it to be construed as, a public offering of the Participating Shares in any jurisdiction.

The Fund will not issue Participating Shares to any person if the Fund, in consultation with the Manager, determines that the issuance of such Participating Shares could cause adverse consequences for the Fund or its Shareholders. Moreover, the Fund may, in its sole discretion and at any time, require the redemption of all or any part of such person's Participating Shares, or convert such person's Participating Shares to a different Class or Series, to avoid such adverse consequences.

Neither the SEC nor the securities commission of any jurisdiction has passed upon the value of these securities, made any recommendations as to their purchase, approved or disapproved this offering, or passed upon the adequacy or accuracy of this Memorandum. It is illegal for anyone to tell a recipient of this Memorandum otherwise.

The Master Fund is not hereby offering any securities and accordingly this 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.

RISKS

Prospective applicants should read this Memorandum carefully before deciding whether to purchase Participating Shares and should pay particular attention to the information set forth in the sections headed "Risk Factors" and "Regulatory and Conflicts of Interest". An investment in the Fund carries substantial risks and is not suitable for persons who cannot afford to take such risks. Applicants should understand such risks and have the financial ability and willingness to accept such risks for an extended period of time. There can be no assurance that the Fund's investment objective will be achieved and investment results may vary substantially over short periods of time. Applicants may lose all or substantially all of their investment in the Fund. The Fund is not a complete investment program and potential applicants should carefully consider whether an investment in the Fund is suitable for them in light of their own circumstances and financial resources. THESE ARE SPECULATIVE SECURITIES.

TAX DISCLOSURE

Notwithstanding anything in this Memorandum to the contrary, each recipient of this Memorandum, and each employee, representative or other agent of such recipient may disclose to any and all persons, without limitation of any kind, the US federal and state tax treatment and the US federal and state tax structure of the transactions contemplated in this Memorandum, and all materials of any kind (including opinions or other tax analyses) that are provided to such recipient relating to such tax treatment and tax structure of the Fund. This authorisation of tax disclosure is retroactively effective to the commencement of discussions between the Fund or its representatives and the recipient regarding the transactions contemplated in this Memorandum.

RELEVANT REGULATIONS

This Memorandum has been prepared on the basis of the relevant legislation and regulations of the Cayman Islands, the United States and Hong Kong and their interpretations, which are believed to reflect accurately current interpretations by relevant authorities as at the date of this Memorandum. Legislation and regulations, and their interpretation by relevant authorities, may

be altered in the future or interpreted adversely. No invitation may be made to the public in the Cayman Islands to subscribe for the Participating Shares and this Memorandum does not constitute such an invitation. The Participating Shares may not be sold or transferred to members of the public of the Cayman Islands, except to an exempted or ordinary non-resident company, exempted limited liability partnership and exempted trust incorporated or registered in the Cayman Islands.

ENQUIRIES

Enquiries concerning the Fund and the Participating Shares, including information concerning subscription and redemption procedures, should be directed to:

Long Corridor Asset Management Limited

Unit 3609, AIA Tower, 183 Electric Road, North Point, Hong Kong

Telephone: +852 2116 5242

Facsimile: +852 3006 2425

THE FUND AT A GLANCE

The Fund: The Fund was incorporated in the Cayman Islands as an exempted company with limited liability on 11 March 2013. The Fund will invest substantially all of its assets through the Master Fund in a "master-feeder" arrangement.

Investment Objective and Strategy: The Fund aims to achieve consistent and positive absolute returns by implementing various strategies in convertible bonds and equity event trades. The Master Fund invests primarily in the securities or derivatives of companies with an anticipated balance of: (i) minimum 80% Asia; (ii) maximum 20% rest of the world (excluding Asia), subject to the section headed "**Investment Program - Investment Guidelines**". **There can be no assurance that the Fund will meet its investment objective.**

Offer of Participating Shares: The Fund has six Classes of Participating Shares with substantially identical offering terms, rights and privileges except as outlined below:

	Class A2 Participating Shares	Class A3 Participating Shares	Class A4 Participating Shares	Class A5 Participating Shares	Class B Participating Shares	Class C Participating Shares
Types of investors	Investors other than Class C Investors	Investors other than Class C Investors	Investors other than Class C Investors	Investors other than Class C Investors	Investors other than Class C Investors	The Manager, the Investment Adviser and their employees and Affiliates
Management Fee rate (%)	1.5	Class A3 Management Fee Rate (ranging from 1.25 to 1.8)	1	2	1.5	0
Performance Fee rate (%)	20	20	30	20	15	0
Redemptions	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits, exceeding which a 3% Redemption Fee is charged	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits, exceeding which a 3% Redemption Fee is charged	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits, exceeding which a 3% Redemption Fee is charged	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits, exceeding which a 3% Redemption Fee is charged	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits

Subscription Price: US\$1,000 per Participating Share.

Redemptions: Subject to various restrictions, a Shareholder may submit a Redemption Notice to redeem its Participating Shares as at any Redemption Day. Redemptions will be offered: (i) quarterly (with at least 60 calendar days' notice (or such other shorter notice period as may be determined by the Directors in their sole discretion) prior to the relevant Redemption Day) in the ordinary course for Class B Participating Shares and Class C Participating Shares, with 25% quarterly redemption limits; and (ii) quarterly (with at least 60 calendar days' notice (or such other shorter notice period as may be determined by the Directors in their sole discretion) prior to the relevant Redemption Day) in the ordinary course for Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares and Class A5 Participating Shares, with 25% quarterly redemption limits exceeding which a 3% Redemption Fee is charged.

DIRECTORY

Registered office of the Fund and the Master Fund

c/o Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

Manager

Long Corridor Asset Management
c/o Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman KY1-1104
Cayman Islands

Directors of the Fund and the Master Fund

James Xinjun Tu
Stacey Kirkconnell
Keith Chin

Director of the Manager

James Xinjun Tu

Investment Adviser

Long Corridor Asset Management Limited
Unit 3609, AIA Tower
183 Electric Road
North Point
Hong Kong

Administrator of the Master Fund and the Fund

Northern Trust Global Fund Services Cayman Limited
94 Solaris Avenue
Camana Bay
P.O. Box 1348
Grand Cayman KY1-1108
Cayman Islands

Prime Brokers and Custodians of the Master Fund

Merrill Lynch International	Goldman Sachs International
2 King Edward Street	Peterborough Court
London	133 Fleet Street
EC1A 1HQ	London EC4A 2BB
United Kingdom	United Kingdom

Deutsche Bank AG¹
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Auditor of the Fund and the Master Fund

Ernst & Young Ltd.
Suite 6401
62 Forum Lane
Camana Bay
Grand Cayman KY1-1106
Cayman Islands

Legal Adviser to the Fund and the Master Fund as to Matters of Hong Kong law and US law

DLA Piper Hong Kong
17th Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

Legal Adviser to the Fund and the Master Fund as to Matters of Cayman Islands law

Maples and Calder (Hong Kong) LLP
53rd Floor, The Center
99 Queens Road
Central
Hong Kong

¹ To be replaced by BNP Paribas London Branch, which registered office is at 10 Harewood Avenue, London NW1 6AA, as Prime Brokers and Custodians to the Master Fund around the end of 2021.

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SUMMARY

The following is a summary description of the offer of Participating Shares in the Fund. This summary does not purport to be complete and is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Memorandum, the material agreements, which are available to prospective investors upon request, and the Articles. An investment in the Fund is also subject to the terms of the Subscription Agreement (or Additional Subscription Agreement, as the case may be) in connection with the subscription for Participating Shares including any representations, warranties, acknowledgements and undertakings in such agreements.

Prospective investors in the Fund should carefully review this Memorandum in its entirety together with the Subscription Agreement.

THE FUND

The Fund and the Master Fund:

The Fund was incorporated in the Cayman Islands as an exempted company with limited liability on 11 March 2013.

The Master Fund is an exempted company incorporated with limited liability in the Cayman Islands on 11 March 2013.

On August 1st, 2019, the Fund underwent a change in Investment Advisor and Investment Manager. These responsibilities were outlined in a novation agreement between the previous and current Investment Advisor and Investment Manager. The sole investment officer on behalf of the previous manager led the transition and remained as the investment officer after the change.

The name of the Fund was changed from “Nine Masts Alpha Opportunities Feeder Fund” to “Long Corridor Alpha Opportunities Feeder Fund”.

The name of the Master Fund was changed from “Nine Masts Alpha Opportunities Master Fund” to “Long Corridor Alpha Opportunities Master Fund”.

Long Corridor Asset Management, an exempted company incorporated in the Cayman Islands with limited liability, is appointed as the new Manager of the Funds in place of Nine Masts Capital Management.

Long Corridor Asset Management Limited, a limited liability company incorporated in Hong Kong, is appointed by Long Corridor Asset Management to be the new Investment Adviser to the Manager in place of Nine Masts Capital Limited.

The Fund invests substantially all of its assets through the Master Fund in a "master-feeder" arrangement.

Trading is currently conducted at the Master Fund level or through specially created subsidiaries of the Master Fund. The Manager reserves the right to trade (subject to the prior approval of the Board) through additional specially created subsidiaries of the Master Fund or other vehicles to which Investments may be transferred, in the future.

References throughout this Memorandum to the Fund’s investment policies, strategies, restrictions, risks, trading and other related activities shall be

construed as including a reference to the Master Fund, unless the context otherwise requires.

The Master Fund may also accept subscriptions by additional feeder funds, or by certain direct investors, from time to time. In the future, other investment vehicles that also feed into the Master Fund may be formed with different terms from those of the Fund, including different fees and redemption provisions. It is anticipated that another feeder fund may be established in the future to facilitate investments by US taxable investors, and that such feeder fund will also invest all the proceeds it receives from the issue of its participating shares in the Master Fund.

Investment Program:

The Fund aims to achieve consistent and positive absolute returns by implementing various strategies in convertible bonds and equity event trades.

The Master Fund invests primarily in the securities or derivatives of companies (and/or their related companies) with an anticipated balance of: (i) minimum 80% Asia; (ii) maximum 20% rest of the world (excluding Asia), subject to the section headed "**Investment Program - Investment Guidelines**". "Asia", for this purpose, includes, but is not limited to, Australia, New Zealand, India, Singapore, Thailand, Malaysia, Indonesia, South Korea, the Philippines, the PRC, the Republic of China, Hong Kong, the Macau Special Administrative Region of the People's Republic of China, Vietnam, Japan and such other countries within Asia as may be determined by the Manager in its sole discretion.

Strategies will focus on convertible bonds where the Manager believes that alpha can be generated through placement of credit risk, locate of tough borrow, and other strategies where risk reward is skewed with limited downside due to position convexity. The Master Fund will also be active in catalyst driven directional trades, new equity issuance, block trades, rights offerings, and other capital market, corporate action trades. The Manager aims to generate alpha by identifying short term supply and demand imbalance in the stock driven by the event.

Please refer to the section headed "**Investment Program**" for further information.

SUBSCRIPTION AND REDEMPTIONS

Eligible Investors:

Generally, Shareholders should be Non-US Persons and Permitted US Persons. The Fund may decline to accept the subscription of any prospective investor. Please refer to the section headed "**Investor Qualification Requirements**" for further information.

Offer of Participating Shares:

The Fund has six Classes of Participating Shares, namely Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and Class C Participating Shares. Within each Class, Participating Shares sold on the same date are classified as a separate Series from Participating Shares sold on other dates. The investment in each Series of Participating Shares in the Fund is represented by a corresponding Series of Master Fund Participating Shares of the same Class.

Subject to a Suspension, the Fund may, in its discretion, offer additional Classes and/or Series of Participating Shares for subscription with such rights and obligations and in such manner, as they may determine.

All Participating Shares of all Series in a particular Class will have identical rights and conditions. However, the Net Asset Value per Participating Share may vary between different Series due to the differing dates of accrual of any applicable Management Fee and Performance Fee and differing dates of issue.

**"Class A2", "Class A3",
"Class A4", "Class A5",
"Class B" and "Class C"
Participating Shares:**

The offering terms, rights and privileges of the six Classes of Participating Shares are substantially identical except as outlined under the section headed **"The Fund at a Glance: Offer of Participating Shares"**:

Please refer to the section headed **"Fees and Charges"** for further information in relation to the calculation and payment of the Management Fee and the Performance Fee.

**Minimum Initial
Subscription:**

An investor must subscribe for Participating Shares in the Fund representing a minimum initial subscription amount of US\$500,000, although the Fund, in consultation with the Manager, reserves the right to specify any lower amount, subject to any minimum amount prescribed by the Cayman Mutual Funds Act (as amended).

**Minimum Additional
Subscription:**

A Shareholder may subscribe for a minimum additional amount of US\$50,000 of Participating Shares in the Fund. The Fund, in consultation with the Manager, reserves the right to accept additional subscriptions in lesser amounts.

Minimum Holding:

The minimum holding of Participating Shares in the Fund per Shareholder is US\$500,000 or such other lower amount as may be determined from time to time by the Fund, in consultation with the Manager and subject to compliance with applicable laws.

Subscription:

Applications to subscribe for Participating Shares of a particular Class may be made for the Subscription Price of US\$1,000 per Participating Share.

Completed Subscription Agreements or Additional Subscription Agreements, as the case may be, to subscribe for Participating Shares must be received by the Administrator no later than 4:00 p.m. (Hong Kong time) at least three Business Days prior to the relevant Subscription Day, as applicable (the **"Subscription Deadline"**). Subscription Agreements should be submitted to, and will be dealt with, by the Administrator in accordance with the section headed **"Subscription, Issue and Redemption of Participating Shares - Communications Policy"**.

The Fund, in consultation with the Manager, reserves the right to extend the Subscription Deadline for receipt of any Subscription Agreements and/or subscription monies.

Please refer to the section headed **"Subscription, Issue and Redemption of Participating Shares"** for further details.

**Redemption and
Redemption Gate:**

A Shareholder in the Fund may submit a Redemption Notice to redeem its Participating Shares as at any Redemption Day. All redemptions from the Fund will be effected subject to the Suspension of redemptions (as described in the section headed **"Suspensions and Restructures - Suspension of Valuation, Issue and/or Redemption of Participating Shares"**). In the absence of any specific instructions from a Shareholder, redemption of Participating Shares shall be deemed to have been requested on a "first acquired, first redeemed" basis. Participating Shares will be redeemed at the Redemption Price subject to any adjustments as may be necessary.

In order to be dealt with on a particular Redemption Day, emailed copies of a Redemption Notice in the form prescribed by the Manager from time to time, setting out the details of the Participating Shares to be redeemed, must be received by the Administrator no later than 4:00 p.m. (Hong Kong time) on a Business Day that is at least 60 calendar days prior to the relevant Redemption Day (or such other later time and/or day as may be determined by the Directors in their sole discretion) for Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and Class C Participating Shares. The original of the Redemption Notice should follow promptly by courier, and in any event, must be received by the Administrator prior to the relevant Redemption Day.

Additionally, for all Classes of Participating Shares on any Redemption Day, any Shareholder having submitted a valid notice (a "**Redemption Notice**") for the redemption of any portion of their Participating Shares (a "**Redeeming Shareholder**") may redeem only a maximum of 25% of the Net Asset Value of its Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and/or Class C Participating Shares (as the case may be) (the "**Redemption Limit**") as at the relevant Redemption Day (the "**First Redemption Day**"). Notwithstanding the foregoing, the Directors, in consultation with the Manager, may waive the Redemption Limit and/or the Redemption Gate in respect of any or all Shareholders.

Subject to the Fund's discretion, following consultation with the Manager, to suspend the redemption of Participating Shares as described in the section headed "**Suspensions and Restructures**", the unsatisfied portion of the Redemption Notice on the First Redemption Day ("**Unsatisfied Portion**") will be satisfied on immediately successive Redemption Days as follows ("**Automatic Redemption Process**"):

- (a) on the Redemption Day immediately following the First Redemption Day, an amount equal to one-third of the Unsatisfied Portion;
- (b) on the next following Redemption Day, an amount equal to 50% of the remainder of the outstanding redemption request; and
- (c) on the next following Redemption Day, the remainder of the outstanding redemption request.

The Redemption Limit and the above described redemption restrictions are together the "**Redemption Gate**". Please refer to the section headed "**Redemption Gate**" and related disclosure in the section headed "**Risk Factors**" of this Memorandum for further details on the risks involved in this regard.

A redeeming Shareholder may discontinue the Automatic Redemption Process set out above by notifying the Administrator in writing ("**Discontinuation Notice**") no later than 4:00 pm (Hong Kong) time on a Business Day that is at least 60 calendar days (or at such other time, as determined by the Directors of the Fund) prior to the relevant Redemption Day with respect to which the Shareholder would like the Automatic Redemption Process to discontinue. For the avoidance of doubt, a Discontinuation Notice validly received by the Administrator will result in no redemption proceeds being paid to a Redeeming Shareholder with respect to

the Redemption Day first occurring following the receipt by the Administrator of the Discontinuation Notice.

A Discontinuation Notice will have the effect of cancelling a Redeeming Shareholder's request to redeem Participating Shares, therefore rendering any future redemption requests subject to the Redemption Limit.

Notwithstanding the Redemption Limit and/or the Redemption Gate, any Shareholder of Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares or Class A5 Participating Shares may redeem its Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares or Class A5 Participating Shares (as the case may be) beyond the 25% Redemption Limit, provided that the Shareholder pays a redemption fee ("**Redemption Fee**") to the Fund in the amount of 3% of (i) the Net Asset Value of the Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares or Class A5 Participating Shares (as the case may be) that are the subject of that Shareholder's redemption request minus (ii) the 25% Redemption Limit. The Directors, in consultation with the Manager, may waive, rebate, or otherwise vary the Redemption Fee payable in whole or in part, in respect of any or all Shareholders.

The Fund, in consultation with the Manager, has the right to compulsorily redeem the Participating Shares of any Class, in accordance with the Articles.

Subject to any declaration by the Fund of a Suspension, the Fund is authorised to withhold a portion of the redemption proceeds as a "contingency reserve" or in the unforeseen circumstance that the Master Fund holds illiquid securities, instruments or other property for which no market, or only a limited market, may exist ("**Illiquid Securities**") having an aggregate value equal to or greater than 10% of the Master Fund's Assets Under Management.

The Manager will use reasonable efforts to liquidate Investments to redeem Participating Shares. However, the Fund, may in its sole discretion, make distributions in-kind in the form of any of the Investments or in the form of shares or interests in a vehicle through which Investments are held.

Please refer to the section headed "**Subscription, Issue and Redemption of Participating Shares - Compulsory Redemption**" for further details.

Transfer Restrictions:

Participating Shares may only be transferred strictly in accordance with the Articles. All transfers of Participating Shares are subject to the written consent of the Directors, in consultation with the Manager, and such other restrictions as set out in the section headed "**General Information – Articles – Restrictions on Transfer of Participating Shares**".

MANAGEMENT AND ADMINISTRATION

Manager:

Subject to the overall supervision and control of the Board, the Manager is responsible for directing investment and divestment decisions on behalf of the Master Fund. The role undertaken by the Manager for the Fund is limited to activities connected with solicitation of subscriptions and various other administrative matters. The Manager does not take on an investment management role under the Fund Services Agreement. Details of the background of the Manager and its key personnel are set out in the section headed "**Management and Administration – The Manager**".

The Manager has delegated certain of its functions, duties, powers and discretions to the Investment Adviser pursuant to the terms of the Investment Advisory Agreement.

Investment Adviser:

The Investment Adviser will primarily be responsible for providing asset management services to the Manager in relation to the Investments. Details of the background of the Investment Adviser and its key personnel are set out in the section headed "**Management and Administration – The Investment Adviser**".

The Investment Adviser may delegate certain of its functions, duties, powers and discretions to any of its Affiliates, on such terms and conditions as the Investment Adviser determines in its sole discretion.

FEEES AND CHARGES

Management Fee:

At each Valuation Point, a Management Fee with respect to the relevant Series of Participating Shares of the Master Fund shall be calculated at an annual rate equal to a percentage amount of the NAV of such Series in each Class, as set out in the table below, and paid by the Master Fund to the Manager on a calendar quarterly basis:

Class of Participating Shares	Management Fee (percentage of the NAV of the Series in the relevant Class of the Master Fund) (%)
Class A2	1.5
Class A3	Class A3 Management Fee Rate (ranging from 1.25 to 1.8)
Class A4	1*
Class A5	2
Class B	1.5
Class C	0

The Management Fee rate applicable to Class A3 Shareholders ("**Class A3 Management Fee Rate**") shall be determined based on the aggregate amount of subscriptions of Class A3 Participating Shares as set out in the following table, provided that if the aggregate amount of subscriptions of Class A3 Participating Shares increases or reduces, any change to the applicable Class A3 Management Fee Rate shall apply with respect to the installments of the Management Fee that become payable following such increase or reduction:

Aggregate amount of subscriptions of Class A3 Participating Shares (USD, determined as of each Valuation Point)	Class A3 Management Fee Rate (percentage of the NAV of the Series in Class A3 of the Master Fund) (%)
----------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------

Less than USD500 million	1.8
USD500 million to USD1 billion	1.5
Greater than USD1 billion	1.25

The Manager may, in its sole discretion and out of the Master Fund’s resources, waive, rebate, or otherwise vary the Management Fee payable in whole or in part, in respect of any Class or Series, or may rebate the Management Fee payable in whole or in part for certain Shareholders within each Class or Series.

The Management Fee of Class A4 Participating Shares shall be subject to specific fee arrangements. Please refer to further details as outlined in the section headed “**Fees and Charges**”.

No fee is payable to the Manager by the Fund in connection with the management of the Fund. Further details of the Management Fee payable to the Manager are outlined in the section headed “**Fees and Charges**”.

Performance Fee:

The Master Fund will pay an annual Performance Fee to the Manager. The Performance Fee shall be equal to a percentage of the appreciation of the NAV per Participating Share of each Series (before the deduction or accrual of the Performance Fee) above the High Water Mark for such Series multiplied by the number of Participating Shares outstanding in such Series. The percentage rate of the Performance Fee for the Series in respect of the relevant Class is set out in the following table:

Class of Participating Shares	Performance Fee (percentage of the appreciation in the NAV per Participating Share of the Series in the relevant Class of the Master Fund above the High Water Mark) (%)
Class A2	20
Class A3	20
Class A4	30*
Class A5	20
Class B	15
Class C	0

The Manager may, in its sole discretion and out of the Master Fund’s resources, waive, rebate, or otherwise vary the Performance Fee payable in whole or in part, in respect of any Class or Series, or may rebate the Performance Fee payable in whole or in part for certain Shareholders within each Class or Series.

The Performance Fee of Class A4 Participating Shares shall be subject to specific fee arrangements. Please refer to further details as outlined in the section headed "**Fees and Charges**".

Further details of the Performance Fee payable are outlined in the section headed "**Fees and Charges**".

Other Fees:

Each Prime Broker is compensated for its services pursuant to each International Prime Brokerage Agreement.

The Administrator is compensated for its services pursuant to the Administration Agreement.

The Master Fund may also pay fees and certain expenses in respect of any independent directors at rates agreed from time to time with the Fund and Master Fund.

Details of the other fees and expenses payable by the Master Fund or Shareholders are outlined in the section headed "**Fees and Charges**".

Manager's Expenses:

Except as specifically set out in this Memorandum, the Manager will render its services to the Fund and the Master Fund at its own expense. Such expenses will include, for example, expenses in respect of all overhead costs of an ordinary and recurring nature, such as office rent, the costs of furniture and fixtures, salaries and employee insurance and other operational and administrative costs.

However, certain costs, as set out in this Memorandum, are borne by the Master Fund. The expenses that are borne by the Master Fund include, without limitation, due diligence expenses associated with investigating and completing potential Investments for the Master Fund and research related expenses.

Expenses of the Initial Offer and Other Operating Expenses:

Details of the payment of the expenses in connection with the establishment of the Fund, initial offer and other operating expenses are set out in the section headed "**Fees and Charges**".

RISK FACTORS AND CONFLICTS OF INTEREST

Risk Factors:

An investment in the Fund will entail considerable risks, due in part to the investment strategies and techniques that the Manager may use, limited regulatory oversight, the limitations on redemption by the Shareholders, the illiquidity of Investments that may be made and the potential for a concentration of Investments in a limited number of securities. In addition, as the investment program of the Master Fund develops and changes over time, an investment in the Fund (and indirectly the Master Fund) may be subject to additional and different risk factors. The Fund is suitable only for sophisticated individuals and institutional investors for whom an investment in the Fund does not constitute a significant portion of the investor's wealth and who fully understand and are capable of bearing the risks of such an investment, such as a total loss of its investment in the Fund. Prospective investors should read this Memorandum carefully and be fully able to evaluate (together with such investors, financial advisers, if any) the potential merits, risks and conflicts of interest of an investment in the Fund (and indirectly the Master Fund) in the context of their overall financial circumstances.

Alternative investment programs may not be suitable for many investors. Due to their general dependence on the availability of credit and the liquidity of the markets, alternative investment programs are subject to significant risks to which traditional investments are not. Among the risks which prospective investors should note are the following:

- the Participating Shares are a speculative and illiquid investment. There is no secondary market for the Participating Shares, and none is expected to develop. There are material restrictions on transferring and redeeming Participating Shares.
- the Fund's performance may be volatile.
- the Fund may invest on a leveraged basis. This may further amplify any losses.

The Master Fund and the Fund are subject to substantial expenses, costs and fees. These expenses, costs and fees, unless offset by investment gains, will cause the Net Asset Value of the Master Fund and the Fund to decline.

Investors should pay particular attention to the information and non-exhaustive list of the risks of investing in the Master Fund, and the limitations of risk monitoring and risk management set forth in the section headed "Risk Factors".

Conflicts of Interest:

Investors should note that conflicts of interests may arise between the Manager, its Affiliates, the Master Fund and the Fund with respect to the management of the assets of the Fund and the Master Fund. Please refer to the section headed "**Regulatory and Conflicts of Interest - Conflicts of Interest**" for further information.

Investment Objective Not Guaranteed:

There is no guarantee of a specific or minimum level of investment performance, or of a particular rate of return on capital. There is no assurance that the Fund will meet its investment objective. Moreover, an investment in the Participating Shares could result in a complete loss of the investment proceeds.

TAX AND ERISA CONSIDERATIONS

ERISA Considerations:

If the Fund accepts investments by any "employee benefit plan" that is subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the US Tax Code, the Manager under the supervision of the Directors is responsible for monitoring compliance with the 25% ERISA plan limit described in further detail in the section headed "**Investments by Employee Benefit Plans - Restrictions on Investments by Benefit Plan Investors**".

Tax Treatment:

Prospective investors should refer to the section headed "**Taxation**" for further details in relation to the taxation of the Fund in addition to seeking their own independent professional tax advice.

Prospective investors should note that withholding taxes or other taxes may be assessed in jurisdictions from which the Fund and the Master Fund derive income and in which their operations are based. At the sole discretion of the Manager, the Master Fund may seek to minimise its tax exposure by using special purpose vehicles or through other tax optimisation structures. Whether or not the Manager, the Fund or the Master Fund pursues such

strategies, the tax exposures and liabilities of Shareholders may not be optimal and may differ from Shareholder to Shareholder and from jurisdiction to jurisdiction.

Shareholders should consult their own tax advisers regarding the tax treatment of their Investment in the Fund in the jurisdictions applicable to them. Shareholders should rely only upon advice received from their own tax advisers based upon their own individual circumstances and the laws applicable to them.

OTHER INFORMATION

"New Issue" Trading:

The Master Fund will trade in "new issues" (initial public offerings of equity securities). Certain Shareholders will be limited, under applicable FINRA rules, from participating in the profits and losses generated by "new issues". In addition, the Fund may limit the participation of certain Shareholders in "new issues" to an extent not required by FINRA. Shareholders may receive "new issue" allocations disproportionate to such Shareholders' respective proportionate Participating Shares, and those Shareholders that are restricted from participating in "new issues" will not be compensated in any respect for their capital in the Master Fund being used to acquire "new issues". Please refer to the section headed "**Investment Program – New Issues**" for further information.

Dividend Policy:

The Directors do not currently intend to declare any dividends or other distributions on the Participating Shares. Dividends or other distributions received by the Fund from Investments will be reinvested in the Fund.

Side Letters:

The Fund (with the approval of the Directors) may from time to time enter into letter agreements or other similar agreements (collectively, "**Side Letters**") with one or more Shareholders that provide these Shareholder(s) with additional and/or different rights (including, without limitation, with respect to access to information, the Management Fee and the Performance Fee and minimum investment amounts) than such Shareholder(s) have pursuant to this Memorandum. As a result of such Side Letters, certain Shareholders may receive additional benefits (including, but not limited to, reduced fee obligations and/or expanded information rights) that other Shareholders will not receive. The Fund is not required to notify any or all of the other Shareholders of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders. The Fund or the Manager may enter into such Side Letters with any party as they may determine in their discretion at any time. The other Shareholders will have no recourse against the Fund, the Manager and/or any of their Affiliates if certain Shareholders receive additional and/or different rights and/or terms because of such Side Letters.

Reports:

The Fund and the Master Fund will prepare their respective annual financial statements in accordance with US GAAP or such other generally accepted accounting standards determined by the Fund and the Master Fund (as applicable), in consultation with the Manager, from time to time. Copies of the audited financial statements of the Fund, which will be made up to the end of each Financial Year, will be made available to Shareholders upon written request to the Manager within six months after the end of the relevant financial year. In addition, the Manager will provide each Shareholder with monthly unaudited statements which outline the Net Asset Value of that

Shareholder's Participating Shares. The Fund may provide more regular updates to Shareholders. For the avoidance of doubt, these monthly unaudited statements will continue to be provided to Shareholders in the event of Suspension of redemption of Participating Shares.

Base Currency:

The performance of the Fund is reported, fees and charges are calculated and all subscriptions and redemptions are transacted in US Dollars.

However, the Fund, in consultation with the Manager, may determine to issue additional Classes of Participating Shares that have a different base currency, with fees, subscriptions and redemptions being transacted in other base currencies.

INVESTMENT PROGRAM

Investment Objective

The Fund, through investment of substantially all of its assets in the Master Fund, aims to achieve consistent and positive absolute returns by implementing various strategies in convertible bonds and equity event trades.

The Master Fund invests primarily in the securities or derivatives of companies (and/or their related companies) with an anticipated balance of: (i) minimum 80% Asia; (ii) maximum 20% rest of the world (excluding Asia), subject to the section headed "**Investment Program - Investment Guidelines**". "Asia", for this purpose, includes, but is not limited to, Australia, New Zealand, India, Singapore, Thailand, Malaysia, Indonesia, South Korea, the Philippines, the PRC, the Republic of China, Hong Kong, the Macau Special Administrative Region of the People's Republic of China, Vietnam, Japan and such other countries within Asia as may be determined by the Manager in its sole discretion.

The business of the Fund includes the realisation and distribution of the Fund's assets to Shareholders during a wind down of the Fund's operations.

The strategies will focus on convertible bonds where the Manager believes that alpha can be generated through placement of credit risk, locate of tough borrow, and other strategies where risk reward is skewed with limited downside due to position convexity. The Master Fund will also be active in catalyst driven directional trades, new equity issuance, block trades, rights offerings, and other capital market, corporate action trades. The Manager aims to generate alpha by identifying short term supply and demand imbalance in the stock driven by the event.

Investment Strategy

The Manager believes that certain markets offer particularly attractive investment opportunities to investors due to significant inefficiencies in these markets, as seen in the periodic dislocation of certain financial instruments. Furthermore, the Manager believes that certain Asian markets offer particularly attractive investment opportunities to investors due to significant inefficiencies in these markets, as seen in the periodic dislocation of certain financial instruments.

The Master Fund allocates the Master Fund's assets based on a risk and liquidity assessment and draws upon the Manager's knowledge and experience in determining the optimal mix of investment sectors and styles given the dynamic economic and investment environment. The Master Fund intends to diversify its assets into a range of positions in order to reduce the risk of concentrated holdings. The financial instruments in which the Master Fund invests may include, without limitation, listed equities, bonds and hybrid instruments and other financial derivatives such as, but are not limited to, credit default swaps, OTC equity options and listed equity options and futures.

The Manager considers that the key factors which differentiate it from other managers that may pursue similar objectives or deploy similar strategies to that of the Master Fund include:

- (a) members of the Long Corridor investment team have successfully implemented the investment strategy to be employed by the Master Fund through various economic cycles; and
- (b) the "on-the-ground" location of key members of the Long Corridor investment team in Hong Kong.

Hedging

It is intended that the Master Fund will seek to mitigate the effects of inherent volatility of the current economic environment by an active hedging process.

It is intended that the Manager will generally hedge the Master Fund's positions through investments in, among others, currency, forward contracts and interest rate derivatives, but is not required to do so in any particular case. The Master Fund also reserves the right to invest in other markets or instruments which the Manager believes provide value, or which are appropriate for hedging the exposure of the Master Fund.

Investors should note that hedges sometimes do not work to limit loss and sometimes actually increase and amplify loss.

Risk Management

The Manager sets the risk parameters (i.e., position level risk and portfolio level risk) and is responsible for monitoring such parameters and measure the actual volatility of the Master Fund's overall portfolio on a regular basis to ensure that the Master Fund's overall portfolio is managed in accordance with such parameters.

The Manager's risk management system is capable of monitoring real-time trades and changes in markets and risk parameters. Only trades that have been authorised in the risk management system can be executed.

In order to monitor the effectiveness of risk management, daily internal risk reports, which will include an analysis of risk factor disclosure, risk exposure, sensitivity and risk parameters, will be completed. Trade authorisations may be adjusted by the risk management team and any instructions to reduce risk exposure or to restructure the portfolio will be delivered to the trade execution team. A performance evaluation, including a return attribution analysis, will also be conducted to maximise the potential for risk-adjusted returns through the capital allocation process.

Borrowing Powers and Leverage

Subject to the section headed "**Investment Program - Investment Guidelines**" below, the Master Fund may borrow money in order to expand investment capacity and to enhance investment performance. The Manager is responsible for monitoring and ensuring compliance by the Master Fund with the borrowing powers. Subject to the overall supervision and control of the Board, the Manager has discretion over the level of borrowing made by the Master Fund in its trading activities. The Manager may borrow up to three times the Master Fund's AUM, when the Manager believes that this is in the best interests of the Master Fund. The level of borrowing is not the full extent of the leverage utilised where short positions are taken and futures and other derivatives are traded.

The Manager shall make reference to gross notional value (the sum of gross notional values of long and short positions in absolute term) to calculate the level of leverage to be borne by the Master Fund.

Investment Guidelines

Subject to the overall supervision and control of the Board, the Manager may adopt investment guidelines and/or restrictions from time to time concerning the Investments of the Master Fund. Initially, the Manager intends to adopt, implement and monitor the following investment guidelines when managing the Investments of the Master Fund. In this regard, the Master Fund will not:

- (a) invest more than 20% of the Master Fund's Assets Under Management in either long or short positions of securities of any single issuer;
- (b) invest more than 50% of the Fund's Assets Under Management in any one investment sector; and/or
- (c) invest more than 20% of the Master Fund's Assets Under Management outside of Asia.

For the avoidance of doubt, the above investment guidelines apply at the time the relevant Investment is acquired. Investment guidelines will not be deemed to have been breached as a result of changes in the price or value of Investments comprised in the portfolio of the Master Fund occurring at any time after their acquisition. However, where an investment guideline has been breached, no further relevant Investments will be acquired until the relevant investment guideline is again complied with. If any of the above investment guidelines are breached or exceeded as a result of market forces or movements, the Manager will take steps to

regularise the investment activity in question and conform it within the limits set out above, as soon as reasonably practicable.

Furthermore, as a result of redemptions, net profits and losses, and the application of the Management Fee and/or the Performance Fee, the investment guidelines above may be breached. Neither the Directors nor the Manager shall be liable for the Master Fund breaching any one or more of the foregoing investment guidelines, provided that the Manager has not acted in bad faith.

The Manager is responsible for monitoring and ensuring compliance by the Master Fund with the investment guidelines.

Amendments to Investment Program

The investment objective and investment guidelines set out above may evolve, expand, and be amended, supplemented or added to by the Board, in consultation with the Manager, as circumstances change over time. These changes may be implemented at any time and with immediate effect, in whole or in part, without obtaining Shareholder approval provided that the Directors reasonably expect that such changes will not have a material adverse effect on Shareholders (subject to compliance with the conditions set out in the section headed "**General Information - Amendments to this Memorandum**").

Notwithstanding the foregoing, the Shareholders will be informed as soon as practicable of any material change in the Fund's investment objectives, investment program or the investment guidelines.

New Issues

The Master Fund may from time to time invest in "new issues" (i.e., equity securities which are issued in an initial public offering). FINRA adopted the New Issues Rules, which implement in part the requirement that FINRA members (principally broker-dealers and investment bankers) make a bona fide public distribution at the public offering price of securities of an initial public offering of equity (a "**new issue**").

Rule 5130

The New Issues Rules restricts FINRA members and their associated persons from, among other things, selling with limited exception any new issue securities to any FINRA member, to any associated person of an FINRA member, to any senior officer of a registered investment advisory firm, bank, savings and loan institution or insurance company, or to certain other restricted persons (collectively, "**Rule 5130 Restricted Persons**").

The Fund may, however, avail itself of a "de minimis" general exemption pursuant to which not more than 10% of any new issue profits and losses may be allocated to Rule 5130 Restricted Persons.

Rule 5131

The New Issues Rules also ban a practice known as "spinning" by generally prohibiting a FINRA member from allocating a new issue to any account (e.g., private investment fund) in which an executive officer or director of a public company or a covered non-public company, or a person materially supported by such an executive officer or director (each, a "**Rule 5131 Restricted Person**"), has a beneficial interest if such Rule 5131 Restricted Person's company has or expects to have an investment banking relationship with the FINRA member.

The Directors may designate within each Class of Participating Shares, a Series of unrestricted Participating Shares ("**Unrestricted Shares**") and a Series of restricted Participating Shares ("**Restricted Shares**"). The Series of Unrestricted Shares may only be issued to persons who, under the New Issues Rules, are not 5130 or 5131 Restricted Persons. Profits or losses attributable to Investments by the Master Fund in equity securities which are issued and subject to the New Issues Rules shall be allocated only to the Series of Unrestricted Shares and not to the Series of Restricted Shares to the extent required by the New Issues Rules.

If, at any time, a Shareholder ceases to be a "Restricted Person" or becomes a "Restricted Person", as the case may be, the Directors reserve the right to convert (by redemption and re-issue) such Shareholder's Restricted Shares/Unrestricted Shares to Unrestricted Shares/Restricted Shares, as applicable. For example, if a holder of

Unrestricted Shares subsequently becomes a "Restricted Person" under the New Issues Rules, the Unrestricted Shares held by such Shareholder will be converted into, by way of redemption and re-issue, a number of Restricted Shares having an aggregate Net Asset Value equal to the Net Asset Value of such Unrestricted Shares.

Illiquid Securities

The Master Fund does not intend to hold illiquid securities, instruments or other property for which no market, or only a limited market, may exist ("**Illiquid Securities**") that would impact redemption terms or the normal liquidity of the Master Fund. However, if for reasons unforeseen by the Manager or via market dislocations or otherwise, the Master Fund holds Illiquid Securities having an aggregate value equal to or greater than 10% of the Master Fund's Assets Under Management, then the Fund may withhold from any distribution of redemption proceeds a percentage amount thereof equal to the percentage obtained by dividing: (1) the aggregate value (as determined by the Manager in consultation with the Board) of the Master Fund's Illiquid Securities, by (2) the aggregate value of the Master Fund's total Net Asset Value (as determined by the Manager as the delegate of the Board). The amount withheld will be distributed at a later date within the succeeding 12 months, except as noted above under the section headed "**Suspensions and Restructures - Suspension of Valuation, Issue and/or Redemption of Participating Shares**". The Master Fund does not expect that a material portion of its assets will be held in Illiquid Securities at any time, although this may change. Please refer to the section headed "**Risk Factors – Certain Limitations Relating to Redemptions**" for further details on the risks involved in this regard.

The Fund's investment program is speculative and entails substantial risks including the risk of significant or total loss of investment in the Fund. There can be no assurance that the investment objective of the Fund will be achieved or that its investment program will be successful. Investors should consider the Fund as a supplement to an overall investment program and should invest only if they are willing to undertake the risks involved. Please refer to the section headed "Risk Factors" for further information.

INVESTOR QUALIFICATION REQUIREMENTS

GENERALLY, SHAREHOLDERS SHOULD BE NON-US PERSONS AND PERMITTED US PERSONS. PLEASE REFER TO APPENDIX B OF THIS MEMORANDUM FOR THE RESTRICTIONS ON THE OFFER OF PARTICIPATING SHARES IN THE FUND TO NON-US PERSONS IN CERTAIN JURISDICTIONS.

Hong Kong

This Memorandum has not been reviewed or approved by the Securities and Futures Commission or the Companies Registry of Hong Kong and, accordingly, the Participating Shares may only be offered or sold by means of a document:

- (a) in circumstances which do not constitute an offer to the public within the meaning of the HK Companies Ordinance or the HK SFO;
- (b) in other circumstances which do not result in the document being a "prospectus" within the meaning of the HK Companies Ordinance; or
- (c) to "professional investors" within the meaning of the HK SFO and any rules made pursuant to the HK SFO – a summary of the meaning of "professional investor" is set out below.

"Professional investors" include the following persons for the purposes of the HK SFO:

- (a) any individual, either alone or with any of his associates on a joint account, that has a portfolio of not less than HK\$8,000,000 or its equivalent in any foreign currency (as certified by an auditor or a professional accountant or ascertained from custodian statements sent to the person within the 12 months prior to the date the person invests in the Fund);
- (b) any corporation or partnership having either: (i) a portfolio of not less than HK\$8,000,000 (or its equivalent in any foreign currency); or (ii) total assets of not less than HK\$40,000,000 (or its equivalent in any foreign currency) by reference to the corporation's most recent audited financial statements that are no more than 16 months old or ascertained from custodian statements sent within 12 months prior to the date the corporation invests in the Fund; or
- (c) any institution falling under para. (a) to (i) of the definition of "Professional Investor" in section 1. of Part 1 of Schedule 1 to the HK SFO, these include entities such as licensed (or overseas-regulated) securities intermediaries and financial institutions and insurance companies.

No advertisement, invitation or document relating to the Participating Shares may be issued or may be in the possession of any person for the purpose of issue (in each case 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 laws of Hong Kong) other than with respect to Participating Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the HK SFO and any rules made pursuant to the HK SFO. No person to whom a numbered copy of this Memorandum is given may issue, circulate or distribute this Memorandum in Hong Kong or make or give a copy of this Memorandum to any person. Investors are advised to exercise caution in relation to the offer of Participating Shares pursuant to this Memorandum. If investors are in any doubt about the contents of this Memorandum, they should obtain independent professional advice.

United States

In respect of US Persons, only Permitted US Persons may subscribe for Participating Shares.

Qualified Purchaser Requirements

Permitted US Persons must satisfy the requirements for a "**qualified purchaser**", which include:

- (a) a natural person owning not less than US\$5,000,000 in "net investments"; or
- (b) an entity that owns and invests on a discretionary basis, for its own account or for the accounts of qualified purchasers, not less than US\$25,000,000 in "net investments"; or
- (c) certain trusts.

More detailed information concerning the qualified purchaser standards and requirements is set out in the Subscription Agreement.

Qualified Eligible Person Requirements

Permitted US Persons must also satisfy the requirements for a "**qualified eligible person**" as that term is defined in CFTC Regulation Section 4.7(a)(2).

Accredited Investor Requirements

Permitted US Persons must also satisfy the requirements for an "**accredited investor**".

Included within the definition of "**accredited investor**" under Regulation D of the US Securities Act are investors who fall within any of the following categories:

- (a) any natural person whose individual net worth or joint net worth, with that person's spouse, at the time of subscription for Participating Shares, exceeds US\$1,000,000;
- (b) any natural person who had an individual income in excess of US\$200,000 in each of the two most recent calendar years, or joint income with that person's spouse in excess of US\$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current calendar year;
- (c) any entity in which all the equity owners are accredited investors; or
- (d) any corporation, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US\$5,000,000.

More detailed information concerning the accredited investor standards and requirements is set out in the Subscription Agreement.

Requirement that the investor is not a "Bad Actor"

Permitted US Persons must also satisfy the requirement that they are **not** a "**bad actor**" for the purpose of Rule 506(d)(1) of the US Securities Act. Rule 506(d) and (e) of the US Securities Act prohibit participation in exempt securities offerings for persons who have been convicted of or are subject to legal or other sanctions for securities fraud or other violation of specified law or regulation.

Financial Knowledge and Experience

Each investor must represent and warrant in the Subscription Agreement that, among other things, the investor has reviewed and understands the risks of an investment in the Fund, has the financial knowledge and experience necessary to evaluate such investment, is able to bear the substantial risks of an investment in the Fund and can afford to lose the entire investment.

THE FOREGOING REQUIREMENTS ARE REGULATORY MINIMUMS ONLY. PERSONS WITH QUESTIONS AS TO WHETHER THEY QUALIFY AS A "QUALIFIED PURCHASER", A "QUALIFIED ELIGIBLE PERSON" AND AN "ACCREDITED INVESTOR" ARE URGED TO REFER SUCH QUESTIONS TO THEIR OWN LEGAL ADVISERS.

A POTENTIAL INVESTOR MUST CONSULT THE INVESTOR'S OWN LEGAL, TAX AND FINANCIAL ADVISERS WITH RESPECT TO THE INVESTOR'S INDIVIDUAL CIRCUMSTANCES AND THE SUITABILITY OF AN INVESTMENT IN THE FUND.

THE PURCHASE OF THE PARTICIPATING SHARES OFFERED UNDER THIS MEMORANDUM INVOLVES A HIGH DEGREE OF RISK AND SHOULD BE MADE ONLY BY THOSE PERSONS WHO CAN AFFORD TO BEAR THE RISK OF A TOTAL LOSS OF THEIR INVESTMENT.

THE FUND RESERVES THE RIGHT TO REJECT ANY APPLICATION FOR SUBSCRIPTION IN WHOLE OR IN PART, AND WILL EXERCISE THIS RIGHT TO PREVENT ANY PERSON FROM SUBSCRIBING FOR PARTICIPATING SHARES FOR WHICH THERE IS REASON TO BELIEVE THE FUND MAY NOT BE AN APPROPRIATE INVESTMENT.

IF THE INVESTOR HAS ANY REASON TO BELIEVE THAT SUCH AN INVESTMENT IN THE FUND IS NOT A SUITABLE INVESTMENT, SUCH INVESTOR MAY NOT SUBSCRIBE FOR PARTICIPATING SHARES IN THE FUND AND SHOULD RETURN THIS MEMORANDUM AND ALL OTHER RELATED DOCUMENTS TO THE MANAGER.

QUALIFICATION AS AN "ACCREDITED INVESTOR" IS NO ASSURANCE THAT AN INVESTMENT IN THE FUND IS SUITABLE FOR A PARTICULAR INVESTOR.

Other Jurisdictions

Additional or more stringent qualifications may be required to be met by investors in other jurisdictions in which Participating Shares may be offered.

The Fund and subject to consultation with the Manager has and intends to exercise, the right to compulsorily redeem any Participating Shares sold or otherwise acquired in contravention of these prohibitions.

SUBSCRIPTION, ISSUE AND REDEMPTION OF PARTICIPATING SHARES

Subscriptions must be forwarded to the Fund in accordance with the provisions of this Memorandum and the terms of the relevant Subscription Agreement.

Subscriptions

The Fund has six Classes of Participating Shares, namely Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and Class C Participating Shares. Within each Class, Participating Shares sold on the same date are classified as a separate Series from Participating Shares sold on other dates. The investment in each Series of Participating Shares in the Fund is represented by a corresponding Series of Master Fund Participating Shares of the same Class.

Subject to a Suspension, the Fund may offer additional Classes and/or Series of Participating Shares for subscription with such rights and obligations and in such manner, as it may determine.

All Participating Shares of all Series in a particular Class will have identical rights and conditions. However, the Net Asset Value per Participating Share may vary between different Series due to the differing dates of accrual of any applicable Management Fee and Performance Fee and differing dates of issue.

Subject to a Suspension, subscriptions to the Fund may generally be made as of any Subscription Day at a Subscription Price of US\$1,000 per Participating Share.

Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and Class C Participating Shares.

The offering terms, rights and privileges of the six Classes of Participating Shares are substantially identical except as outlined following:

	Class A2 Participating Shares	Class A3 Participating Shares	Class A4 Participating Shares	Class A5 Participating Shares	Class B Participating Shares	Class C Participating Shares
Types of investors	Investors other than Class C Investors	Investors other than Class C Investors	Investor other than Class C Investors	Investor other than Class C Investors	Investors other than Class C Investors	The Manager, the Investment Adviser and their employees and Affiliates
Management Fee rate (%)	1.5	Class A3 Management Fee Rate (ranging from 1.25 to 1.8)	1	2	1.5	0
Performance Fee rate (%)	20	20	30	20	15	0
Redemptions	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits, exceeding which a 3% Redemption Fee is charged	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits, exceeding which a 3% Redemption Fee is charged	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits, exceeding which a 3% Redemption Fee is charged	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits, exceeding which a 3% Redemption Fee is charged	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits	Quarterly with 60 calendar days' Notice and 25% quarterly redemption limits

Please refer to the section headed "**Fees and Charges**" for further details in relation to the calculation and payment of the Management Fee and Performance Fee.

Different Classes of Participating Shares

The Fund has the right, from time to time, to issue new Classes of Participating Shares in the capital of the Fund upon such terms and in such manner as it may determine subject to compliance with the Articles.

The terms and conditions of such Participating Shares may differ from the terms and conditions that are applicable to the initial Classes of Participating Shares, without limitation, in relation to:

- (a) management and performance fees;
- (b) redemptions, including lock-in periods and redemption procedures;
- (c) voting rights and dividend rights; and
- (d) information rights.

Subscription Procedures

Completed and executed Subscription Agreements or Additional Subscription Agreements, as the case may be, to subscribe for Participating Shares must be received by the Administrator no later than 4:00 p.m. (Hong Kong time) at least three Business Days prior to the relevant Subscription Day, as applicable (the "**Subscription Deadline**"). Subscription Agreements should be submitted to, and will be dealt with, by the Administrator in accordance with the section headed "**Subscription, Issue and Redemption of Participating Shares - Communications Policy**".

The Subscription Price payable for the Participating Shares being subscribed for, along with any other requisite documentation that is required to be provided, must also be received in full, in cleared funds, by the Administrator no later than the Subscription Deadline. Applicants should instruct their banks to pay the subscription amount in US Dollars at least one Business Day in Hong Kong preceding the Subscription Deadline in order to ensure that cleared funds are received prior to the Subscription Deadline.

The Fund, in consultation with the Manager, reserves the right to extend the Subscription Deadline for receipt of any Subscription Agreements and/or subscription monies.

In the sole discretion of the Fund, applications and subscription monies received after the Subscription Deadline will be held over without interest and will be treated by the Fund as having been received in respect of the next Subscription Day.

Subscription Amount

Applications to subscribe for Participating Shares of a particular Class may be made for the Subscription Price.

If a Subscription Agreement or Additional Subscription Agreement (as the case may be) is accepted, Participating Shares will be issued on the Business Day following the Subscription Day. Participating Shares issued in respect of each Subscription Day will be issued in a different Series.

The Subscription Price payable for Participating Shares must be paid by the applicant and must originate from a bank account held in the name of the applicant, or in the case of joint applicants, one of the applicants. Third party payments will not be accepted.

Acceptance of Subscriptions and Confirmations

The Fund, in consultation with the Manager, reserves the right to accept or reject any application to subscribe for Participating Shares in whole or in part. In this event, the balance of the amount paid by the investor will be returned, without accrued interest, in US Dollars (or the particular currency of the Class) as soon as practicable to the bank account of the investor from where the original proceeds derived, at the risk and cost of the investor.

Investors should note that neither the Administrator, the Affiliates or delegates of the Administrator, the Fund, the Directors nor the Manager or its Affiliates accept any responsibility for any loss caused in respect of the Fund's failure to process any Subscription Agreement or Additional Subscription Agreement, as the case may be.

Subscription Agreements or Additional Subscription Agreements constituting applications for Participating Shares will not be dealt with, and Participating Shares will not be issued, until the Administrator has received confirmation that the Subscription Price for each Participating Share subscribed for by the applicant has been received in the Fund's investor account and cleared in full.

Although Participating Shares will not be issued until after the relevant Subscription Day, all subscription proceeds are immediately deposited into the Fund and retained in custodial status, without accruing interest. Prior to issuing Participating Shares on the Business Day following the relevant Subscription Day, the Administrator may, upon the Fund's instruction, release funds to the Master Fund to ensure that investment in the Master Fund by the Fund can be effected on the relevant Subscription Day. In the event that the Fund is wound up before the Participating Shares are issued, the applicant will become an unsecured creditor of the Fund in the context of any insolvency proceedings.

Trade confirmations will be sent by the Administrator, or its Affiliate or delegates, to investors for Participating Shares upon approval of their Subscription Agreement, as soon as practicable after the relevant Subscription Day. Such confirmations will set out the details of the investor's Participating Shares. If the investor does not receive a trade confirmation, it is the investor's responsibility to contact the Administrator to ascertain the status of its Subscription Agreement or Additional Subscription Agreement, as the case may be. An investor cannot assume its subscription has been successful until it receives a trade confirmation from the Administrator or its Affiliate. In the event that no acknowledgement is received from the Administrator or its Affiliate within five Business Days of submission of the Subscription Agreement, the investor should contact the Administrator to confirm receipt by the Administrator of the Subscription Agreement. The foregoing shall also apply to any subscription request made using the Additional Subscription Agreement.

Where a Subscription Agreement or Additional Subscription Agreement is accepted, Participating Shares will be issued in registered form. No Participating Share certificates or temporary documents of title will be issued.

The Fund reserves the right, from time to time, to resolve, without prior notice, to close the Fund or a Class to new subscriptions, either for a specified period or until they otherwise determine. The Fund may exercise such right in respect of all or only some of the investors.

Minimum Initial Subscriptions and Minimum Investments

The minimum initial subscription an investor must invest in the Fund is US\$500,000, or such other lower amount as may be permitted by the Fund, in consultation with the Manager, or as prescribed by the Cayman Mutual Funds Act. The Fund, with the consent of the Manager, reserves the right to determine the number of applications for Participating Shares that may be accepted.

A Shareholder may subscribe for a minimum additional amount of US\$50,000 of Participating Shares although the Fund, in consultation with the Manager, reserves the right to accept additional subscriptions in lesser amounts.

The minimum holding of Participating Shares in the Fund per Shareholder is US\$500,000 or such other lower amount as may be determined from time to time by the Fund, in consultation with the Manager and subject to compliance with applicable laws. If the Net Asset Value of Participating Shares of a Shareholder is below this amount, the Fund, in consultation with the Manager, may compulsorily redeem all of those Participating Shares.

Applications for Redemption of Participating Shares

Unless redemptions are suspended (as described in the section headed "**Suspensions and Restructures - Suspension of Valuation, Issue and/or Redemption of Participating Shares**"), a Shareholder may submit a Redemption Notice to redeem its Participating Shares as at any Redemption Day. In the absence of any specific instructions from a Shareholder, a Shareholder shall be deemed to have requested the redemption of Participating Shares on a "first acquired, first redeemed" basis. Redemption Notices must be submitted to the Fund in accordance with the Fund's Communications Policy set out in this Memorandum.

The minimum amount of Participating Shares in respect of which a Shareholder may submit a Redemption Notice is US\$50,000 or the Shareholder's residual balance of Participating Shares in the Fund. If a Redemption Notice would result in the Shareholder having a residual holding of Participating Shares of the relevant Classes with an aggregate value that is less than the minimum holding of US\$500,000 in the Fund (or such other lower amount as may be determined from time to time by the Fund, in consultation with the Manager and subject to compliance with applicable laws) immediately after the relevant Redemption Day, the Shareholder's Redemption Notice will be deemed to have been made in respect of all Participating Shares of the relevant Classes held by that Shareholder. In this event, a Shareholder's holding in the Classes will be reduced to zero.

A Participating Share of the Fund may be redeemed at the Redemption Price, subject to any adjustments set out in the section headed "**Subscription, Issue and Redemption of Participating Shares - Payment of Redemption Proceeds**". Details of the Redemption Price applicable to any Participating Shares may be obtained by the relevant redeeming Shareholder from the Administrator.

Redemption Procedures

In order to be dealt with on a particular Redemption Day, emailed copies of a Redemption Notice in the form prescribed by the Manager from time to time, setting out the details of the Participating Shares to be redeemed, must be received by the Administrator no later than 4:00 p.m. (Hong Kong time) on a Business Day that is at least 60 calendar days prior to the relevant Redemption Day (or such other later time and/or day as may be determined by the Directors in their sole discretion) for all Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and Class C Participating Shares. The original of the Redemption Notice should follow promptly by courier and in any event, must be received by the Administrator prior to the relevant Redemption Day.

Redemption Notices received after the deadline for receipt of a Redemption Notice will be cancelled and the Shareholder will need to submit Redemption Notice again in respect of the next available Redemption Day.

A form of Redemption Notice may be obtained from the Administrator. Completed Redemption Notices must include the full details of the shareholding including the names and addresses of the Shareholders, the number and Class of Participating Shares to be redeemed (if known, and if not, the Net Asset Value of Participating Shares to be redeemed) and the Redemption Day as at which redemption is requested.

Redemption Gate

Additionally, for all Classes of Participating Shares on any Redemption Day, any Shareholder having submitted a valid notice (a "**Redemption Notice**") for the redemption of any portion of their Participating Shares (a "**Redeeming Shareholder**") may redeem only a maximum of 25% of the Net Asset Value of its Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and/or Class C Participating Shares (as the case may be) (the "**Redemption Limit**") as at the relevant Redemption Day (the "**First Redemption Day**"). Notwithstanding the foregoing, the Directors, in consultation with the Manager, may waive the Redemption Limit and/or the Redemption Gate in respect of any or all Shareholders.

Subject to the Fund's discretion, following consultation with the Manager, to suspend the redemption of Participating Shares as described in the section headed "**Suspensions and Restructures**", the unsatisfied portion of the Redemption Notice on the First Redemption Day ("**Unsatisfied Portion**") will be satisfied on immediately successive Redemption Days as follows ("**Automatic Redemption Process**"):

- (a) on the Redemption Day immediately following the First Redemption Day, an amount equal to one-third of the Unsatisfied Portion;

- (b) on the next following Redemption Day, an amount equal to 50% of the remainder of the outstanding redemption request and
- (c) on the next following Redemption Day, the remainder of the outstanding redemption request.

A redeeming Shareholder may discontinue the Automatic Redemption Process by notifying the Administrator in writing ("**Discontinuation Notice**") no later than 4:00 pm (Hong Kong) time on a Business Day that is at least 60 calendar days (or at such other time, as determined by the Directors of the Fund) prior to the relevant Redemption Day with respect to which the Shareholder would like the Automatic Redemption Process to discontinue. For the avoidance of doubt, a Discontinuation Notice validly received by the Administrator will result in no redemption proceeds being paid to a Redeeming Shareholder with respect to the Redemption Day first occurring following the receipt by the Administrator of the Discontinuation Notice.

The Redemption Limit and the above described redemption restrictions are together the "**Redemption Gate**".

A Discontinuation Notice will have the effect of cancelling a Redeeming Shareholder's request to redeem Participating Shares, therefore rendering any future redemption requests subject to the Redemption Limit.

Redemption Fee

Notwithstanding the Redemption Limit and/or the Redemption Gate, any Shareholder of Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares or Class A5 Participating Shares may redeem its Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares or Class A5 Participating Shares (as the case may be) beyond the 25% Redemption Limit, provided that the Shareholder pays a redemption fee ("**Redemption Fee**") to the Fund in the amount of 3% of (i) the Net Asset Value of the Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares or Class A5 Participating Shares (as the case may be) that are the subject of that Shareholder's redemption request minus (ii) the 25% Redemption Limit. The Directors, in consultation with the Manager, may waive, rebate, or otherwise vary the Redemption Fee payable in whole or in part, in respect of any or all Shareholders.

Revocation and Cancellation of Redemption Notices

Once given, a Redemption Notice may not, unless the Fund in consultation with the Manager determines otherwise, be revoked by a Shareholder. The Fund, in consultation with the Manager, may cancel any Redemption Notice upon the occurrence of a Suspension Event.

Confirmation of Receipt of Redemption Notice

In the event that a Shareholder does not receive confirmation of receipt of a Redemption Notice within five Business Days of submission of the Redemption Notice, a redeeming Shareholder should contact the Administrator or its Affiliate to confirm receipt of the Redemption Notice.

As soon as practicable after each Redemption Day, and provided the Administrator acknowledges receipt of the relevant Redemption Notice, the Administrator will confirm the following to a redeeming Shareholder in writing:

- (a) the number of Participating Shares of each relevant Class to be redeemed; and
- (b) the Redemption Price per Participating Share for each Series being redeemed (the "**Administrator's Confirmation Order**").

If any of the information contained in the Administrator's Confirmation Order is incorrect or incomplete, the Shareholder must contact the Administrator within five Business Days to arrange for amendment otherwise, it will be deemed that the Shareholder has agreed to the information provided in the Administrator's Confirmation Order.

Payment of Redemption Proceeds

Subject to the conditions outlined in the sections headed “**Subscription, Issue and Redemption of Participating Shares – Deferral Provisions and Redemptions In-Kind**” and “**Suspensions and Restructures – Suspension of Valuation, Issue and/or Redemption of Participating Shares**”, redemption proceeds will generally be paid to the redeeming Shareholder within 15 Business Days of the relevant Redemption Day. If the Net Asset Value of the relevant Participating Shares has not been determined by the Administrator at that time, redemption proceeds will generally be paid within 15 Business Days of finalisation of the Net Asset Value of the Participating Shares being redeemed. Redemption proceeds will comprise the Redemption Price per Participating Share net of: (a) all bank charges, administrative, fiscal, and conversion expenses and charges incurred in effecting the redemption; and (b) any other adjustments as may be necessary.

The Manager is entitled to receive the Management Fee and a Performance Fee (if any) accrued in respect of the relevant Participating Shares being redeemed. Accordingly, as indicated above, an amount on account of such Management Fee and Performance Fee (if any) will be taken into account in determining the redemption proceeds payable to Shareholders.

Subject to the conditions set out in the section headed “**Subscription, Issue and Redemption of Participating Shares – Deferral Provisions and Redemptions In-Kind**”, redemption proceeds will be paid to the redeeming Shareholder by telegraphic transfer in US Dollars (or the particular currency of the Class). Redemption proceeds will only be paid to the account specified in the Shareholder’s original Subscription Agreement in the name of the Shareholder from which the subscription monies were originally received or, upon approval of the Fund, to another account in the name of the Shareholder. No third party payments will be made in any case.

The Fund may reduce the redemption proceeds in respect of any Shareholder to the extent the Fund is required by US law or by agreement with the US Treasury Department or similar government division or department (either US or non-US) to withhold in respect of a payment of redemption proceeds to such Shareholder or otherwise withhold any amount in respect of such Shareholder.

If at any time during the period between the calculation of the Net Asset Value per Participating Share of the relevant Class as at a particular Redemption Day and the time at which redemption proceeds are converted out of any other currency into US Dollars, there is an officially announced devaluation of that currency, the amount payable to any relevant redeeming Shareholder may be reduced as the Manager considers appropriate to take account of the effect of that devaluation.

The Fund reserves the right to refuse to make any redemption payment or distribution to a Shareholder if: (a) any of the Directors, the members of the Board, the Manager or the Administrator knows or suspects or is advised that the payment of any redemption proceeds or other distribution to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws, regulations or policies by any person in any relevant jurisdiction; or (b) such refusal is considered necessary or appropriate to ensure the compliance by the Fund, its Directors, the members of the Board, the Manager or the Administrator with any such laws, regulations or policies in any relevant jurisdiction.

Any Investments sold by the Master Fund to satisfy redemption requests may be purchased by the Manager or the Investment Adviser or their Affiliates. Any such transaction may not be completed unless it has been approved by the Board by resolution, written or otherwise, having regard to the full details of the relevant transaction.

Deferral Provisions and Redemptions In-Kind

Withholding of a Portion of Proceeds

Subject to any declaration by the Fund of a Suspension, the Fund is authorised to withhold a reserve of up to 5% of the estimated redemption amount for up to an additional 90 Business Days after the relevant Redemption Day / after the date by which redemption proceeds would typically become payable in accordance with the section headed “**Subscription, Issue and Redemption of Participating Shares – Payment of Redemption Proceeds**”, or pending completion of the year end audit if the redemption is effective as of the close of a Financial Year, as a “contingency reserve” to pay for any outstanding expenses or charges incurred as a result of liquidating Investments in particular jurisdictions (e.g., fiscal taxes and additional brokerage costs).

Redemptions “In-Kind”

The Manager will use reasonable efforts to liquidate Investments to redeem Participating Shares. However, the Fund may in its sole discretion, make distributions in-kind in the form of any of the Investments or in the form of shares or interests in a vehicle through which Investments are held.

Any distribution of Investments in-kind to redeeming Shareholders will be made in good faith having regard to the fiduciary obligations of the Directors. In addition, any Investments so distributed to redeeming Shareholders as redemption proceeds will be valued in accordance with the guidelines set out in the section headed “**Valuation**”. If the Directors determine, in good faith and in consultation with a particular investor that such investor is not permitted to receive proceeds from redemption in-kind, the relevant securities will be distributed to a special purpose subsidiary, liquidating trust or liquidating account established for and at the cost of the relevant investor. Such a liquidating trust is intended to operate in the same manner as the liquidating trust vehicles described in the section headed “**Suspensions and Restructures – Use of Special Purpose Vehicles**”. Accordingly, Shareholders should note that if the Fund determines to make distributions in-kind, and a liquidating trust (or similar vehicle) is used (a) payment to the relevant Shareholders of redemption proceeds will be delayed until such time as the relevant Investments can be liquidated; and (b) the amount otherwise due to the relevant Shareholder will be increased or decreased to reflect the performance of such Investments through to the date on which the liquidation of such Investments is effected. This may result in the cash redemption proceeds eventually received being substantially lower than the value of the Participating Shares that the Shareholder requested to redeem.

Where the Fund has determined that distributions are to be made in-kind, the Fund, in consultation with the Manager, will use commercially reasonable efforts to ensure that the proportion of redemptions paid “in-kind” and paid in cash is substantially the same for each Shareholder.

As the Manager is entitled to receive the Management Fee and Performance Fee in respect of redeemed Participating Shares *pro rata* from all proceeds, including in-kind proceeds, the Manager will therefore retain any portion of any proceeds that are payable in-kind to pay any Management Fee and Performance Fee which is payable.

“New Issue” Trading

The Master Fund will trade in “new issues” (initial public offerings of equity securities). Certain Shareholders will be limited, under applicable FINRA rules, from participating in the profits and losses generated by “new issues.” In addition, the Fund may limit the participation of certain Shareholders in “new issues” to an extent not required by FINRA. Shareholders may receive “new issue” allocations that are disproportionate to such Shareholders’ respective proportionate Participating Shares, and those Shareholders that are restricted from participating in “new issues” will not be compensated in any respect for their capital in the Master Fund being used to acquire “new issues”, Please refer to the section headed “**Investment Program – New Issues**” for further information.

Compulsory Redemption

The Fund reserves the right to compel the redemption of any Participating Shares, with or without cause, on not less than five Business Days prior written notice and in accordance with the provisions of the Articles.

Except in relation to Participating Shares redeemed in the circumstances described in the section headed “**Suspensions and Restructures**”, the payment of redemption proceeds and the settlement of compulsory redemptions will be made in the same manner as voluntary redemptions.

The compulsory redemption price for a Participating Share will be the Redemption Price calculated as at the first Valuation Day following the decision of the Fund to redeem such Participating Shares on a compulsory basis. In this event, any compulsory redemption proceeds shall be paid net of: (a) all bank charges, administrative, fiscal and conversion expenses and charges incurred in effecting the redemption; and (b) the Management Fee and Performance Fee (if any) accrued in relation to the relevant Participating Shares being redeemed.

Communications Policy

When providing Subscription Agreements, Additional Subscription Agreements, Redemption Notices, requests to transfer Participating Shares or any other instructions (for example, but not limited to, notices of change of address) (“**Relevant Communications**”) to the Administrator and the Fund, potential investors and Shareholders must forward the Relevant Communications as follows:

- (a) for facsimile transmissions – at facsimile number +345 943 3703; or
- (b) for electronic mail transmissions – via electronic mail (provided that it contains a scanned copy of the relevant duly completed and signed document) to investorservices@ntrs.com. Electronic mail messages that do not contain a duly completed and signed document as an attachment will not be accepted.

Notwithstanding the method of communication that is utilised, the Fund and/or the Administrator reserve the right to ask for the production of original documents or any other information or documentation to authenticate the communication or satisfy any enquiry that they might have. In the event of the mis-receipt or corruption of any message, prospective investors and Shareholders will be required to re-send the documents. Prospective investors and Shareholders must use the prescribed form of document provided by the Fund in respect of the subscription, redemption or transfer of Participating Shares, unless such condition is waived by the Fund and/or the Administrator.

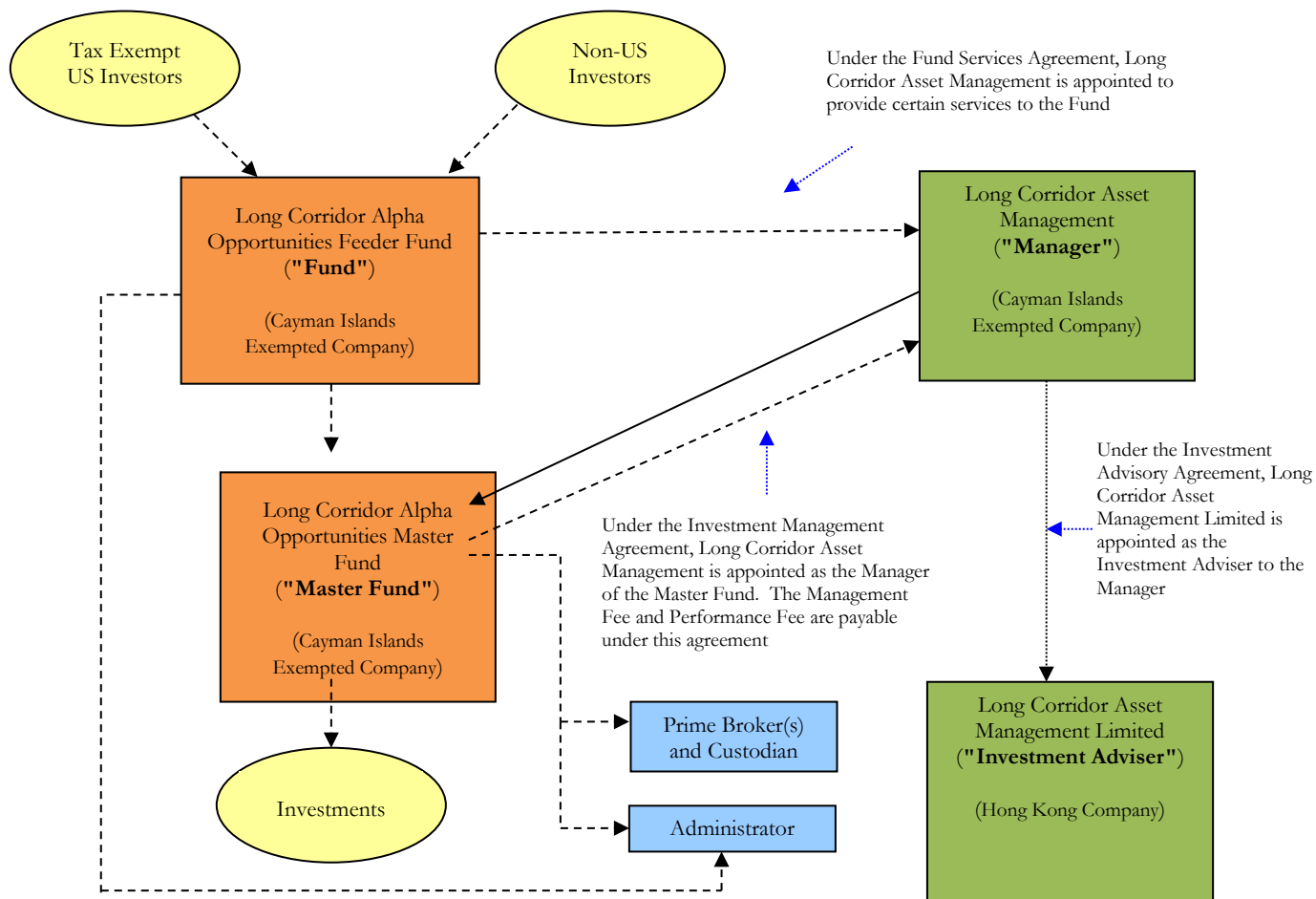
In the event that no acknowledgement is received from the Administrator within five Business Days of submission of the Relevant Communication, the relevant investor or Shareholder must contact the Administrator at telephone number +345 943 5499 to confirm receipt by the Administrator of the Relevant Communication.

Neither the Fund nor the Administrator will be responsible for any mis-delivery or non-receipt of any facsimile, electronic mail, mail or courier if they have not acknowledged receipt of the facsimile, electronic mail, or mailed or couriered original document. Any documents (including Relevant Communications) sent to the Fund or the Administrator shall only be effective when actually acknowledged by the Fund or the Administrator. By signing the Subscription Agreement, subscribers agree and acknowledge that no liability will be accepted by the Fund, the Administrator or their Affiliates in respect of documents that are submitted, but not acknowledged as received by the Fund or the Administrator, as the case may be.

MANAGEMENT AND ADMINISTRATION

Fund Structure

The following diagram summarises the structure of the Fund, the Master Fund and their management arrangements:



The Master Fund – Long Corridor Alpha Opportunities Master Fund

The Master Fund is an exempted company incorporated in the Cayman Islands with limited liability on 11 March 2013. The name of the Master Fund was changed from “Nine Masts Alpha Opportunities Master Fund” to “Long Corridor Alpha Opportunities Master Fund”. The Master Fund has elected to be classified as a partnership for US federal income tax purposes. The Fund invests substantially all of its assets through the Master Fund in a “master-feeder” arrangement. The Master Fund may also accept subscriptions by additional feeder funds, or by certain direct investors, from time to time. In the future, other investment vehicles that also feed into the Master Fund may be formed with different terms from those of the Fund, including different fees and redemption provisions. It is anticipated that another feeder fund may be established in the future to facilitate investments by US taxable investors, and that such feeder fund will also invest all the proceeds it receives from the issue of its participating shares in the Master Fund.

Trading is currently conducted at the Master Fund level or through specially created subsidiaries of the Master Fund. The Manager reserves the right to trade (subject to the prior approval of the Board) through additional specially created subsidiaries of the Master Fund or other vehicles to which Investments may be transferred, in the sole discretion of the Board, in consultation with the Manager, in the future.

The Board has delegated its investment discretion over the Master Fund's assets to the Manager pursuant to the terms of the Investment Management Agreement.

References throughout this Memorandum to the Fund's investment policies, strategies, restrictions, risks, trading and other related activities shall be construed as including reference to the Master Fund, unless the context otherwise requires.

Directors of the Master Fund

The directors of the Master Fund are Mr. James Xinjun Tu, Ms. Stacey Kirkconnell and Mr. Keith Chin.

The address of the directors of the Master Fund is Unit 3609, AIA Tower, 183 Electric Road, North Point, Hong Kong.

The rights, obligations, standard of liability and right of indemnification of the directors of the Master Fund are outlined in the articles of the Master Fund. The articles of the Master Fund also specify the manner in which the Board operates and how directors of the Master Fund may be appointed and removed.

A summary of the biographies of each of the directors of the Master Fund is outlined below.

James Xinjun Tu

Mr. Tu is the founder of Long Corridor Asset Management. He is a director of the Manager and the Investment Adviser and he is also a member of both the investment committee and the risk committee of the Investment Adviser.

Long Corridor is a spin-off of Nine Masts, started with a limited amount of capital from co-founders Mr. Bing Wang and Mr. Tu in 2010. It now manages more than \$1 billion. Mr. Tu was a key member of both the Nine Masts management committee that oversaw the firm's operations, and the investment committee that oversaw all risk-takers for the Nine Masts Investment Fund. In addition to his management role, Mr. Tu led an investment team that oversaw the convertible bonds, equity derivatives, and event portfolios that were instrumental to the firm's success. After Nine Masts Investment Fund reached critical mass, he led the inception of Nine Masts Alpha Opportunities Fund in 2013, for which he was the sole investment and risk officer. It subsequently spun out of Nine Masts.

He entered the finance industry in 1999 with Merrill Lynch Asset Management, trading US fixed income products, and completed all three levels of CFA examination in 2002. In the same year, Mr. Tu joined DKR Oasis as a trading assistant to the chief investment officer and focused on Japan equities, convertible bonds, and derivatives. In 2004, he moved to Hong Kong where he assisted in developing the Asia ex-Japan portfolio through investments in multiple-asset classes, contributing notably to the firm's PnL, and eventually managed his own book comprising convertible bonds, equities, and derivatives totalling over a billion dollars.

Mr. Tu graduated with a Bachelor of Arts in Economics from Rutgers University, New Jersey, in 1999.

Mr. Tu is appointed as the sole investment officer on behalf of the Investment Adviser with respect to the Fund and the Master Fund and is responsible for making investment decisions for the Investment Adviser with respect to the Fund and the Master Fund.

Stacey Kirkconnell

Ms. Kirkconnell is a director of HighWater Limited ("HighWater"), a wholly owned subsidiary of HighWater Partners Ltd., established in January 2007 and is currently licensed by the Cayman Islands Monetary Authority

to carry on the business of company management. HighWater's core business is the provision of independent directors and related services to the alternative investment industry.

Ms. Kirkconnell is a professional director licensed by the Cayman Islands Monetary Authority. She also serves as an independent director on a number of fund boards and investment management companies in the United States, the United Kingdom and Asia. She has accumulated considerable experience with corporate governance and regulatory compliance in advising boards across a broad range of hedge funds and private equity strategies.

Ms. Kirkconnell joined Richardson Greenshields of Canada Ltd. As an investment advisor in 1996. She later worked as a listing executive at the Cayman Islands Stock Exchange, and subsequently managed the SPV department of an administrator in the Cayman Islands. She trained and worked with the Boxalls Attorneys-at-law (now known as Ogier) until August 2003.

Ms. Kirkconnell is currently registered with the National Futures Association as a principal and an associated person. She holds National Commodity Futures Series 3 licenses as well as a number of securities and derivatives designations from the Canadian Securities Institute, and an advanced diploma in accounting. She obtained an LL.B (Hons) Law Degree from the University of Liverpool and a Professional Practice Certificate from Queens University Belfast.

She is a member of Cayman Finance Investment Funds Sub-Committee. She previously served as the deputy chairman of the Labour Tribunal of Grand Cayman in the year of 2017/18 and as a notary public in the Cayman Islands from 2004 to 2010.

Keith Chin

Mr. Chin is President of South Mission Online LLC, a specialist US retailer based in San Diego, California. During the period 2004-2009, Mr. Chin was Vice President of the e-commerce business Next Wave Marketing, directing operations and responsible for co-coordinating sales, business development, client servicing, and logistics. Prior to this, Mr. Chin spent four years with Bear Stearns Asset Management, New York in the field of trade reconciliation and allocation.

Mr. Chin has a Bachelor of Science in Economics and Computer Science from Rutgers University New Jersey.

Fund – Long Corridor Alpha Opportunities Feeder Fund

The Fund was incorporated in the Cayman Islands as an exempted company with limited liability on 11 March 2013. The name of the Fund was changed from “Nine Masts Alpha Opportunities Feeder Fund” to “Long Corridor Alpha Opportunities Feeder Fund”. The authorised share capital of the Fund is US\$50,000 divided into 100 non-participating voting Management Shares with a nominal or par value US\$1.00 each and 4,990,000 non-voting redeemable Participating Shares with a nominal or par value of US\$0.01 each.

The Directors have overall responsibility for managing the business of the Fund. The Directors may delegate certain functions to other parties which are subject to the overall supervision and direction of the Directors.

Directors of the Fund

The Directors are Mr. James Xinjun Tu, Ms. Stacey Kirkconnell and Mr. Keith Chin whose biographies are set out above.

The address of the Directors is Unit 3609, AIA Tower, 183 Electric Road, North Point, Hong Kong.

The rights, obligations, standard of liability and right of indemnification of the Directors are outlined in the Articles. The Articles also specify the manner in which the board of the Directors operates and how Directors may be appointed and removed.

The Manager – Long Corridor Asset Management

Long Corridor Asset Management is the manager of the Master Fund (in place of Nine Masts Capital Management) and provides certain services to the Fund under the Fund Services Agreement. The Manager was incorporated in the Cayman Islands as an exempted company with limited liability on 15 February 2018, and is registered with the Cayman Islands Monetary Authority as a Registered Person providing management services to the Master Fund pursuant to the SIB Act.

Director of the Manager

The director of the Manager is Mr. James Xinjun Tu, whose biography is set out above.

The address of the director of Manager is Unit 3609, AIA Tower, 183 Electric Road, North Point, Hong Kong.

Investment Management Agreement

The Master Fund has entered into an Investment Management Agreement with the Manager. That agreement provides that the Manager has discretionary power and authority (subject to the investment guidelines outlined in this Memorandum and the overall supervision and direction of the Board) to manage, supervise, select and evaluate Investments of the Master Fund. The Manager does not manage assets at the level of the Fund. There has been no delegation of asset management activities from the Fund to the Master Fund and no fees are payable by the Fund in connection with the management of Investments.

The Manager shall use its best endeavours not to undertake any activity on behalf of the Fund and/or the Master Fund or permit any act to be taken by its Affiliates, representatives, agents or delegates on behalf of the Fund and/or the Master Fund which would result in the Fund and/or the Master Fund being treated as carrying on a trade or business in Hong Kong.

The Investment Management Agreement includes specific provisions in relation to delegation of duties of the Manager, indemnities in favour of the Manager and the Master Fund, and termination arrangements.

A description of the fees and charges payable to the Manager under the Investment Management Agreement are outlined in the section headed “**Fees and Charges**”.

Fund Services Agreement

Under the Fund Services Agreement, the role undertaken by the Manager for the Fund is limited to activities connected with solicitation of subscriptions and various other administrative matters. The Manager does not take on an investment management role under the Fund Services Agreement.

The Fund Services Agreement contains similar provisions in relation to indemnification and termination arrangements as stated above in favour of the Manager and the Fund.

The Investment Adviser – Long Corridor Asset Management Limited

The investment adviser to the Manager is Long Corridor Asset Management Limited (“**Investment Adviser**”) (in place of Nine Masts Capital Limited). The Investment Adviser was incorporated in Hong Kong as a limited liability company on 28 February 2018. It is licensed with the Securities and Futures Commission of Hong Kong (“**SFC**”) to conduct Type 9 (Asset Management) regulated activities with CE Number BMW 115. The Investment Adviser is not registered under the US Advisers Act as an investment adviser but is registered as benefitting from the Private Fund Adviser Exemption, and is treated as an exempt reporting adviser. The Investment Adviser benefits from an exemption to registration with the National Futures Association (“**NFA**”) as a commodity trading adviser “**CTA**”.

Mr. James Xinjun Tu is the director of the Investment Adviser and his biography is set out above.

The address of the director of the Investment Adviser is Unit 3609, AIA Tower, 183 Electric Road, North Point, Hong Kong.

The Manager is licensed under the condition that: (1) the Manager shall only provide services to professional investors, as defined in the HK SFO and its subsidiary legislation; and (2) the Manager shall not hold client assets.

Investment Advisory Agreement

The relationship between the Manager and the Investment Adviser is governed by the Investment Advisory Agreement. The Investment Advisory Agreement includes specific provisions in relation to indemnities in favour of the Investment Adviser and the Manager, and termination arrangements.

A description of the fees and charges payable to the Investment Adviser under the Investment Advisory Agreement are outlined in the section headed “**Fees and Charges**”.

Prime Brokers

The Master Fund has appointed each of Merrill Lynch International (“**MLI**”), Goldman Sachs International (“**GS**”) and Deutsche Bank AG (“**DBAG**”) as Prime Brokers to the Master Fund with responsibility for custody of all the Master Fund’s assets. DBAG will be replaced by BNP Paribas London Branch (“**BNPP**”) as Prime Brokers to the Master Fund around the end of 2021. Each of DBAG, BNPP and MLI will provide settlement services and custody services for all the Master Fund’s Investments held by those entities in accordance with a separate International Prime Brokerage Agreement between the Master Fund and the respective Prime Broker named above (each an “**International Prime Brokerage Agreement**” and together the “**International Prime Brokerage Agreements**”).

Unless otherwise set out herein, no restrictions have been imposed by the Master Fund on the transfer and reuse arrangements that the Master Fund may employ as a means of reducing the cost of any counterparty providing financing to the Fund.

Merrill Lynch International (“MLI”)

The Master Fund has appointed Merrill Lynch International (“**MLI**”) as a Prime Broker and a custodian to the Master Fund (with responsibility for custody of all the Master Fund’s assets) pursuant to an International Prime Brokerage Agreement supplemented by MLI’s standard Terms and Conditions of Business. Under the terms of the International Prime Brokerage Agreement entered into between the Master Fund and MLI, MLI will provide settlement services and custody services for all the Master Fund’s Investments, including, but not limited to, the clearing and settlement of transactions, financing and securities lending and in connection therewith MLI will act as custodian of the Master Fund’s assets.

MLI will, in accordance with the rules of the FCA, identify, record and hold the Master Fund’s investments in such a manner that the identity and location of the investments can be identified at any time and so that such investments are readily identifiable as belonging to a customer of MLI and are separately identifiable from MLI’s own investments, and should therefore be unavailable to the creditors of MLI. However, owing to the nature of the law or market practice of jurisdictions outside the United Kingdom, MLI may believe that, in certain situations, either it is in the Master Fund’s best interest for the relevant investments to be registered or recorded in the name of MLI or in the name of a third party or, for reasons of applicable law and market practice, it is not feasible to do otherwise. In such circumstances, the Master Fund’s investments will or may be so registered or recorded. As a consequence, such investments may not be segregated from MLI’s own investments and, in the event of MLI’s default, may not be as well protected.

Any cash which MLI holds or receives on the Master Fund’s behalf will not be treated as client money and will not be subject to the client money protections conferred by the FCA’s client money rules. As a consequence, the Master Fund’s cash will not be segregated from MLI’s own cash and will be used by MLI in the course of its business, and the Master Fund will therefore rank as one of MLI’s general creditors in relation thereto.

MLI may hold the Master Fund’s investments with any person appointed by MLI as sub-custodian, including affiliates of MLI. MLI and such sub-custodian may deposit the Master Fund’s investments with any securities depositories on such terms as such systems customarily operate.

MLI shall be responsible, for the duration of the sub-custody arrangement, for satisfying itself as to the ongoing appropriateness of any such sub-custodian to provide custodial services to the Master Fund. MLI will periodically assess such sub-custodian and will make appropriate enquiries to confirm that the obligations of such sub-custodian continue to be competently discharged.

MLI shall not be liable for losses arising out of the acts or omissions of any sub-custodian that is not an affiliate of MLI, save where MLI has been grossly negligent in the selection of any such sub-custodian. MLI shall not be liable for the insolvency of any sub-custodian.

As security for the payment and discharge of all liabilities of the Master Fund to MLI, all investments and cash held by MLI will be charged by the Master Fund in favour of MLI and will therefore constitute collateral for the purposes of the FCA rules. Investments and cash may also be deposited by the Master Fund with MLI as margin and will also constitute collateral for the purposes of the FCA rules. In certain circumstances, investments which constitute collateral for the purposes of the FCA rules will not be segregated from MLI's own investments and may be available to creditors of MLI.

The Master Fund's investments held by MLI may be used by MLI for its own purposes or the purposes of any third party, whereupon such investments will become the property of MLI and the Master Fund will have a right against MLI for the return of equivalent assets. The Master Fund will rank as an unsecured creditor in relation thereto and, in the event of the insolvency of MLI, the Master Fund may not be able to recover such equivalent assets in full.

MLI will not be liable for any loss to the Master Fund resulting from any act or omission in relation to the services provided under the International Prime Brokerage Agreement entered into with MLI, unless such loss results from the gross negligence, wilful default or fraud of MLI or any of its affiliates. MLI will not be liable for the acts or omissions of any sub-custodian which is not an affiliate of MLI, save where MLI has been grossly negligent in the selection of any such sub-custodian. MLI will not be liable for the insolvency of any sub-custodian. The Master Fund has agreed to indemnify MLI and its affiliates against any loss suffered by, and any claims made against, them.

MLI is wholly owned indirect subsidiary of Bank of America Corporation, a publicly traded company which, together with its affiliates, provide a range of banking, investing, asset management and other financial and risk-management products and services. Bank of America Corporation stock is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange. At the date of this memorandum, Bank of America Corporation has a rating of Baa2. MLI is regulated in the United Kingdom by the FCA.

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

MLI will not participate in the investment decision-making process. The Master Fund reserves the right to change the prime brokerage and custodian arrangements described above by agreement with MLI and/or, in its discretion, to appoint additional or alternative prime broker(s) and custodian(s) without notice to holders of Participating Shares. Holders of Participating Shares will be notified in due course of any change to, or appointment of additional, prime broker(s) and custodian(s).

Goldman Sachs International (“GS”)

Goldman Sachs International has been appointed as a Prime Broker and Custodian to the Master Fund pursuant to a prime brokerage agreement and a number of product specific supplemental documents (together “**the 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 Master Fund, and clear and settle such orders and orders executed by other brokers. In addition, GS may enter into off-exchange contracts with the Master Fund as principal. GS will also provide the Master Fund with financing lines, and short selling facilities.

As Custodian, GS will be responsible for the safekeeping of all the investments and other assets of the Master 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 Master Fund and as separate from any of GS’ 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 Master Fund. The Custody Assets 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 Master Fund may share in that shortfall proportionately with GS’ other customers. Assets of the Master Fund held as collateral or margin are not required to be segregated and in the event of the GS’ 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 Master 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 Master 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 Master 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 Master Fund any rights it may have in respect of such act or omission. In the event that the Master Fund obtains legal advice that such assignment would be ineffective to enable the Master Fund to pursue its claim, then GS shall, subject to any internal approvals, not to be arbitrarily withheld or delayed, at the Master Fund’s expense, claim and pursue the appropriate damages or compensation from the sub-custodian or agent on the Master Fund’s behalf.

GS shall be liable for damage or loss only to Master 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 Master 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 Master Fund or that result from the proper performance of the GS’ obligations under the GS Prime Brokerage Agreement, except to the extent that the same is due to the negligence, fraud or wilful default of GS.

The Master Fund’s obligations to GS will be secured by way of a first fixed charge over the Custody Assets. In addition, the Master 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 Master Fund to GS free and clear of any liens, claims, charges or encumbrances or any other interest of the Master 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 Master Fund on satisfaction by the Master Fund of all its obligations to GS and its affiliates. The Master 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 Master 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 Master 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 Master Fund may not be able to recover such equivalent assets in full.

Cash held or received for the Master Fund will be treated by the GS as client money and will be subject to the client money protections conferred by the Client Money Rules of the FCA.

GS will have no decision-making discretion relating to the Master Fund's investments. Further, GS shall have no obligation to review, monitor or otherwise ensure compliance by the Master Fund with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Master Fund's offering document(s). GS is a service provider to the Master Fund and is not responsible for the preparation of this document or the activities of the Master Fund and therefore accepts no responsibility for any information contained in this document.

The Master 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 broker(s) and custodian(s).

Deutsche Bank AG ("DBAG")

The Master Fund has appointed Deutsche Bank AG, acting through its London Branch ("**DB**"), as Prime Broker under the terms of a prime brokerage agreement (the "DB Prime Brokerage Agreement"). The functions which DB will perform under the DB Prime Brokerage Agreement are the provision of custody, settlement, financing and reporting services to the Master Fund regarding the purchase and sale of Securities (as defined in the DB Prime Brokerage Agreement) entered into by the Master Fund with either third parties, DB or affiliates of DB. Financing purchases and sales includes both cash and Securities advances to the Master Fund at the discretion of DB.

DB will be responsible for the safekeeping of all Securities delivered to it in accordance with the applicable rules of the Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**"), the Prudential Regulation Authority ("**PRA**"), the FCA and the terms of the Agreement.

DB will be granted a security interest over the interests in and rights in relation to the securities recorded in the Securities account (as defined in the DB Prime Brokerage Agreement) as being held for the benefit of the Master Fund. The beneficial ownership thereof will remain vested in the Master Fund and such interests in and rights in relation to securities will be held in one or more segregated securities accounts, separately from DB's own assets and should (subject to any conflicting local legal and regulatory requirements in the jurisdiction of any relevant sub-custodian), whilst so held, be unavailable to the creditors of DB in the event of its insolvency.

Where DB arranges for Securities to be held through sub-custodians in overseas jurisdictions, there may be different settlement, legal and regulatory requirements that may apply from those applying in the United Kingdom, together with different practices for the separate identification of such Securities, and the Master Fund's rights relating to those Securities may differ accordingly.

Any cash transferred to or held by DB will not be treated as client money, but will be held as collateral and will not be subject to the client monies protections conferred by the FCA rules relating to client money. As a consequence, the Master Fund's money will be held by DB as banker and not as a trustee or agent DB will not be required to place the Master Fund's money in a segregated client account; the Master Fund's money will instead be used by DB in the course of its business, and the Master Fund will therefore rank equally with DB's other account holders in relation thereto.

Interests in and rights in relation to Securities recorded as being held in the Securities Account for the benefit of the Company will be held on trust for the Company and will be recorded and held in such a manner that they can be identified at any time as belonging to the Company and so as to be readily identifiable as such and as separate from DB's own securities. DB may (subject to local legal and regulatory requirements) hold Securities with a sub-custodian in a single account that is identified as belonging to customers of DB. DB will identify in its books and records that part of the Securities held by a sub-custodian as is held for the Company.

DB may, at all times, appropriate for its own account and deal with Securities recorded in the Securities Account as being held for the benefit of the Company. Securities so appropriated will continue to be recorded as being held in the Securities Account, however such Securities will become proprietary assets of DB, and DB will be contractually obliged to deliver Equivalent Securities to the Company pursuant to the Agreement.

DB will exercise reasonable skill, care and diligence in the selection of any sub-custodian, and shall be responsible to the Company for the duration of the sub-custody agreement for satisfying itself as to the ongoing suitability of the sub-custodian to provide custodial services to the Company. The level of assessment conducted with regard to the selection and supervision of an affiliated company as sub-custodian will be at least as rigorous as that performed on any non-affiliated company when determining its suitability. DB will maintain an appropriate level of supervision over the sub-custodian and will make appropriate enquiries periodically to confirm that the obligations of the sub-custodian continue to be competently discharged.

DB will be responsible for the acts of any sub-custodian or nominee which is an affiliated company or is controlled by an affiliated company (and therefore for losses to the Master Fund arising as a result of such acts) to the same extent as for its own acts, including any act or omission, fraud, negligence or wilful default. Where DB has appointed a sub-custodian or nominee which is not an affiliated company or controlled by an affiliated company, it will not be liable for any act or omission, or for the insolvency, of such sub-custodian or for any loss arising therefrom.

The Master Fund has agreed to indemnify DB against any expenses, costs, losses, damages and liabilities which DB may sustain in connection with providing services under the DB Prime Brokerage Agreement.

DB will not provide investment advisory or discretionary management services to the Master Fund. DB will act strictly in accordance with instructions received from the Master Fund.

Deutsche Bank AG has been assigned a credit rating and as at the date of this prospectus the financial resources of Deutsche Bank AG exceed US\$200 million.

Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank) and, in the United Kingdom, by the PRA. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the PRA and the FCA.

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

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

The DB Prime Brokerage Agreement between the Master Fund and DB may be terminated by either party serving written notice of termination on the other.

BNP Paribas London Branch (“BNPP”)

Pursuant to a prime brokerage agreement (the “**BNPP Prime Brokerage Agreement**”) between the Master Fund and BNP Paribas, London branch (“BNPP”), BNPP will be appointed as prime broker and custodian of the assets of the Master Fund around the end of 2021. The services rendered by BNPP may include inter alia the provision of margin financing, clearing, settlement, stock lending and foreign exchange facilities. The Master Fund may also utilize BNPP, other members of the BNPP Group (“**Affiliated Companies**”) and other brokers and dealers for the purposes of executing transactions for the Master Fund.

BNPP has entered the Temporary Permissions Regime (the “**TPR**”) provided for in UK legislation from 31 December 2020. As a result of entering the TPR, certain additional Prudential Regulation Authority and Financial Conduct Authority rules and certain UK-onshored EU legislation now apply to BNPP and the services BNPP provides. During the TPR, BNPP continues to apply 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 2014/65/EU and 2017/593/EU.

As custodian, BNPP will in accordance with the AMF General Regulations, identify in its books and records the investments of the Master Fund held by it as custodian in such a manner that the investments of the Master Fund shall be at any time and without delay identifiable as belonging to, and held for the benefit of, the Master Fund. The investments of the Master 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 Master Fund with a sub-custodian, including Affiliated Companies or a person connected with BNPP (“**Sub-Custodians**”). BNPP will require that any Sub-Custodian appointed by it will identify in its books and records that the investments belong to the Master 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 Master 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 Master Fund’s best interests to register the Master 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 Sub-Custodian and will be responsible to the Master 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.

Any cash held or received for the Master Fund by BNPP shall be held by BNPP as banker. Accordingly, the Master Fund’s cash will not be held by BNPP as a trustee or agent and will not be segregated from the cash of BNPP and such cash may be used by BNPP in the course of its business and the Master 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 Master Fund to BNPP and the Affiliated Companies, the Master Fund shall charge all investments and cash held by BNPP or any Affiliated Company in their favour as more fully set out in the BNPP 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 Master Fund will have a right against BNPP for the return of equivalent assets. The Master 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 Master Fund may not be able to recover such assets in full.

Neither BNPP nor any of the Affiliated Companies will be liable for any loss suffered by the Master Fund or for any action taken or not taken in relation to the services provided under the BNPP 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 Master 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 BNPP Prime Brokerage Agreement.

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

Subject to each other provision in this Agreement, the arrangements set out in this Agreement may be terminated by either party serving written notice of termination on the other, such termination becoming effective on the date as stated in such notice, provided that either such termination shall not affect any Transaction or any obligation under this Agreement (including that of indemnity) which is then outstanding and the provisions of

this Agreement shall continue to apply to each such Transaction and each obligation until all the obligations of each party to the other under this Agreement and each such Transaction have been fully performed.

BNPP is authorised and regulated by the European Central Bank and the Autorité de contrôle prudentiel et de résolution. Deemed Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. BNP Paribas London Branch is registered in the UK under number FC13447. UK establishment number: BR000170. UK establishment office address: 10 Harewood Avenue, London NW1 6AA.

BNPP is a service provider to the Master Fund and has no responsibility for the preparation of this document or the activities of the Master 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 Master Fund's investment decision-making process.

Administrator

Northern Trust Global Fund Services Cayman Limited is the Administrator for the Fund and the Master Fund. The Administrators, affiliates of The Northern Trust Company, are companies that provide services to alternative investment vehicles, including hedge funds that may be competitors of the Fund and the Master Fund.

The Administrators provide certain Services typical of a fund administrator and those Services are set out with specificity in the professional services agreement with the Fund and the Master Fund (the "Administration Agreement"). The Administrators have no implied duties and the Services are not exclusive to the Fund and the Master Fund. The Administrators may employ agents or delegate or sub-contract certain of their duties or functions under the Administration Agreement.

The Administrators shall rely on valuations of Fund investments provided by or on behalf of the Fund and the Master Fund, even though such valuations may (i) be unsubstantiated and unsupported and/or (ii) vary (whether significantly or not) from those used by other affiliated or unaffiliated clients of the Administrators or available pricing vendors. The Administrators do not determine the propriety or accuracy of the prices and/or other valuation data provided to them by or on behalf of the Fund and the Master Fund and the Administrators are entitled to and does rely solely on the prices and other valuation data provided to them by or on behalf of the Fund and the Master Fund without independent verification.

The Administrators: (i) are not responsible for any trading decisions of the Fund and the Master Fund; (ii) may rely upon all information provided to it by the Fund and the Master Fund or their agents; (iii) are entitled to rely on instructions from the Fund and the Master Fund; and (iv) are not responsible for determining whether the Fund and the Master Fund are in compliance with the investment guidelines and restrictions set forth in the Memorandum, or for monitoring the terms of any side letters or similar agreements with an investor.

The Administration Agreement does not create any contractual rights against, or right to rely upon, the Administrators by any investor in the Fund and the Master Fund. The Administrators are not fiduciaries of the Fund and the Master Fund or any investor in the Fund and the Master Fund. The Administrators shall not be liable for any losses or damages arising from any act or omission of the Administrators unless such act or omission is due directly to the Gross Negligence, fraud or willful misconduct of the Administrators. The aggregate liability of the Administrators for any losses or damages arising out of the Agreement is set forth in the Administration Agreement. The Administrators shall not be liable to the Fund and the Master Fund or to any investor for any special, indirect, punitive, incidental or consequential damages.

The Fund and the Master Fund are obligated to indemnify the Administrators and their affiliates against all claims and liabilities that arise out of the business of the Funds' or the Administrators' performance of the services so long as the conduct of the Administrators or their affiliates giving rise to such claims or liabilities did not constitute negligence, willful misconduct or breach of the agreement.

Legal Advisers to the Fund

DLA Piper Hong Kong serves as Hong Kong law counsel and US law counsel to the Fund and the Master Fund in connection with the preparation of this Memorandum. DLA Piper Hong Kong may continue to serve in such capacity in the future, but has not assumed any obligation to update this Memorandum. DLA Piper Hong Kong may advise the Fund and the Master Fund on matters relating to the operation of the Fund and the Master Fund on an ongoing basis. DLA Piper Hong Kong does not represent and has not represented the potential investors of the Fund in the course of the organisation of the Fund, the negotiation of its business terms, the offering of the Participating Shares or in respect of its ongoing operations.

Maples and Calder (Hong Kong) LLP (“**Maples**”), acts as Cayman Islands legal counsel to the Fund and the Master Fund. In connection with the Fund’s offering of Shares and subsequent advice to the Fund and Master Fund, Maples will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Maples’ 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 has not been consulted. In addition, Maples does not undertake to monitor compliance by the Investment Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Maples’ 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 Memorandum. In the course of advising the Fund, there are times when the interests of Shareholders may differ from those of the Fund. Maples does not represent the Shareholders’ interests in resolving these issues. In reviewing this Memorandum, Maples 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.

Auditors

Ernst & Young Ltd., Cayman Islands have been appointed as the Auditors for the Master Fund and the Fund.

The engagement letter entered into between the Master Fund and the Fund and Ernst & Young Ltd., Cayman Islands, contains provisions limiting the liability of Ernst & Young Ltd., Cayman Islands arising out of or in connection with the engagement except to the extent finally determined to have resulted from the wilful default or fraudulent act of Ernst & Young Ltd.

Other release and indemnity provisions are also contained in the engagement letter relating to consequential loss, third party claims and fraudulent acts or omissions, misrepresentations or wilful default on the part of the Master Fund and the Fund, its directors, management, employees or agents. The engagement letter also requires that any claim arising in connection with the engagement be brought against Ernst & Young Ltd. within a specific time frame.

Changes in Service Providers

The Fund, in its sole discretion, may change, remove and/or appoint such service providers to the Fund as it determine appropriate from time to time, subject to compliance with the Articles.

FEES AND CHARGES

Manager's Fees

Subject to the below specific fee arrangements of Class A4 Participating Shares, the Manager is entitled to both a Management Fee and a Performance Fee from the Master Fund.

The investment in each Series of Participating Shares in the Fund is represented by a corresponding Series of Participating Shares in the Master Fund. The Management Fee and the Performance Fee described below is paid by the Master Fund from each Master Fund Series and are therefore borne economically by the corresponding Series in the Fund.

Participating Shares

Management Fee

At each Valuation Point, a management fee (the “**Management Fee**”) with respect to the relevant Series of Participating Shares of the Master Fund shall be calculated at an annual rate equal to a percentage amount of the NAV of such Series in each Class, as set out in the table below:

Classes of Participating Shares	Management Fee (percentage of the NAV of the Series in the relevant Class of the Master Fund) (%)
Class A2	1.5
Class A3	Class A3 Management Fee Rate (ranging from 1.25 to 1.8)
Class A4	1*
Class A5	2
Class B	1.5
Class C	0

The Management Fee rate applicable to Class A3 Shareholders (“**Class A3 Management Fee Rate**”) shall be determined based on the aggregate amount of subscriptions of Class A3 Participating Shares as set out in the following table, provided that if the aggregate amount of subscriptions of Class A3 Participating Shares increases or reduces, any change to the applicable Class A3 Management Fee Rate shall apply with respect to the installments of the Management Fee that become payable following such increase or reduction:

Aggregate amount of subscriptions of Class A3 Participating Shares (USD, determined as of each Valuation Point)	Class A3 Management Fee Rate (percentage of the NAV of the Series in Class A3 of the Master Fund) (%)
Less than USD500 million	1.8
USD500 million to USD1 billion	1.5

Greater than USD1 billion	1.25
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For Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares and Class B Participating Shares, the Management Fee is calculated as at each Valuation Point, will accrue daily and will normally be paid by the Master Fund to the Manager on a calendar quarterly basis in arrears within 14 Business Days of the relevant Valuation Day or finalisation of the calculation of the Net Asset Value of the Participating Shares referable to the relevant Valuation Point.

No fee is payable to the Manager by the Fund in connection with the management of the Fund.

The Manager will pay the fees of the Investment Adviser out of the Management Fee and/or the Performance Fee received by the Manager and such fees will not constitute an additional charge to investors. Such investment advisory fees are calculated in accordance with the terms of the Investment Advisory Agreement.

Performance Fee

The Master Fund will pay an annual Performance Fee to the Manager. The Performance Fee shall be equal to a percentage of the appreciation of the NAV per Participating Share of each Series (before the deduction or accrual of the Performance Fee) above the High Water Mark for such Series multiplied by the number of Participating Shares outstanding in such Series. The percentage rate of the Performance Fee for the Series in respect of the relevant Class is set out in the following table:

Class of Participating Shares	Performance Fee (percentage of the appreciation in the NAV per Participating Share of the Series in the relevant Class of the Master Fund above the High Water Mark) (%)
Class A2	20
Class A3	20
Class A4	30*
Class A5	20
Class B	15
Class C	0

"**High Water Mark**" in respect of a Participating Share of a particular Class or Series in the Master Fund is the higher of:

- (a) the highest Net Asset Value per Participating Share of the relevant Class or Series in the Master Fund (after accrual of the Performance Fee for such Performance Period, if any) as at the last Valuation Point of any previous Performance Period during which such Participating Shares were in issue and the Performance Fee was charged; and
- (b) the Subscription Price per Participating Share of the relevant Class or Series in the Master Fund on the date such Participating Shares were first issued.

The Performance Fee for each Series of Participating Shares of the Master Fund that is subject to a Performance Fee will accrue as at each Valuation Point and will usually be paid within 30 Business Days of the end of each Performance Period. Notwithstanding the foregoing, where Participating Shares are redeemed part way through

a Financial Year (such day being the end of the relevant Performance Period), the Performance Fee in respect of the Participating Shares redeemed will be calculated as at the Valuation Point relating to the Redemption Day. The total Performance Fee accrued in respect of the Participating Shares being redeemed will usually be paid within 30 Business Days of the Redemption Day and will be deducted from the redemption proceeds payable to the relevant Shareholder in respect of the redeemed Participating Shares.

If the Investment Management Agreement is terminated before the last Business Day of a Performance Period, the Performance Fee in respect of the then current Performance Period will be calculated and paid as though the date of termination of the Investment Management Agreement were the end of the relevant Performance Period.

As soon as practicable after the end of a Performance Period, all Participating Shares in all Series which have borne a Performance Fee in respect of the relevant Performance Period will normally be consolidated into a single Series, being the oldest Series to have borne a Performance Fee in respect of the relevant Performance Period. The High Water Mark for all Participating Shares of this consolidated Series will be the Net Asset Value per Participating Share of the consolidated Series as at the Valuation Point of consolidation. The consolidation may result in the number of Participating Shares held by a Shareholder changing, but the value of the Shareholder's investment will not change due to the consolidation.

**Specific Fee Arrangements of Class A4 Participating Shares*

For Class A4 Participating Shares, where the NAV per Class A4 Participating Share (before the deduction or accrual of the Performance Fee) is above the High Water Mark, the Shareholders will receive the higher of:

- (a) the Performance Fee equal to a percentage of the appreciation of the NAV per Class A4 Participating Share (before the deduction or accrual of the Performance Fee) above the High Water Mark multiplied by the number of outstanding Class A4 Participating Shares; or
- (b) the accrued Management Fees of Class A4 Participating Shares in respect of such Performance Period.

In the circumstance, the Shareholder shall not receive both the Management Fee and the Performance Fee at the same time.

Rebate of Fees

The Manager may from time to time in its sole and absolute discretion, and out of the Master Fund's resources, rebate to some or all of the Shareholders or their agents or to intermediaries, part or all of the Management Fee and/or Performance Fee. Any such rebates may be applied in paying up additional Participating Shares to be issued to the Shareholders. Any additional Participating Shares that are subscribed in this manner will be issued at the latest available Subscription Price as at the date of acceptance of the completed Additional Subscription Agreement by the Fund.

The Fund may issue Classes with respect to which the Management Fee and/or the Performance Fee is reduced or waived, and may permit certain Shareholders to participate in the Fund on different terms than other Shareholders, in each case as set out in a separate supplement to this Memorandum.

Prime Broker Fees

Each Prime Broker is compensated for its services pursuant to the terms of each International Prime Brokerage Agreement.

Administration Fees

The Administrator is compensated for its services in accordance with the terms of the Administration Agreement.

Expenses of the Initial Offer

The Master Fund is responsible for paying the preliminary expenses of, and incidental to, the initial offer of Participating Shares. These preliminary expenses include, among other things, expenses relating to the establishment of the Fund and the Master Fund in the Cayman Islands, the registration of the Fund and the

Master Fund as a mutual fund in the Cayman Islands, the negotiation and preparation of the contracts to which the Fund or the Master Fund, as the case may be, is a party, the costs of drafting, designing and printing this Memorandum and the fees and expenses of its professional advisers. The preliminary expenses, which are estimated to amount to approximately US\$60,000, will be borne by the Master Fund. These expenses are being amortised on a straight-line basis over a period of 60 months from the launch date of the Fund, unless the Board decides that some other amortisation method shall be applied. A redeeming Shareholder may be charged its *pro rata* share of any organisational expenses that remain unamortised at the time of redemption.

It should be noted that the proposed treatment of amortising the preliminary expenses and costs over five years is not in accordance with the requirements of US GAAP, under which the preliminary expenses and costs should be expensed at the point of commencement of the Master Fund's operations. The Board believes that such treatment is more equitable to the initial investors than expensing the entire amount as it is incurred and are of the opinion that the departure is unlikely to be material to the Fund's and/or the Master Fund's financial statements. However, if the amounts involved are material to the audit of the Fund's and/or the Master Fund's financial statements, the Directors and/or the Board may be required to make adjustments in the annual financial statements of the Fund and/or the Master Fund to comply with US GAAP, and if relevant will include a reconciliation note in the financial statements to reconcile amounts shown in the annual financial statements determined under US GAAP to those arrived at by applying the amortisation basis to the Master Fund's preliminary expenses and costs.

Operating Expenses

The Master Fund will bear all of the on-going fees and expenses incurred in its and the Fund's operation including legal, accounting and other professional fees and expenses.

In addition, the Master Fund will bear the operating expenses including, but not limited to those listed below. Stamp duties, taxes, commissions, government and fiscal charges, foreign exchange costs, annual fees, brokerages, bank charges, registration, licensing, filing and collection fees will be borne by the Master Fund. Insurance, safe custody, transport, storage, handling and security costs of Investments, legal and recording fees and expenses, custodial expenses, expenses connected with the issue and redemption of Participating Shares will also be the responsibility of the Master Fund.

The Master Fund will bear the fees and expenses of the Auditor, the Prime Brokers, the Administrator and legal advisers (associated with establishing and/or maintaining the Fund which includes the negotiation and preparation of contracts or agreements to which the Fund is a party) and certain other expenses incurred in the administration of the Fund including expenses incurred in the acquisition, holding, registration, exchange, divestment and disposal of Investments such as the costs and expenses incurred in establishing and maintaining special purpose subsidiaries of the Master Fund, and special purpose liquidating trusts.

Without limiting the foregoing, the Master Fund will bear all investment related expenses (i.e., expenses which the Board or the Manager reasonably determine to be directly related to the Investment of the Master Fund's assets, such as brokerage commissions, clearing and settlement charges, bank service fees, spreads, interest expenses, borrowing charges, and short dividends and other investment expenses). The costs and expenses of entering into and utilising credit facilities and structured notes, or other instruments, authorised agent fees, the Manager's legal expenses incurred in relation to the operations of the Fund and the Master Fund, advisory board fees and expenses, if any, fees and expenses of the registered office provider and retention of directors' services, and any extraordinary expenses, such as expenses incurred in relation to dispute settlement, litigation and indemnification of the Fund will also be borne by the Master Fund on this basis.

In addition, specific expenses incurred in obtaining systems, research and other information utilised for portfolio management purposes that facilitate valuations and accounting, including the costs of statistics and pricing services (to the extent that such expenses can reasonably be regarded as relating to the activities of the Fund or the Master Fund) will be borne by the Master Fund, as will all expenses of, or incidental to, convening, attending and holding meetings of Shareholders and of the Directors including without limitation the expenses of and incidental to producing, printing and posting or otherwise sending notices of meetings and any documents enclosed with such notices or designed to be read in conjunction with such notices, all reasonable out-of-pocket expenses incurred in relation to finding, investing and acquiring proposed Investments and in monitoring

Investments. This will include third party due diligence expenses, data processing costs and expenses, quotation and news services, ongoing sales and administrative expenses.

The Master Fund will also bear the costs of preparing, printing and distributing valuations, financial statements, this Memorandum (as may be amended from time to time), accounts and reports together with any other costs associated with providing information about the Fund and its Investments to Shareholders.

Except for those expenses that are reimbursable to the Manager under the Investment Management Agreement, the Manager will render its services to the Fund and the Master Fund at its own expense, including in respect of all overhead expenses of an ordinary and recurring nature such as office rent, furniture and fixtures, salaries, entertainment expenses and employee insurance.

The Master Fund will bear all of its operating costs subsequent to its incorporation. The Master Fund's expenses will include expense items incurred by the Fund (or other feeder funds) for the purposes of determining NAV and appreciation (for the purposes of calculating the Management Fee and Performance Fee).

The Directors are responsible for the overall management and control of the Fund and the Master Fund in accordance with the Articles. The Directors will review the operations of the Fund and the Master Fund at regular meetings and it is the current intention of the Directors to meet at least quarterly in the case of both the Fund and the Master Fund. For this purpose, the Directors will receive periodic reports from the Manager and/or the Investment Adviser detailing the performance of the Master Fund and providing an analysis of its investment portfolio. The Manager, the Investment Adviser and the Administrator will provide such other information and reports as may from time to time be reasonably required by the Directors for the purpose of such meetings.

Attribution of Costs and Expenses

The Directors and the Board may determine the manner in which fees payable to any service provider appointed by the Fund or the Master Fund, and the costs of (and any profits and/or losses arising from) any currency hedging may be levied or charged against any Class and Series. The assets, profits, gains, income, liabilities, losses and expenses attributable to a particular Class and Series shall be applied to the separate accounts established by the Directors and/or the Board for each separate Class and Series of Participating Shares relating to such Class and Series at the end of each Financial Year.

In the case of any asset or liability (including any expense) of the Fund that the Directors or the Board do not consider is attributable to a particular account, the Directors or the Board (as appropriate) will allocate such asset or liability among the accounts in proportion to the NAV of each Class and Series. Shareholders of each Class and Series will bear the fees and costs and any profits and/or losses determined by the Directors to be attributed to such Class and Series.

The Master Fund does not plan to pay placement commissions out of its net assets. Financial institutions may, however, receive retrocessions with respect to subscriptions submitted through them, in which case only the net amount received or retained by the Master Fund will be invested in Participating Shares. The Manager may compensate placement agents or others for introducing investors to the Master Fund. It also may take such introductions into account as a factor in the selection of brokers to execute portfolio transactions for the Master Fund.

Directors

The independent directors of the Fund and the Master Fund are entitled to remuneration and may also be paid all reasonable hotel and other related expenses properly incurred by them in attending meetings of the Directors or the Board, any committee of the Directors or the Board, any general meeting or any other meeting held in connection with the business of the Fund or Master Fund.

Commission Sharing Arrangements

The Manager, the Investment Adviser and their Affiliates do not, and will not, receive cash or other rebates from brokers or dealers in respect of transactions from the Master Fund. However, they may enter into commission

sharing arrangements under which commissions generated by the Master Fund's transactions are used to obtain goods and services provided to the Manager, the Investment Adviser or their respective Affiliates but which can reasonably be expected to benefit the Master Fund as a whole and which may contribute to an improvement in the Master Fund's performance. They may also enter into commission sharing arrangements that facilitate the provision of services to the Master Fund by the Manager, the Investment Adviser or any of their Affiliates, although the Master Fund may not necessarily, in any particular instance, be the direct or indirect beneficiary of the research services provided. The Manager will comply with applicable regulatory rules and industry standards applicable to such commission sharing arrangements. Goods and services that the Manager may receive through these commission arrangements include specific advice as to the advisability of dealing in, or as to the value of, any Investments, research services, economic and political analysis, portfolio analysis and market analysis, data and quotation services, computer software, short term custodial services, and other analyses and services to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis. The providers of these goods and services may include Affiliates of the Manager and/or the Investment Adviser.

The Manager will generally use reasonable best efforts to ensure the use of commissions to pay for research products or services will fall within the safe harbour created by Section 28(e) of the US Exchange Act. For example, the Manager will not use commissions to obtain travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employee salaries or direct monetary payments.

Under Section 28(e), research obtained with commissions generated by the Master Fund may be used by the Manager to service accounts other than the Master Fund. Section 28(e) does not provide a "safe harbour" with respect to transactions effected on a principal basis (with the exception of certain riskless principal transactions), or transactions effected in futures, currencies or certain derivative instruments. Except as provided in the following paragraph, where a product or service obtained with commissions provides both research and non research assistance to the Manager, the Manager will make a reasonable allocation of the cost, which may be paid for with commissions.

Commissions generated by the Master Fund may also be used to pay for items not falling within the Section 28(e) "safe harbour" if they are being used solely to pay for items that would otherwise constitute an expense of the Master Fund. For example, the Manager may use commissions to pay for items such as the fees of the Administrator, which are an expense of the Master Fund.

If the Manager or the Investment Adviser enter into a commission sharing arrangement with an Affiliate that is a broker, the nature of the benefits for which the Master Fund is charged, as well as the value and method of calculation of the expense, will be disclosed.

Commission Rebates and Soft Commission

The Manager or the Investment Adviser and/or any company associated with it may enter into portfolio transactions for or with the Fund and/or the Master Fund either as agent or deal as a principal with the Fund and/or the Master Fund in accordance with normal market practice, provided that commissions charged to the Fund and/or the Master Fund in these circumstances do not exceed customary full service brokerage rates.

The Manager or the Investment Adviser shall be entitled to receive goods and services (referred to as "soft-dollars") from, or enter into soft-dollar arrangements with brokers or dealers who execute trades on behalf of the Fund and/or the Master Fund provided that the soft-dollars received are expected to assist the Manager or the Investment Adviser in the provision of fund management or advisory services to the Fund and/or the Master Fund. The Manager or the Investment Adviser will comply with applicable regulatory and industry standards on the types of goods and services which constitute acceptable soft-dollars.

In selecting brokers and negotiating commission rates, the Manager or the Investment Adviser will take into account the financial stability and reputation of brokerage firms, the brokerage, research and related execution services provided by such brokers, although the Fund and/or the Master Fund may not, in any particular instance, be the direct or indirect beneficiary of the research or related services provided. Finally, it is noted that since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

The Directors of the Fund and/or the Master Fund reserve the right, in their sole discretion, to change its brokerage and custodial arrangements without further notice to Shareholders.

VALUATION

Calculation of Net Asset Value

Net Asset Valuation

The Net Asset Value of each of the Fund and the Master Fund, each Class, each Series and the Net Asset Value per Participating Share will be calculated by the Administrator, in the manner described below at each Valuation Point on each Valuation Day and/or at such other time or times as the Directors and/or the Board, in consultation with the Manager, may determine.

The respective Net Asset Values shall be determined, in US\$, at all relevant times in accordance with the articles on the basis of the value of the Fund's interest in the Master Fund.

The Net Asset Value per Participating Share of any Class or Series as at a given Valuation Point shall be the Net Asset Value of such Class or Series divided by the number of Participating Shares of such Class or Series in issue as at such Valuation Point. For the avoidance of doubt, the Net Asset Value of a particular Class or Series will take into account the value of any assets referable to that Class or Series that have been transferred to, or are held by any special purpose liquidating trust or other vehicle or liquidating account which may be established by the Master Fund (refer to the section headed "**Suspensions and Restructures - Use of Special Purpose Vehicles**" for further details of such vehicles).

The Directors and/or the Board have delegated to the Administrator responsibility for the determination of the Net Asset Value of the Fund and/or the Master Fund and the Net Asset Value per Participating Share of each Class and Series, if applicable, subject to the overall supervision and direction of the Directors and/or the Board. The Manager has directed the Administrator to source pricing for the Master Fund and the Fund daily in accordance with valuation policy, as set out below, and in accordance with US GAAP. The valuation policy, as summarised below, together with the Administrator's pricing matrix, provides guidance in relation to the Master Fund's and the Fund's pricing of specific securities, quotation sources, frequency of valuations and arbitration of prices as agreed to by the Manager and the Administrator. The Administrator will source pricing for instruments using market data as directed by the Manager in the manner outlined below. The Administrator is responsible for: (a) managing daily price validation and quality control procedures in the manner described below; and (b) price verification and validation of materials in support of the final closing package. In determining the Net Asset Value of each of the Fund and the Master Fund and the Net Asset Value per Participating Share of each Class and Series, the Administrator will follow the valuation policies and procedures adopted by the Master Fund as set out below.

Prices may fail to load from the agreed upon pricing source for a number of reasons e.g. missing identifiers, illiquid securities with no current vendor price, etc. Checks are in place to ensure that these failures are kept to a minimum. The Administrator will use commercially reasonable efforts to resolve exceptions on T+1. In the event that a current vendor price is not available, with the exception of month end, should an exemption occur the Administrator will roll the prior day price for up to 30 days. If the end-of-the-day price is outside of a specified threshold and the Manager disagrees with the vendor, the Manager shall provide evidence of an alternative mark and the Administrator will follow up with the vendor and request that the vendor substantiate its price. The Manager and the Administrator will use reasonable efforts to reach agreement based on evidence. However, in the event that the Administrator and the Manager cannot agree on a valuation, this will be referred to the Board and/or the Directors by the Manager. The Board and/or the Directors will review the pricing valuation support provided by the Administrator sourced from vendors and the Manager to determine a price for the security. The Manager and the Administrator will participate in the review of the Master Fund and the Fund valuation at each month end. The Administrator will work with vendors to value the Master Fund's and the Fund's portfolio in accordance with the valuation policy outlined below and compare the market value impact of price overrides by the Fund and/or the Master Fund or Manager. Where the Manager determines that the vendor pricing is not indicative of fair value, the Manager may upload an override price to be used in the valuation of the Master Fund's and the Fund's portfolio provided that: (a) all required price support is received; and (b) the relevant fund documents allow for such override.

For the purpose of calculating the Net Asset Value of each of the Fund and the Master Fund, the Administrator shall be entitled to rely on, and will not be responsible for the accuracy of, financial data furnished to it by the Manager, the Prime Brokers and/or any independent third party pricing service providers. If and to the extent that the Manager is responsible for, or otherwise involved in, the pricing of any of the Fund's and the Master Fund's securities or other assets, the Administrator may accept, use and rely on such prices in determining the Net Asset Value of the Fund and the Master Fund and shall not be liable to the Fund and the Master Fund, any investor in the Fund, the Directors, the Board, the Manager or any other person in so doing.

The Net Asset Value of the Master Fund will be determined by the Administrator, in consultation with the Board, as at the valuation point relating to each dealing day for the Master Fund in accordance with its articles of association, which provide (*inter alia*) that:

- (a) the assets of the Master Fund shall be deemed to include, without limitation: (i) all cash on hand or on deposit, including any interest accrued thereon; (ii) all bills and demand notes and accounts receivable, including the proceeds of Investments and other assets sold but not delivered; (iii) all Investments and other assets owned or contracted for by the Master Fund; (iv) the Master Fund's interest in any funds; (v) all dividends and distributions payable in stock, cash or other property receivable by the Master Fund, provided that the Master Fund may make adjustments with respect to fluctuations in the market value of Investments caused by trading ex-dividend or ex-rights or by similar practices; (vi) all interest accrued on any interest-bearing instruments owned by the Master Fund, except to the extent that the same is included or reflected in the valuation of such instruments; and (vii) all other assets of every kind and nature, including prepaid expenses, it being understood that the goodwill of the Master Fund shall be deemed to have no value;
- (b) the liabilities of the Master Fund shall be deemed to include, without limitation: (i) all loans, bills and accounts payable; (ii) all accrued or payable expenses and fees chargeable to the Master Fund including dividends declared but unpaid (provided that expenses of a regular or recurring nature may be calculated on an estimated figure for yearly or other periods in advance and accrued over any such period) and accrued amounts payable or allocated (as applicable) to the Manager, including the Performance Fee; (iii) gross acquisition cost of Investments and other property contracted to be purchased; (iv) such sum, if any, as the Board considers appropriate to allow for brokerage, stamp duty and any other governmental tax or charges; (v) dividends declared on shares of any Class or Series, but not yet paid; (vi) accrued Management Fee and Performance Fee; and (vii) all other liabilities, including unknown or unfixed contingencies, preliminary expenses incurred in or about the formation and establishment of the Master Fund (apportioned in accordance with the relevant provisions in the Articles) and such reserves as the Board may reasonably deem advisable. In the event any liability is not payable until some future time after the Master Fund's valuation day, the Board may from time to time make such allowance as is considered appropriate to reflect the true current value thereof; and
- (c) the value of the Master Fund's holdings of Investments shall be calculated by the Administrator, in consultation with the Board, from time to time, in accordance with the valuation methodology set out below:
 - (i) equities comprising of ADRs will be priced as follows: (a) for ADRs that have one-way convertibility (ADR to local securities): (1) ADRs trading at a discount to the local securities will be priced to parity; and (2) ADRs trading at a premium to the local securities will be priced at the close of the relevant exchange; and (b) ADRs with two-way convertibility will be priced to parity. If no current primary price is available, such securities will be priced using the composite price on the relevant Valuation Day. Securities listed on foreign securities exchange will be priced according to United States business day conventions;
 - (ii) equities comprising of warrants, ETFs, TRSs, PFDs, CFDs and futures, will be priced using their final closing price of the primary listing on the relevant Valuation Day. If no current primary price is available, such securities will be priced using the composite price on the relevant Valuation Day. Securities listed on foreign securities exchange will be priced according to United States business day conventions;

- (iii) listed futures and options on listed futures will be priced by reference to the official exchange settlement price. Foreign listed securities will be priced according to United States business day convention;
- (iv) US listed equity options and index options will be priced using the National Best Bid Offer mid-price. If no bid price is available, the Administrator will calculate an implied mid-price using zero price as the bid price;
- (v) non-US Listed options and index options will be priced at the last if current. If last isn't available, the mid of the bid/ask will be used;
- (vi) OTC non-listed equity and index options will be priced on market standard models using consensus data closing inputs that have been cleansed and arbitrated;
- (vii) foreign exchange spot prices will be priced using the closing price of the New York Stock Exchange;
- (viii) convertible bond positions will be priced to the mid price level using arbitrated and scrubbed data where possible. If the primary source is not available, secondary source will be used;
- (ix) corporate and government bond positions will be priced to the mid price level using arbitrated and scrubbed data where possible. If the primary source is not available, secondary source will be used;
- (x) vanilla credit default swaps will be priced on market standard models using consensus data closing inputs that have been scrubbed and arbitrated;
- (xi) variance and volatility swaps will be priced on market standard models using consensus data closing inputs that have been scrubbed and arbitrated;
- (xii) foreign exchange spot prices will be priced using the closing price of the New York Stock Exchange;
- (xiii) interest rate swaps ("**IR Swaps**") and options on IR Swaps will be priced on market standard models using consensus data closing inputs that have been cleansed and arbitrated;
- (xiv) all FX options will be priced on market standard models using consensus data closing inputs that have been cleansed and arbitrated;
- (xv) all FX Forwards & NDF will be priced on market standard models using consensus data closing inputs that have been cleansed and arbitrated;
- (xvi) asset swapped convertible options ("**ASCOTS**") positions will be priced as follows: Max of (convertible bond price - bond floor price, quoted broker/dealer price);
- (xvii) dual listed stocks will be priced at the mid of best bid and best offer of contributing broker dealer quoted spreads consistent with market convention. Quotes are a premium or discount on equities traded on different exchanges in the local currency;
- (xviii) debt preferred equity redemption stock will be priced using the exchange price (BBEXCH) if its effective date is the same as the price date otherwise they will be priced at the mid-level price;
- (xix) convertible preferred stock will be priced using the exchange price (BBEXCH) if its effective date is the same as the price date otherwise they will be priced at the mid-level price;
- (xx) CDOs / CLOs will be priced using the mid-level price;

- (xxi) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at fair value as determined by the Board, in consultation with the Manager, in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Board in its sole discretion deems relevant in considering a positive or negative adjustment to the valuation. In such circumstances, the role of the Administrator in relation to valuation will be to determine the price based on available information and validate the pricing support;
- (xxii) in respect of investments, other than securities, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution, the Board, in consultation with the Manager, may elect to value such investments on the basis of the latest available valuation provided by the relevant counterparty. In such circumstances, the prices of the relevant investments are not provided by the Administrator;
- (xxiii) deposits will be valued at their cost plus accrued interest;
- (xxiv) shares, units, limited partner interests, limited liability company interests and other interests in investment vehicles are generally valued at the net asset value supplied by the managers of such investment vehicle or their appointed administrators, less any applicable redemption or withdrawal charges that are customarily imposed by such investment vehicles;
- (xxv) if no "net asset value", bid and asked prices or price quotations or valuations are available as provided in paragraphs (ii), (iii), (iv) or (vi) above, the value of the relevant asset shall be determined from time to time in such manner as the Board, in consultation with the Manager, shall determine and, in particular, any asset (other than an interest in a managed fund) which is not quoted listed or ordinarily dealt on a stock exchange, commodities exchange, futures exchange, securities market or OTC market shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest revaluation thereof made in accordance with the provisions hereinafter contained in this section headed "**Valuation**";
- (xxvi) notwithstanding the foregoing, the Board, in consultation with the Manager, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value;
- (xxvii) any value (whether of an investment or cash) otherwise than in US Dollars will be converted into US Dollars at the rate (whether official or otherwise) which the Board, in consultation with the Manager, in its sole discretion deems applicable as at close of business on the relevant Valuation Day, having regard, among other things, to any premium or discount which it considers may be relevant and to costs of exchange. Unless otherwise instructed by the Board, in consultation with the Manager, the Administrator will use the spot rate at the close of the relevant market in New York for the conversion of all amounts into US Dollars;
- (xxviii) liabilities shall be deemed to include such provisions and allowances for contingencies as the Board may consider appropriate, including Management Fee, custodian fees, administration fees, Prime Brokers' fees and such other fees or charges payable by the Master Fund (for the purpose of determining the "net asset value", back-to-back arrangements involving the deposit of one currency against the advance of another will not be treated as borrowings); and
- (xxix) for the purpose of valuing the Master Fund's assets as set out above, the Board may rely upon the opinions of approved valuers and stockbrokers to value assets of any Class by reason of any appropriate professional qualification or of experience in any relevant market.

If the Manager determines that it is equitable to treat an amount to be paid or received as being applicable to one or more prior periods, then such amount may be proportionately charged or credited, as appropriate, to those Participating Shares that were outstanding during any such prior period.

Appropriate reserves may be accrued and charged against net assets and proportionately against the Shareholders for contingent liabilities, such reserves to be in the amounts (subject to increase or reduction) which the Board, in consultation with the Manager, deems necessary or appropriate. The Board, in consultation with the Manager,

may elect to charge or credit the amount of any such reserve (or any increase or decrease therein) to investors who are Shareholders at the time when such reserve was created, increased, or decreased, as the case may be, or alternatively to those investors who were Shareholders at the time of the act or omission giving rise to the contingent liability for which the reserve was established.

In the event the Fund is required by US law or by agreement with the US Treasury Department or similar government division or department (either US or non-US) to withhold amounts in respect of a Shareholder, the Fund may, in the discretion of the Directors, reduce the Net Asset Value of the such Shareholder's Participating Shares or redeem all or a portion of such Shareholder's Participating Shares so as to ensure that no other Shareholder in the Fund shall suffer any reduction in the value of their Participating Shares as a consequence of such withholding and the Fund shall be entitled to convert such Shareholder's Participating Shares to a different Class or Series for the same purpose.

The Directors and the Board have adopted US GAAP in drawing up the annual accounts of the Fund and the Master Fund respectively. However, investors should note that the calculation of the Net Asset Value in the manner described above which the Fund intends to adopt for the purpose of determining Subscription Prices and Redemption Prices, and which the Master Fund intends to adopt for the purpose of the calculation of various fees as described in this Memorandum, may not necessarily be in compliance with generally accepted accounting principles (i.e., US GAAP). Accordingly, investors should note that the Net Asset Values as described in this Memorandum may not necessarily be the same as the Net Asset Values that will be reported in the annual accounts of the Fund and the Master Fund as the Directors and the Board may make necessary adjustments in these annual accounts to comply with US GAAP.

SUSPENSIONS AND RESTRUCTURES

Suspension of Valuation, Issue and/or Redemption of Participating Shares

The Fund, in consultation with the Manager, may at any time in such circumstances as the Fund, in consultation with the Manager, determine (including, but not limited to, the circumstances set out below), suspend the determination of the Net Asset Value, the Net Asset Value per Participating Share and/or the issue and/or redemption of Participating Shares (each a "**Suspension**"). For the avoidance of doubt, in such circumstances, the issue and/or redemption of Participating Shares may be suspended without suspending the determination of the Net Asset Value or the Net Asset Value per Participating Share. The Fund, in consultation with the Manager, may also, at any time in such circumstances as the Fund, in consultation with the Manager, determine (including, but not limited to, the circumstances set out below), as an alternative to, or in conjunction with, a Suspension, or prior to or following a Suspension, extend for a specified time the period for the payment of redemption proceeds (a "**Redemption Payment Extension**"). A Suspension or Redemption Payment Extension may be imposed in such circumstances as the Fund, in consultation with the Manager, determine, including, but not limited to the following:

- (a) any period when any stock exchange or market on which a part of the Fund's Investments is quoted, listed or dealt in is closed otherwise than for ordinary holidays;
- (b) any period when dealings on any exchange or market are restricted or suspended;
- (c) the existence of any state of affairs, as a result of which, the disposal of some or all the Fund's Investments would be materially prejudicial to the interests of Shareholders (as determined in the sole discretion of the Fund);
- (d) a breakdown in the means of communication normally employed in determining the Net Asset Value, the Subscription Price or the Redemption Price, or when for any other reason the price or value of any of the Investments cannot be promptly and accurately ascertained;
- (e) in order to effect an orderly liquidation of the assets of the Fund or the Master Fund as is deemed necessary to effect the requested redemptions;
- (f) the period of time following the date that the Fund, in consultation with the Manager, has determined to cease operations and return all of the Fund's capital;
- (g) when the business operations of the Manager, the Investment Adviser, the Administrator, any Prime Broker, or their respective agents in relation to the operation of the Fund or the Master Fund, are substantially interrupted or closed as a result of, or arising out of extraordinary events such as pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God; and
- (h) any period during which any of the above circumstances apply to the Master Fund but only if the Master Fund has suspended the determination of its Net Asset Value and/or the issue and/or redemption of Participating Shares held by the Fund for any reason,

each of these circumstances being a "**Suspension Event**".

All reasonable steps will be taken by the Manager to bring any period of Suspension, or Redemption Payment Extension, to an end as soon as possible, provided that the Fund, in consultation with the Manager, considers that such steps, and the termination of the Suspension or Redemption Payment Extension, is in the best interests of the Fund.

The Manager will notify Shareholders of any Suspension or Redemption Payment Extension as soon as reasonably practicable, and the subsequent lifting of such measures. In the event of any Suspension being imposed, the Manager may instruct the Administrator to cease processing any Subscription Agreements and Redemption Notices and will cancel any Subscription Agreements and Redemption Notices received prior to such Suspension being imposed. Accordingly, any relevant investors or Shareholders, as the case may be, will be required to re-submit their Subscription Agreements or Redemption Notices upon the lifting of the Suspension.

Use of Special Purpose Vehicles

The Manager reserves the right (subject to the prior approval of the Board) to trade through specially created subsidiaries or other vehicles of the Master Fund to which Investments may be transferred, in the future. Such subsidiaries or vehicles may also be created, in the discretion of the Board, in consultation with the Manager, in order to hold particular Investments of the Master Fund, including upon the occurrence of a Suspension Event or in the event of a restructure of the Master Fund's Investments. The consent of Shareholders is not required in order to establish or trade through such subsidiaries or vehicles.

In addition, if the Fund determines to distribute Investments in kind, such Investments may be distributed directly to the redeeming Shareholder or alternatively, distributed into a special purpose subsidiary, liquidating trust or liquidating account and sold by the Master Fund for the benefit of the redeeming Shareholder. In the event that such a special purpose subsidiary, trust or account is used: (a) payment to the relevant Shareholders of redemption proceeds will be delayed until such time as the relevant Investments can be liquidated; (b) the amount otherwise due to the relevant Shareholder will be increased or decreased to reflect the performance of such Investments through to the date on which the liquidation of such Investments is effected; and (c) in the event that Investments are distributed to such a special purpose vehicle, interests in such a vehicle may be distributed to the relevant Shareholder in lieu of redemption proceeds.

RISK FACTORS

An investment in the Fund carries a high degree of risk including, but not limited to, the risks referred to below. There can be no assurance that the investment objective of the Fund and the Master Fund will be achieved. In addition, as the Manager's investment program develops and changes over time, an investment in the Fund (and indirectly the Master Fund) may be subject to additional and different risk factors. The Fund is suitable for sophisticated individual and institutional investors for whom an investment in the Fund does not constitute a significant portion of such investors' wealth, who fully understand and are capable of bearing the risks of such investment and the economic risk of the loss of their investment in the Fund, and who have a limited need for liquidity in their investment. The following risks, some of which are indirectly borne by Shareholders solely as a result of the Fund's investment in the Master Fund, should be carefully evaluated before making an investment in the Fund. The trading methods and strategies of the Manager are proprietary and confidential. The description of such methods and strategies in this Memorandum is not intended to be exhaustive. There is no assurance that the Manager will trade profitably for the Master Fund or avoid losses. All the risks discussed below apply equally to the Fund and the Master Fund. The Fund and the Master Fund may be subject to material risks in addition to those described in this Memorandum. Prospective investors should carefully evaluate the merits and risks of an investment in the Fund (and indirectly the Master Fund) in the context of their overall financial circumstances. These are speculative securities. The following is not intended to include all the factors relating to the risks which may be encountered.

General

Dependence upon Manager and Key Personnel. The Shareholders will have no right or power to participate in the management or control of the Fund and the Master Fund and must depend solely upon the ability and the continued availability of the Manager to make investments. The Manager, in turn, is dependent on the services of certain key personnel, and the loss of the services of one or more of these key professionals could impair the ability of the Manager to provide services to the Fund and/or the Master Fund and be material and adverse to the performance of the Fund or the Master Fund.

General Risks of Investment Funds / No Assurance. Investors may lose all or substantially all of their investment in the Participating Shares. There can be no assurance that the Fund or the Master Fund will achieve their objectives. The markets in which the Master Fund operates have been severely disrupted over the past year or more, therefore results observed in earlier periods may have little relevance to the results observable in the current environment.

Nature of Investments. The Manager has broad discretion in making investments for the Master Fund. There can be no assurance that the Manager will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the activities of the Fund and the Master Fund and the value of the Master Fund's Investments. In addition, the value of the Master Fund's portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the investment objectives of the Fund and the Master Fund will be achieved.

Market Disruptions; Governmental Intervention; Short Selling Ban. The global financial markets are currently undergoing pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on a sudden and "emergency" basis. This has substantially eliminated the ability of market participants to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, as would be expected given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action, interventions have typically been unclear in scope and application, have been occasionally inconsistent, and resulted in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The unpredictable and inconsistent approaches that have been implemented by governments and regulators has caused both severe losses for a number of market participants who assumed either no intervention or intervention consistent with past precedent. Such approaches have also contributed to the general uncertainty and resulting illiquidity of the markets. The interim prohibitions on short-selling imposed in a number of jurisdictions during the financial crisis resulted in certain elements of investment strategies, including those to be used by the Master Fund, becoming non-viable literally overnight. Short-selling is an integral component of many relative value alternative investment strategies, such as merger arbitrage, which have little or no effect on the absolute price level of the underlying equities. However, such strategies were generally not exempted from the ban, causing dramatic losses for certain investors. Any ongoing regulatory limitations on short-selling which may result from the recent market disruptions could materially adversely affect the ability of the Fund and Master Fund to implement its strategies for the benefit of the Fund.

The Master Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which the Manager bases a number of its trading positions) become materially dislocated. The risk of loss from pricing dislocations is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to the Master Fund from its dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Master Fund (and, consequently, to the Fund).

Market disruptions that are not anticipated may from time to time cause dramatic losses for the Master Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. It is generally not possible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Master Fund's strategies. On the basis of the present likelihood that the regulation of global financial markets will be subject to significant change, increased regulation could be detrimental to the Fund, although the Manager may also seek to exploit any opportunities that arise from such regulatory changes.

General Systematic Risks. The Master Fund's investment strategy is subject to some dimension of systematic risk: directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, "flights to quality", "credit squeezes", etc. The Manager's style of alternative investing may be no less speculative than traditional investing strategies. On the contrary, due in part to the degree of leverage embedded in the derivative instruments in which the Master Fund may invest, the Master Fund may from time to time incur sudden and dramatic losses.

Although the idiosyncratic risks of particular or potential events or processes will be the focus of the investment strategy, the systematic risks of a particular market or sector will not be. The particular or general types of market conditions in which the Master Fund may incur losses or experience unexpected performance volatility cannot be predicted, and the Master Fund may materially under-perform other investment funds with substantially similar investment objectives and approaches.

Cyber Security Risks. With the increased use of technologies such as the internet to conduct business, the Fund, service providers and the relevant exchanges are susceptible to operational, information security and related "cyber" risks both directly and through their service providers. Similar types of cyber security risks are also present for issuers of securities in which the Fund invests, which could result in material adverse consequences for such issuers and may cause the Fund's investments to lose value. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber security failures by or breaches of the systems of the Investment Adviser and other service providers (including, but not limited to, auditors, custodians, brokers, and administrators), have the ability to cause disruptions and impact business operations, potentially resulting in: financial losses, interference with the Fund's ability to calculate its NAV, disclosure of confidential trading information, impediments to trading, submission of erroneous trades or erroneous creation or redemption orders, the inability of the Fund or its service providers to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. In addition, cyber-attacks may render records of Fund assets and transactions, shareholder

ownership of Fund shares, and other data integral to the functioning of the Fund inaccessible or inaccurate or incomplete. Substantial costs may be incurred by the Fund in order to resolve or prevent cyber incidents in the future. While the Fund has established business continuity plans in the event of, and risk management systems to prevent, such cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified and that prevention and remediation efforts will not be successful. Furthermore, the Fund cannot control the cyber security plans and systems put in place by service providers to the Fund or issuers in which the Fund invests. The Fund and its shareholders could be negatively impacted as a result.

Taxation. The tax consequences of investing in the Fund (and indirectly the Master Fund) may depend on the particular circumstances of each Shareholder. Potential Shareholders are strongly urged to seek independent advice referable to their own circumstances prior to making any investment decision.

Risks Related to Investments in Emerging Economies

Development of Emerging Economies. The economies of the various nations in emerging economies differ from the economies of most developed countries in many aspects, including as to: (a) the political structure; (b) the degree of government involvement; (c) the degree of development; (d) the level and control of capital reinvestment; (e) the control of foreign exchange; and (f) the allocation of resources.

Certain emerging economies have been transitioning from centrally planned economies to more market oriented economies. For example, for more than two decades, the government of the PRC has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy. Although the Manager intends to monitor various systemic and systematic risks, the Manager cannot ensure that changes in economic, political and social conditions, laws, regulations and policies in the emerging economies will not have an adverse effect on the Fund, including its financial condition or results of operation, or that such changes will not have adverse "knock-on" effects.

Risks Related to Investments in Asia and Emerging Economies

Development of the Asian Economies. The economies of the various nations in Asia differ from the economies of most developed countries in many aspects, including as to: (a) the political structure; (b) the degree of government involvement; (c) the degree of development; (d) the level and control of capital reinvestment; (e) the control of foreign exchange; and (f) the allocation of resources.

Certain economies in Asia have been transitioning from centrally planned economies to more market oriented economies. For example, for more than two decades, the government of the PRC has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy. Although the Manager intends to monitor various systemic and systematic risks, the Manager cannot ensure that changes in economic, political and social conditions, laws, regulations and policies in the Asia region will not have an adverse effect on the Fund, including its financial condition or results of operation, or that such changes will not have an adverse "knock-on" effect on other target markets within Asia.

Legal and Tax Systems. The legal and tax systems of certain countries in emerging economies (including in Asia) are less predictable than most legal and tax systems in countries with fully developed capital markets. Currently, the tax rules and regulations prevailing in certain emerging economies (including in Asia) are, as a general matter, either new or under varying stages of review and revision, and there is considerable uncertainty as to whether new tax laws will be enacted and, if enacted, the scope and content of such laws. Reliance on oral administrative guidance from regulators and procedural inefficiencies hinder legal remedies in many areas, including bankruptcy and the enforcement of creditors' rights. Moreover, companies often experience delays when obtaining governmental licenses and approvals. These factors contribute to the exogenous, systemic risks to which the Master Fund may be exposed. In some countries, especially developing or emerging countries, regulatory, political or diplomatic developments could lead to programs that would adversely affect investments, such as confiscatory taxation or expropriation. Further, although the recent general trend in many emerging economies (including Asian economies) has been towards more open markets and the promotion of private business initiatives, no assurance can be given that the governments of these countries will continue to pursue such policies or that such policies may not be altered significantly. Exogenous factors such as political instability, economic distress, the difficulties of adjustment to a market economy, social instability, organised crime or other factors beyond the Manager's control could have a material adverse effect on the performance of the Master Fund. There can be no assurance that current taxes will

not be increased or that additional sources of revenue or income, or other activities, will not be subject to new taxes, charges or similar fees in the future. Any such increase in taxes, charges or fees payable by the portfolio companies or the Master Fund itself may reduce returns for the Shareholders. In addition, changes to tax treaties (or their interpretation) between countries in which the Master Fund invests, and countries through which the Master Fund conducts its investment program, may have significant adverse effects on the Master Fund's ability to efficiently realise income or capital gains. Consequently, it is possible that the Master Fund may face unfavourable tax treatment resulting in an increase in the taxes payable by the Master Fund on its Investments. Any such increase in taxes could reduce the investment returns that might otherwise be available to the Shareholders.

Less Company Information and Regulation. Generally, there is less publicly available information about companies that are either established, listed in, or that have a substantial portion of its/their operations in emerging economies. This may make it more difficult for the Manager to stay informed of corporate action that may affect the price of a particular security. Further, many countries lack uniform accounting, auditing and financial reporting standards, practices and requirements. These factors can make it difficult to analyse and compare the performance of certain companies that are either established, listed in, or that have a substantial portion of its/their operations in emerging economies.

Risk of Natural Disasters and Epidemics. Certain geographical regions face relatively high systemic risks in connection with natural disasters that may have a severe impact on the value of the Investments. Certain geographical regions are particularly susceptible to earthquakes.

Certain regions of Asia are particularly susceptible to earthquakes, for example, as has been the recent experience in Sichuan Province in the PRC, as well as in Taiwan, Indonesia and other Asian nations.

Certain regions in Asia also face relatively high systemic risks in connection with epidemics such as Severe Acute Respiratory Syndrome ("**SARS**") or Avian flu. Past occurrences of epidemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies throughout Asia. A recurrence of SARS or an outbreak of any other epidemic in Asia, such as the H5N1 avian flu or the H1N1 "Swine flu" may adversely affect the Fund's financial condition and results of operation and have an adverse effect on the national and regional economies of Asia.

Restrictions on Investment and Repatriation. Some countries impose restrictions and controls regarding investment by foreigners. Among other things, they may require prior governmental approvals, impose limits on the amount or types of securities that may be held by foreigners or impose limits on the types of companies in which foreigners may invest. These restrictions may at times limit or preclude the Master Fund's investment in certain countries and may increase the Master Fund's costs and expenses. In addition, certain countries impose restrictions and controls on repatriation of investment income and capital. In this regard, there can be no assurance that the Fund will be permitted to repatriate capital or profits, if any, over the life of its activities. The Master Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Master Fund of any restrictions on investments. Investing in entities either in, or which have a substantial portion of their operations in, certain geographical regions may require the Master Fund to adopt special procedures, seek local government approvals or take other actions, each of which may involve additional costs to the Master Fund.

Investment Related Risks

Absolute Return Strategies. The Manager seeks to use various absolute return strategies whose performance is not correlated with major market indices. Although the use of such strategies may mitigate losses in generally declining markets, there is no assurance that losses will be avoided. Investment strategies that have historically been uncorrelated or demonstrated low correlation to one another or to major world market indices may become correlated at certain times, such as during a liquidity crisis in global financial markets. During such periods, certain hedge strategies may cease to function as anticipated, and there may be few or no buyers for certain assets. Liquidation of assets by the Fund to pay redemptions, prevent losses or for other purposes in such circumstances may be difficult or impossible.

Investment and Trading Risks in General. All investments are subject to systemic, systematic and idiosyncratic risk that could lead to the loss of capital. The subscription monies paid by an applicant for Participating Shares will accordingly be subject to investment risk in the Fund from the relevant Subscription Day. There is no guarantee

that the Master Fund's Investments will be successful. Investment results may vary significantly over time. The Master Fund's investment program may utilise investment instruments and techniques including margin transactions and leverage. Such instruments and techniques may magnify the adverse impact to which the Master Fund may be subject during periods of excessive market volatility. As is true of any investment, there is a risk that an investment in the Fund will be lost entirely or in part. The Fund is not a complete investment program and should represent only a portion of an investor's portfolio management strategy.

Risks of Arbitrage Strategies. The success of the Fund's investment activities will depend to an extent on the Manager's ability to identify and exploit inefficiencies in the relevant markets. Identification and exploitation of these opportunities involve uncertainty. No assurance can be given that the Manager will be able to locate investment opportunities or to correctly exploit inefficiencies in the markets. A reduction in inefficiencies that provide opportunities, will reduce the scope for the Fund's investment strategies.

Depending upon the investment strategy employed and market conditions, the Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, unexpected changes in relative value, short squeezes, inability to short stock or changes in tax treatment.

Convertible Arbitrage. Convertible arbitrage strategies involve investing in convertible securities that appear incorrectly valued relative to their theoretical value. The strategy consists of the purchase (or short sale) of a convertible security coupled with the short sale (or purchase) of the underlying security for which the convertible security can be exchanged to exploit price differentials. The Manager may seek to hedge out the risk inherent in the security; the remaining risk may or may not be hedged. Convertible arbitrage strategies generally involve spreads between two or more positions. To the extent the price relationships between such positions remain constant, no gain or loss on the position will occur. Such positions do, however, entail a risk that the price differential could change unfavourably, causing a loss to the spread position. Risks are also involved in borrowing and lending against such investments. The prices of these investments can be volatile, market movements are difficult to predict, and financing sources and related interest and exchange rates are subject to rapid change. Certain corporate securities may be subordinated (and thus exposed to the first level of default risk) or otherwise subject to substantial credit risks.

Factors Preventing or Delaying Transactions. Although in pursuing its merger arbitrage, the Master Fund intends to take short positions to protect against perceived systemic, systematic and endogenous risks, not all such risks can be neutralised completely. A number of factors that cannot be prevented or predicted may delay or prevent the consummation of mergers, tender offers, and exchange offers and other significant corporate events, including: (a) regulatory intervention; (b) efforts by the target entity to pursue a defensive strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (c) failure to obtain the necessary shareholder approvals; (d) adverse market or business conditions resulting in material change or termination of the pending transaction; (e) compliance with any applicable securities laws; and (f) an inability to obtain adequate financing.

Risk of Non-Consummation. When purchasing the securities of a company involved in an announced transaction, event or deal, the Master Fund generally anticipates earning a small profit upon consummation of the proposed transaction. On the other hand, the Master Fund generally will incur significant losses when proposed transactions are not consummated. When the proposed transaction appears unlikely to be consummated, or, in fact, is not consummated or is delayed, the market price of the target entity's securities will usually decline sharply, often falling to a price comparable to or below the price prevailing before the announcement of the deal. In addition, when the Master Fund has sold short the securities it anticipates receiving in an exchange or merger and the proposed transaction is not consummated, the Master Fund may be forced to cover its short position in the market at a higher price than its original sale, with an additional resulting loss. As a corollary, if the Manager has sold short securities that are the subject of a proposed cash tender offer or cash merger and the transaction is consummated, the Manager also may be forced to cover its short position at a loss.

The risk/reward profile of the Master Fund's strategy is "asymmetric" in that the Manager anticipates incurring substantially greater losses on failed transactions than the gains it anticipates recognising on consummated transactions. The success of the Master Fund's strategy depends on the Manager's ability to identify and cause the Master Fund to participate in a sufficient number of consummated transactions to offset the losses incurred on the transactions which are not completed, as well as its ability to structure positions, hedge or otherwise protect against losses that the Master Fund may otherwise become exposed to. However, potential investors should note that as

the Manager's expertise is in investing in event outcomes, neutralising the risks that arise from these transactions in the purest form may be antithetical to the investment strategy of the Master Fund.

Partial Tender and Exchange Offers. In pursuing the Master Fund's event driven investment program, the Manager may determine that the offer price for a security that is the subject of a tender offer, for example, is likely to be increased, either by the original bidder or by another party. In those circumstances, the Manager may cause the Master Fund to purchase securities above the offer price, and such purchases are subject to the added endogenous risk that the offer price will not be increased or that the offer will be withdrawn. Often a tender or exchange offer is made for less than all of the outstanding securities of an issuer or a higher price is offered for a limited amount of the securities, with the provision that, if a greater number is tendered, securities will be accepted *pro rata*. Accordingly, a portion of the securities tendered by the Master Fund may not be accepted and may be returned to the Master Fund. After completion of the tender offer, the market price of the securities may have declined below the Master Fund's cost, and a sale of any returned securities may result in a loss. A tendering arbitrageur may also have a portion of the securities which it tendered returned to it in such cases, and the sale of any such returned securities may result in a loss.

Investments Where No Event Announced. In pursuing the special situations strategy, in particular, the Manager may cause the Master Fund to invest and trade in securities of companies that it believes are undervalued because, although such companies are not the subject of an announced tender offer, merger, or acquisition transaction, in the Manager's view such companies are likely candidates for such a transaction. In such a case, if the anticipated transaction does not in fact occur, the Master Fund may sell the securities at a loss. Potential investors should note that as the Manager's expertise is in investing in event outcomes, neutralising or avoiding situations with endogenous risks of this nature may be antithetical to the investment strategy of the Master Fund.

Investing In Weak Entities or Entities Undergoing Reorganisations. Part of the event driven strategy of the Master Fund may involve it investing in securities of entities in a relatively weak financial condition. The Manager has, and may continue to cause the Master Fund to, invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganisation proceedings. Investments of this type may involve endogenous financial and business risks that can result in losses. Among the endogenous risks inherent in investments in troubled entities are the inability to obtain information as to the true condition of such issuers. Laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and a bankruptcy court's power to disallow, reduce, subordinate, or disenfranchise particular claims may also affect such investments adversely. The market prices of such securities are subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected with respect to non-troubled issuers. It may take a number of years for the market price of such securities to reflect their intrinsic value.

The securities of financially troubled companies require active monitoring and may, at times, require participation in bankruptcy or reorganisation proceedings by the Manager. To the extent that the Manager becomes involved in such proceedings, the Manager may have a more active participation in the affairs of the issuer than that assumed generally by an investor.

In liquidation, both in and out of bankruptcy, and other forms of corporate reorganisation, there exists the endogenous risks that the reorganisation either will be unsuccessful (due to, for example, a failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied) or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Master Fund of the security in respect of which such distribution was made.

Under certain conditions, the Manager may not be hedged against the systematic risks, for example, of market fluctuations, or in liquidation situations, may not assess accurately the value of the assets of the Fund or the Master Fund (as applicable) being liquidated. This can result in losses, even if a proposed transaction is consummated.

The Manager attempts to assess all of the foregoing risk factors, and others, in determining the extent of the position the Master Fund will take in the relevant securities and the price it is willing to pay for such securities. However, such risks cannot be eliminated. On the contrary, as the Manager's expertise is in investing in event outcomes, neutralising or avoiding situations with the endogenous risks described above may be antithetical to the investment strategy of the Master Fund.

Directional Trading. There are no material limitations on the strategies or instruments in which the Fund may invest, subject to those guidelines and/or restrictions set out under the heading ("Investment Program - Investment Guidelines"). The management of the Master Fund's portfolio is limited only by the discretionary judgement of the Manager. However, it is intended that the approach to be adopted by the Master Fund will include identifying dislocations in prices and then taking appropriate directional positions. Directional investing is subject to all of the systemic, systematic and endogenous risks inherent in incorrectly predicting future price movements. Often these price movements will be determined by unanticipated factors, and even if the determining factors are correctly identified, the Manager's analysis of those factors may prove inaccurate. This can lead to substantial losses.

Predicting future prices is inherently uncertain and the losses incurred, if the market moves against a position, will often not be hedged. The speculative aspect of attempting to predict absolute price movements is generally perceived to exceed that involved in attempting to predict relative price fluctuations.

Arbitrage Transaction Risks. Arbitrage strategies focus on the relative pricing of securities and/or derivatives and the underlying related securities and instruments on which the alpha is derived from, and the ability to source borrow and placement of credit risk, which allows cheap options to be extracted with limited downside. The Manager may employ any one or more of these arbitrage strategies. If the requisite elements of an arbitrage strategy are not properly analysed, or unexpected events or price movements intervene, losses can occur which can be magnified to the extent the Master Fund is employing leverage. Moreover, arbitrage strategies often depend upon identifying favourable spreads which can also be identified, reduced or eliminated by other market participants. As noted above, because the Manager's expertise is in investing in event outcomes, neutralising or avoiding situations with risks of this nature may be antithetical to the investment strategy of the Master Fund.

Forward Trading. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; 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 principals 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 Manager 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 Manager would otherwise recommend, to the possible detriment of the Fund. Market illiquidity or disruption could result in major losses to the Fund. Such risks could result in substantial losses to the Fund. To the extent possible, the Manager endeavours to deal only with counterparties that are creditworthy and reputable institutions, but such counterparties may not be rated investment grade.

Relative Value. The success of a Fund's relative value investment strategy depends on the Manager's ability to identify and exploit perceived inefficiencies in the pricing of securities, financial products, or markets. Identification and exploitation of such discrepancies involve uncertainty. There can be no assurance that the Manager will be able to locate investment opportunities or to exploit pricing inefficiencies in the securities markets. A reduction in the pricing inefficiency of the markets in which the Manager seeks to invest will reduce the scope for the Manager's investment strategies. In the event that the perceived mispricings underlying the Fund's positions were to fail to converge toward, or were to diverge further from, relationships expected by the Manager, the Fund may incur losses. The Fund's relative value investment strategy may result in high portfolio turnover and, consequently, high transaction costs. In addition, the Fund's relative value strategy is designed to be uncorrelated with respect to the movements in equity markets and risk-free interest rates. Depending upon the investment strategies employed and market conditions, unforeseen events involving such matters as political crises, or changes in currency exchange rates or interest rates, forced redemptions of securities, or general lack of market liquidity may have a material adverse effect on the Fund.

Hedging Transaction. The Master Fund may utilise certain financial instruments for hedging purposes or as part of its trading strategies. The Manager may not anticipate a particular risk so as to hedge against it. Hedging sometimes does not work to limit loss and sometimes actually increase and amplify loss. Hedging against a decline in the Master Fund's portfolio does not eliminate fluctuations in the value of the Master Fund's positions or prevent losses if the value of such positions decline, but establishes other positions designed to gain from those same

developments. This is intended to moderate the decline in the value of an investment in the Master Fund. Such hedging transactions also limit the opportunity for gain if the value of the Master Fund's positions should increase. In addition, it may not be possible to hedge against certain fluctuations at all. Further, there are additional risks that counterparties to any hedging transactions will not perform as expected.

Hybrid Strategies. The strategies to be executed by the Manager may combine elements of more than one of the general strategy types summarised in this Memorandum. Often, in the course of implementing a particular strategy an opportunistic trade representing a different trading approach will be made. For example, in seeking to identify a relatively mispriced pair of assets, the Manager may conclude that an asset is sufficiently over or underpriced to merit taking an outright directional position.

No Limitations on Strategies. Other than as specifically set forth in this Memorandum, there are no material limitations on the investment strategies which the Manager may use when investing assets on behalf of the Master Fund. The Manager will opportunistically implement whatever strategies or discretionary approaches the Manager believes from time to time may be best suited to prevailing market conditions. Over time, the strategies implemented on behalf of the Master Fund can be expected to expand, evolve and change, perhaps materially. The Manager will not be required to implement any particular strategies and may discontinue employing any particular strategy on behalf of the Master Fund, whether or not such strategies are specifically described in this Memorandum, and without notice to the Shareholders. There can be no assurance that the investment strategies which the Manager expects from time to time to develop and implement for the Master Fund will be successful or that strategies that have been successful will continue to be profitable.

Spread Trading Risks. A part of the Master Fund's trading operations may involve spreads between two or more positions. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. Such positions do, however, entail a substantial risk that the price differential could change unfavourably, causing a loss to the spread position. In periods of trendless, stagnant markets and/or deflation, many alternative investment strategies have materially diminished prospects for profitability.

Trade Execution Risk. Many of the trading techniques to be used by the Master Fund will require the rapid and efficient execution of transactions. Inefficient execution can negatively impact, possibly materially, the profitability of the Master Fund's positions, and in certain cases cause the Master Fund to miss a limited life market opportunity entirely.

Equity Securities Generally. The Master Fund invests in equity securities and equity derivatives. Numerous inter-related and difficult-to-quantify economic factors, as well as market sentiment, subjective and extraneous political, climate-related and terrorist factors, influence the prices of equities. There can be no assurance that the Manager will be able to predict future price levels correctly.

Derivatives. The Master Fund may use derivative financial instruments, including, without limitation, warrants, options, exotic options, swaps, convertible securities, notional principal contracts, contracts for differences, forward contracts, futures contracts and options thereon, and may use derivative techniques for hedging and for other trading purposes. The use of the derivative instruments that may be traded by the Master Fund involves a variety of material endogenous as well as systemic and systematic risks. Endogenous risks, in this regard, include the extremely high degree of leverage often embedded in such instruments and the possibility of counterparty non-performance as well as of material and prolonged deviations between the actual and the theoretical value of a derivative, due to, e.g., nonconformance to anticipated or historical correlation patterns. In addition, the markets for certain derivatives are frequently characterised by limited liquidity, which can make it difficult, as well as costly, to the Master Fund to close out positions in order either to realise gains or to limit losses.

Many derivatives are valued on the basis of dealers' pricing of these instruments. However, the price at which dealers value a particular derivative and the price which the same dealers would actually be willing to pay for such derivative should the Master Fund wish or be forced to sell such position may be materially different. Such differences can result in an overstatement of the Master Fund's net asset value and may materially adversely affect the Master Fund in situations in which the Master Fund is required to sell derivative instruments. The Master Fund's use of derivatives and other techniques (such as short sales) for hedging purposes involves certain additional risks, including: (a) dependence on the ability to predict movements in the price of the asset being hedged; (b) imperfect correlation between movements in the asset on which the derivative is based and movements in the asset being hedged; and (c) possible impediments to effective portfolio management or the ability to meet short-term obligations

because of the percentage of the Master Fund's assets segregated to secure its obligations under derivative contracts. In addition, by hedging a particular position, the Master Fund may limit any potential gain from an increase in value of such position.

OTC Derivatives. The Master Fund may enter into various OTC transactions involving or relating to, among other things, interest rates, currencies, or securities. Such transactions may include individually negotiated, non-standardised agreements between two parties to exchange cash flows, and sometimes principal amounts, measured by different rates or prices with payments generally calculated by reference to a principal ("**notional**") amount or quantity. OTC derivatives are not traded on exchanges; rather banks and dealers act as principals in these markets. As a result, the Master Fund will be subject to the risk of the inability or refusal to perform with respect to such contracts on the part of any counterparties with which the Master Fund trades. OTC derivatives markets are generally not regulated by any governmental authority and are not guaranteed by an exchange or clearing house.

Participants in OTC markets are not required to make continuous markets in the contracts they trade. Accordingly, OTC derivatives may not have continuously liquid markets. There can be no assurance that the Master Fund will be able to liquidate an OTC derivative at a favourable price, or, where relevant, at any time prior to its expiry. In addition, if a counter party to an OTC transaction becomes insolvent, the Master Fund may be unable to liquidate an OTC instrument. In addition, a failure by a dealer to take delivery of the underlying securities in connection with an OTC derivative transaction (for example, an option) would result in the loss of the premium paid by the Fund as well as the loss of the expected benefit of the transaction.

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. Legislation relating to OTC derivatives was introduced in the U.S. in 2010 (in the form of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act) and legislation has been published in the European Union. It is expected that the trend for further regulation of the OTC derivatives market to continue in the US, the European Union, Hong Kong 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 Master Fund should be aware that increased regulation of the OTC derivatives and structured products market could have substantial and adverse consequences for the Master Fund and its investors.

Futures Contracts and Options. The Master Fund may trade futures and options. Futures markets are highly volatile. In investing in futures, the Master Fund must be able to analyse correctly such markets, which are influenced by, among other things, changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programs and policies designed to influence world political and economic events and changes in interest rates. Purchasing options involves the systematic risk that the instruments underlying the option will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received, which could result in a potentially unlimited loss. OTC options also involve counterparty solvency risk.

Investing in ADRs and GDRs. The Master Fund may invest in American Depositary Receipts ("**ADRs**") and Global Depositary Receipts ("**GDRs**"). ADRs and GDRs are negotiable receipts similar to stock certificates issued by a depositary bank. The receipts evidence depository securities, which in turn evidence underlying securities of a foreign issuer deposited with a custodian bank in the foreign issuer's home country.

Investing in ADRs and GDRs involves a variety of material risks associated with international investing or investing in instruments where the underlying securities are of a foreign issuer denominated in foreign currencies. These risks include changes in exchange rates and exchange control regulations, political and social instabilities that influence foreign markets, imposition of taxes in the foreign jurisdiction, less liquid markets and less available information than is generally the case in more developed economies and markets, higher transaction costs, foreign government restrictions, greater price volatility, inflation risks in foreign countries that may be more, or less, prone to inflation than more developed economies, difficulty in enforcing contractual obligations in foreign jurisdictions, reliance on foreign legal remedies, lack of uniform accounting and auditing standards and different market operations in foreign jurisdictions. Accordingly, these systemic and systematic risks may adversely affect the performance of the underlying securities of a foreign issuer, which, in turn, may adversely affect the performance of the ADRs and GDRs and the return realised on the Master Fund's Investments.

In addition, ADRs and GDRs that represent debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on debt obligations. Therefore, the Manager may indirectly expose the Master Fund to credit risk by means of investing in such ADRs and GDRs.

Convertible Securities. Convertible securities are bonds, debentures, notes, preferred stocks, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally: (a) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (b) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (c) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. Endogenous factors such as the credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

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 Master Fund is called for redemption, the Master 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. Any of these actions could have an adverse effect on the Manager's ability to achieve the investment objective of the Master Fund.

Sovereign Debt. The Master Fund may invest in non-US government debt securities, which include debt obligations issued or guaranteed by national, state or provincial governments, political subdivisions or quasi-governmental or supranational entities. Non-US government debt securities may involve a high degree of risk, and governmental entities may default on or restructure their obligations. Certain sovereign debt may have non-investment grade ratings or be in distress or even default. Governments intervene from time to time in the markets by changing the interest rates payable on their sovereign debt.

Corporate Debt Obligations. The Master Fund may invest in corporate debt obligations. The market value of debt securities generally tends to decline as interest rates increase and, conversely, increase as interest rates decline. Debt obligations are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations, i.e., credit risk. The Manager may actively expose the Master Fund to credit risk.

Credit Default Swaps. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay or obligation acceleration. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the "par value" (full notional value) of the reference obligation. The contingent payment may be a cash settlement or physical delivery of the reference obligation in return for payment of the face amount of the obligation. The Master Fund may be either the buyer or seller in the transaction. If the Master Fund is a buyer and no credit event occurs, the Master Fund may lose its investment (or premium) and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. As a seller, the Master Fund receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligations.

Credit default swaps involve greater risks than if the Master Fund had invested in the reference obligation directly. In addition to general market risks, credit default swaps are subject to liquidity risk and credit risk. A buyer also may lose its investment and recover nothing should no credit event occur. If a credit event were to occur, the value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the Master Fund. Given the recent sharp increases in volume of credit derivatives trading in the market, settlement of such contracts may also be delayed beyond the time frame originally anticipated by counterparties. Such delays may adversely impact the Master Fund's ability to otherwise productively deploy any capital that is committed with respect to such contracts.

Certain governmental entities have indicated that they intend to regulate the market in credit default swaps. It is difficult to predict the impact of any such regulation on the Master Fund, but it may be adverse (including by making the Master Fund ineligible to be a "seller" of credit default swaps).

Stock Indices and Related Derivatives. The use of options on stock indices and stock index futures contracts as hedging devices involves several risks. No assurance can be given that a correlation will exist between price movement in the stock index and price movements in the securities that are the subject of the hedge. Positions in futures contracts may be closed out only on the exchange on which they were entered into or through a linked exchange. In addition, although the Manager intends to enter into futures contracts only if an active market exists for the contracts, no assurance can be given that an active market will exist for the contracts at any particular time. Certain exchanges do not permit trading in particular contracts at prices that represent a fluctuation in price during a single day's trading beyond a certain set limit. If prices fluctuate during a single day's trading beyond those limits, the Master Fund could be prevented from promptly liquidating unfavourable positions and thus be subject to losses.

Bank Loans. The Master Fund's investment program may include investments in significant amounts of bank loans and participations. These obligations are subject to unique risks, including: (a) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (b) so-called lender-liability claims by the issuer of the obligations; (c) environmental liabilities that may arise with respect to collateral securing the obligations; and (d) limitations on the ability of the Master Fund to directly enforce its rights with respect to participations. In analysing each bank loan or participation, the Manager compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Master Fund.

High Yield Risk. Funds that invest in high yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") may be subject to greater levels of interest rate, credit and liquidity risk than funds that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the Master Fund's ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, the Master Fund may lose its entire investment.

Short Sales. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Master Fund's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular Investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing any loss incurred by the Master Fund. Furthermore, a Master Fund may be forced to prematurely close out a short position if a counterparty from which such Master Fund borrowed securities demands their return, resulting in a loss on what might otherwise have been ultimately a profitable position. Regulatory changes that affect the short selling regime in any jurisdiction in which the Master Fund invests may also adversely impact the Investments and lead to material loss.

Use of Leverage. The ability of the Master Fund to utilise leverage (either by borrowing or through the use of derivatives for example) will result in the Master Fund's controlling substantially more assets than the Master Fund has equity. The more the Master Fund leverages itself, the more likely a substantial change will occur, either up or down, in the value of the Master Fund's positions. The Master Fund may be subject to major losses in the event that market events disrupt the hedged nature of its positions or it is forced to liquidate positions at a disadvantageous time. Furthermore, the credit extended to the Master Fund by dealers to permit it to maintain its positions can be terminated by the dealers largely in their discretion, forcing such liquidation with the potential of causing material

loss. The use of leverage creates the risks of "credit squeezes" and the adverse effects of discretionary margin increases by dealers and counterparties.

Financing Arrangements; Availability of Credit. As noted above, the Master Fund may utilise leverage. The extent to which leverage is utilised by the Master Fund may depend on the availability of credit. There can be no assurance that the Master Fund will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the dealers that provide financing to the Master Fund can apply discretionary margin, haircut, financing, security and collateral valuation policies. Changes by dealers in such financing policies, or the imposition of other credit limitations or restrictions, whether due to changed market circumstances or governmental, regulatory or judicial action, may result in large margin calls, the loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults in agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel the Master Fund to liquidate all or part of its portfolio at disadvantageous prices. In recent months banks and dealers have substantially curtailed financing activities and increased collateral requirements, forcing many hedge funds to liquidate.

Inflation. Some of the countries in which the Master Fund intends to invest have experienced extremely high rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities markets of certain emerging countries. Therefore, the performance of the Master Fund could be affected by rates of inflation in countries in which the Master Fund invests.

Foreign Withholding Taxes. Dividend and interest payments on, and proceeds from the sale of, certain securities the Master Fund may own may be subject to withholding taxes, which would reduce net proceeds.

Accounting for Uncertainty in Income Taxes. US GAAP Codification of Accounting Standards Codification Topic 740: Income Taxes ("**ASC 740**") (in part formerly known as "**FIN 48**"), provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognised in an entity's financial statements. It also provides guidance on recognition, measurement, classification and interest and penalties with respect to tax positions. A prospective investor should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the Net Asset Value of the Fund, including reducing the Net Asset Value of the Fund to reflect reserves for income taxes that may be payable in respect of prior periods by the Fund. This could cause benefits or detriments to certain investors, depending upon the timing of their entry and exit from the Fund.

US Source Payments to the Fund May Be Subject to Withholding. The HIRE Act provisions relating to FATCA and regulations provide that, beginning on July 1, 2014 and to be implemented gradually in stages through January 1, 2017, a 30% withholding tax is imposed on certain payments of US source income and proceeds from the sale of property that could give rise to US source interest or dividends if the payee is a "foreign financial institution" ("**FI**"). The Model 1(b) (non-reciprocal) inter-governmental agreement entered into between the Cayman Islands and the United States (the "**US IGA**") categorises FIs as either "Reporting FIs" or "Non-Reporting FIs". By default, all Cayman FIs will be Reporting FIs, unless they qualify as Non-Reporting FIs. The categories of Non-Reporting FIs are specified in Annex II to the US IGA. A Reporting FI is (i) not required to enter an "FFI agreement" with the IRS, (ii) required to register with the IRS to obtain a Global Intermediary Identification Number, (iii) required to conduct due diligence on its investors to identify whether accounts are held directly or indirectly by "Specified US Persons", and (iv) required to report information on such Specified US Persons to the Cayman Islands Tax Information Authority (the "**Cayman TIA**"). The Cayman TIA will exchange the information reported to it with the IRS annually on an automatic basis. While a Non-Reporting FI will not be subject to these requirements, it will need to provide self-certification, on US tax forms, to withholding agents to avoid the imposition of the 30% withholding tax.

The Fund and the Master Fund intend to comply with the US IGA and any implementing Cayman Islands legislation and/or regulations to the extent necessary to avoid 30% FATCA withholding. Although the Fund and the Master Fund will attempt to satisfy any obligations imposed on it under FATCA and the US IGA to avoid the imposition of this withholding tax, no assurance can be given that the Fund and/or the Master Fund will be able to satisfy these obligations. If the Fund and/or the Master Fund becomes subject to withholding taxes as a result of FATCA, the investment returns of all Shareholders may be materially affected. Moreover, the Fund may reduce the amount payable on any distribution or redemption to a Shareholder that fails to provide the Fund with the requested

information. Furthermore, under FATCA, the Manager may be required to compulsorily redeem Participating Shares held by any investor who fails to comply with information disclosure requests from the Manager in accordance with FATCA and the US IGA.

The Fund and the Master Fund May Compulsorily Redeem any Shareholder that Fails to Cooperate with the Fund's and Master Fund's Efforts to Comply with the Fund's and Master Fund's Withholding Tax Obligations. The Fund's and Master Fund's ability to comply with its US withholding tax obligations including under an agreement with the IRS will depend on each Shareholder providing the Fund with any information, including information concerning the direct and indirect owners of such Shareholder, that the Fund determines is necessary to satisfy such obligation. Each Shareholder will agree in its Subscription Agreement to provide such information upon request from the Fund, which request will be made once the IRS has adopted a form of agreement. If the Fund or the Master Fund fails to satisfy such obligations or if a Shareholder fails to provide the Fund with any such information that the Fund requests, the Fund may exercise its right to compulsorily redeem such Shareholder and/or create a separate Class or Series for such Shareholder and charge such Shareholder for any withholding tax attributable to such Shareholder's failure.

Possible Positive Correlation with Stock and Bonds. One of the goals in incorporating non-traditional investment strategies such as those to be utilised by the Master Fund into a portfolio is to provide a potentially valuable element of diversification. However, there can be no assurance, particularly during periods of market disruption and stress, when the risk control benefits of diversification may be most important, that the Master Fund will, in fact, be non-correlated or negatively correlated as compared to a traditional portfolio of stocks and bonds.

Credit Analysis and Credit Risk. The investment strategy to be utilised by the Manager may require accurate and detailed credit analysis of issuers. There can be no assurance that the Manager's analysis will be accurate or complete. The Master Fund may be subject to substantial losses in the event of credit deterioration or the bankruptcy of one or more issuers in its portfolio. While the Master Fund generally intends to hedge its credit risk by taking short positions, there can be no assurance the Master Fund will have the ability to establish such hedges in the market place or, if established, that the hedges will offset losses.

Credit Ratings. The credit ratings of issuers of securities represent a rating agency's opinions regarding the issuers' credit quality and are not a guarantee of the future credit performance of such issuers. Rating agencies attempt to evaluate the issuers' credit worthiness (i.e., their ability to pay back a loan). They do not evaluate the risks of fluctuation in the market value of the issued equity or equity-linked securities. However, fluctuations in the market value of these securities may be affected by ratings assigned to such issuers by rating agencies, particularly in the event that such ratings are subsequently found to be inaccurate. Therefore, where the credit rating of such issuers are downgraded and adversely affect the market value of their securities, the return realised on the Master Fund's investments may be adversely impacted.

Volatility. The prices of some of the instruments intended to be traded by the Master Fund have been subject to periods of excessive volatility in the past (including over the past year), and such periods can be expected to recur or continue. Price movements are influenced by many unpredictable exogenous factors, such as market sentiment, inflation rates, interest rate movements and general economic and political conditions. While volatility can create profit opportunities for the Fund and the Master Fund, it can also create the risk that historical or theoretical pricing relationships will be disrupted, causing what should otherwise be comparatively low risk positions to incur significant losses. On the other hand, the lack of volatility can also result in losses for certain of the Master Fund's positions that profit from price movements.

Foreign Currency and Exchange Rate Risks. A substantial amount of the Master Fund's assets are expected to be invested in Investments denominated in a functional currency other than the US Dollar. Investments in such assets will be subject to the systemic and systematic risks connected with changes in exchange rates. Changes in the exchange rate may result over time from the interaction of many factors that directly or indirectly affect economic and political conditions in the countries in which the Master Fund invests. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. National governments rarely allow their currencies to float freely in response to economic forces on a voluntary basis. Sovereign governments, including the government of the PRC, use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies.

The Master Fund may use hedging techniques with the objective of protecting against loss through the fluctuation of the valuation of foreign currencies, particularly the forward market in foreign exchange, currency option and currency futures. The hedging of currency exposure that is intended to be implemented by the Master Fund will primarily involve hedging back to the US Dollar, but in certain circumstances may involve other hedging activities.

To the extent the Master Fund enters into currency forward contracts (agreements to exchange one currency for another at a future date), these contracts involve a risk of loss if the Master Fund fails to predict accurately the direction of currency exchange rates. In addition, forward contracts are not guaranteed by an exchange or clearing house. Therefore, a default by the forward contract counterparty may result in a loss to the Master Fund for the value of unrealised profits on the contract or for the difference between the value of its commitments, if any, for purchase or sale at the current currency exchange rate and the value of those commitments at the forward contract exchange rate. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Accordingly, a dealer normally will offer to sell currency to the Master Fund at one rate, while offering a lesser rate of exchange should the Master Fund desire immediately to resell that currency to the dealer. The Master Fund conducts its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into a number of different types of hedging transactions including, without limitation, forward, contracts to purchase or sell currencies, and entering into foreign currency borrowings.

Even where the Master Fund seeks to hedge its foreign currency exposure, it may not always be practicable to do so. Moreover, hedging may not neutralise all currency risks. Furthermore, the Master Fund may incur costs in connection with conversions between various currencies.

There can be no guarantee that instruments suitable for hedging currency or market shifts will be available at the time the Master Fund wishes to use them or will be able to be liquidated when the Master Fund wishes to do so. In addition, the Master Fund may choose not to enter into hedging transactions with respect to some or all of its positions. For certain positions or currencies there may not be a reliable and cost efficient method of hedging such risks.

Moreover, it may not be possible for the Manager to hedge against an exchange rate or equity price fluctuation that is so generally anticipated that the Manager is not able to enter into a hedging transaction at a price sufficient to protect the Master Fund from the decline in value of the equity position anticipated as a result of such a fluctuation.

Consequently, currency exchange rate fluctuations, currency devaluations and exchange control regulations may adversely affect the performance of portfolio companies and the return realised on the Master Fund's investments.

Inability to Liquidate Investments. If for any reason the Master Fund's investments cannot be sold, otherwise disposed of or valued (for example, upon the suspension of trading on the exchange on which such Investment is listed), the Manager may not be able to liquidate sufficient assets of the Master Fund, or value such assets, in order to meet redemption requests by the Fund and consequently, the Fund may not be in a position to meet Shareholder redemption requests in respect of Participating Shares. In such circumstances investors should be aware that the Directors are empowered to suspend the determination of the Net Asset Value and/or the processing of redemption requests in accordance with the Articles. Accordingly, Shareholders may be prevented from redeeming some or all of their investment in the Fund for an indefinite period.

"New Issues" Trading. The Master Fund will trade in "new issues" (initial public offerings of equity securities). Certain Shareholders will be limited, under applicable FINRA rules, from participating in the profits and losses generated by "new issues". In addition, the Fund may limit the participation of certain Shareholders in "new issues" to an extent not required by FINRA. Shareholders may receive "new issue" allocations disproportionate to such Shareholders' respective proportionate Participating Shares, and those Shareholders that are restricted from participating in "new issues" will not be compensated in any respect for their capital in the Master Fund being used to acquire "new issues".

Settlement and Liquidity Risks. In certain countries in which the Master Fund intends to invest, there may be limited organised public trading markets for securities with little liquidity or transparency, resulting in relatively slow and cumbersome execution of transactions. In particular, there may be no approved settlement procedure and trades may be settled by a free delivery of stock with payment of cash in an uncollateralised manner. This may give rise to a credit risk in relation to the counterparty. In general, there may be an increased risk of default and delay in

settlement compared to the markets in more developed economies. As a result, the Master Fund may experience difficulty in realising all entitlements attaching to the securities acquired.

No liquid secondary markets may exist for some of the securities in which the Master Fund invests. Reduced secondary market liquidity may have an adverse effect on market price and the Master Fund's ability to dispose of particular instruments when necessary to meet its liquidity requirements or in response to specific economic events such as a deterioration in the creditworthiness of the issuer. Reduced secondary market liquidity for certain securities may also make it more difficult for the Master Fund to obtain accurate market quotations for the purpose of valuing its portfolio and calculating its net asset value. Market quotations are generally available on many securities in which the Master Fund invests only from a limited number of dealers and may not necessarily represent the firm bids of those dealers or the prices for actual sales.

Uninsured Losses. The Manager may use insurance to cover certain risks where the Manager determines that coverage is desirable, available, and cost effective. However, there can be no assurance that insurance coverage will be available or sufficient to cover any such risks. Insurance against certain risks, such as war, acts of terrorism, pandemics, earthquakes, hurricanes, tsunamis, or floods, may be unavailable, available in amounts that are less than the full market value or replacement cost of underlying assets, or subject to a large deductible. In addition, the Manager may invest in jurisdictions in which insurance is unavailable. There can be no assurance that particular risks that are currently insurable will continue to be insurable on an economically affordable basis. Because the Master Fund is a pooled investment fund, all assets of the Master Fund may be at risk in the event of an uninsured liability to third parties.

Unspecified Investments. The Manager has discretion to select investments for the Master Fund as investment opportunities arise. A Shareholder must rely upon the ability of the Manager to identify and implement investments consistent with the Master Fund's investment program. Investors in the Fund will not be aware of the investments the Manager makes prior to the execution of such investments by the Master Fund. In addition, in certain events in respect of which the Master Fund makes an Investment the Manager may be subject to confidentiality obligations. In such circumstances, the information concerning the relevant Investment will not be disclosed to Shareholders. In addition, Shareholders will not receive or otherwise be privy to due diligence or risk report information prepared by or for the Manager in respect of any Investment or opportunity that it may investigate.

Difficulty of Locating Attractive Investments. Identifying, completing and realising gain on attractive investments is a highly competitive activity and involves significant uncertainty. The Master Fund will compete for investments with other investment vehicles, as well as financial institutions and other institutional investors, which may have more resources than the Master Fund. The activity of identifying, completing and realising attractive investments involves a high degree of uncertainty. There can be no assurance that the Master Fund will be able to locate and complete investments which satisfy the Master Fund's rate of return objective, realise their value or that the Master Fund will be able to fully invest its subscribed capital in a manner consistent with its investment strategy.

Concentration of Investments and Lack of Diversification. Subject to compliance with the investment guidelines set out in this Memorandum, the Investment Management Agreement does not limit the amount of capital that may be committed to any single investment, industry or sector. The Master Fund's investment portfolio (on account of size, investment strategy, the characteristics of the markets into which the Master Fund may invest and other considerations) may at times be limited to the securities of a relatively few issuers. This may result in the Master Fund experiencing a relative lack of diversification. While the Manager will generally attempt to spread capital among a number of Investments, and will establish maximum position size targets and maximum sector exposure targets relative to total capital in the Master Fund, at times it may hold a relatively small number of positions, each representing a relatively large portion of the Master Fund's capital and as such, not be optimally or adequately diversified. Subject to compliance with the "Investment Guidelines" set out in this Memorandum, the Master Fund may have a relatively large portion of its capital invested in particular types of securities or other instruments, or it may be highly exposed to a particular industry or market sector. Losses in one or more large positions or a downturn in an industry or market sector in which the Master Fund is concentrated, could materially adversely affect the Master Fund's performance in a particular period and have a materially adverse effect on the Master Fund's overall financial condition. In addition, if the price of an Investment should decrease and the Manager is unable for any reason to liquidate the position quickly or at a relatively advantageous price, the effect of such decrease on the Master Fund's portfolio will be greater if the Master Fund has concentrated its assets in such a position. Such effects could have the result of decreasing the Master Fund's returns. Further, significant losses or redemptions may leave the Master Fund with insufficient funds to diversify its Investments.

Emerging Growth and Small Companies; Unseasoned Issuers. The Master Fund may invest its assets in the securities in companies with all levels of market capitalisation including in emerging growth companies, small companies and unseasoned issuers. Investments in securities of these issuers may involve greater risks since these securities may have limited marketability and, accordingly, may be more volatile. Because there is generally less liquidity for securities of these issuers, it may be more difficult for the Master Fund to buy or sell significant amounts of such shares without an unfavourable impact on prevailing prices. These issuers may have limited product lines, markets or financial resources and may lack management depth. In addition, these issuers are typically subject to a greater degree of change in earnings and business prospects than larger, more established companies. There is typically less publicly available information concerning these companies than for larger, more established companies. Although investments in the securities of these issuers may offer the potential for above average returns as a result of these factors, they also involve a greater degree of risk. Additionally, it is not generally possible to hedge against the types of credit risk that are inherent in these companies.

Duration of Investment Positions. The Manager may not know, except in the case of certain options or derivatives positions which have pre-established expiry dates, the maximum, or even the expected (as opposed to optimal), duration of any particular position at the time of initiation. The length of time for which a position is maintained may vary significantly, based on the Manager's subjective judgement of the appropriate point at which to liquidate a position so as to augment gains or reduce losses. The Master Fund's transactions may involve acquiring related positions in a variety of different instruments or markets at or about the same time. Frequently, optimising the probability of being able to exploit the pricing anomalies among these positions requires holding periods of significant length. Actual holding periods depend on numerous factors which can both expedite and disrupt price convergences. There can be no assurance that the Master Fund will be able to maintain any particular position, or group of related positions, for the duration required to realise the expected gains, or avoid losses, from such positions.

Reliance on Corporate Management and Financial Reporting. The investment strategy implemented by the Master Fund may rely on the financial information made available by issuers in which the Master Fund invests and such issuers' trustees or managers. The Manager has no ability to independently verify the financial information disseminated by these third parties and is dependent upon the integrity of both the management of these third parties and the financial reporting process in general. Recent events have demonstrated the material losses that investors such as the Master Fund can incur as a result of corporate mismanagement, fraud and accounting irregularities.

Disaster Recovery. The Manager has only limited disaster recovery plans for its operations, and the Manager relies on outside parties, including the Investment Adviser and the Administrator, for some key accounting and operational functions, that in turn may also have limited disaster recovery plans. There is no assurance that any of these disaster recovery plans will work, which could result in significant losses to the Master Fund.

Portfolio Turnover. The Master Fund often invests on the basis of short-term market considerations, and the pricing dislocations from which the Master Fund will seek to profit can be short-lived. The turnover rate of the Master Fund's positions may be significant, potentially involving substantial brokerage commissions and fees.

Custody Risks. There are risks involved in dealing with the custodians or brokers who settle Master Fund trades. Securities and other assets deposited with custodians or brokers may not be clearly identified as being assets of the Master Fund, and hence the Master Fund may be exposed to a credit risk with regard to such parties. In some jurisdictions, the Master Fund may only be an unsecured creditor of its broker in the event of bankruptcy or administration of such broker. Further, there may be practical or time problems associated with enforcing the Master Fund's rights to its assets in the event of the insolvency of any such party.

Recent, apparently significant, losses incurred by many hedge funds in connection with the financial crisis and the bankruptcy of several large financial institutions illustrate the risks incurred in both derivatives trading and custody/brokerage arrangements. Assets deposited with the brokers which are fully paid (being those not held by the broker as margin) may be held in segregated safe custody in accordance with the brokerage agreements. Assets held as collateral by the brokers in relation to facilities offered to the Master Fund and assets deposited as margin with the brokers may therefore be available to the creditors of such persons in the event of their insolvency. The banking and other financial systems in certain markets into which the Master Fund may invest may not be well developed or well regulated. Delays in transfers by banks may result, as may liquidity crises and other problems arising as a result of the under-capitalisation of the banking sector as a whole. Exogenous risks such as the risk of

a general banking crisis in any of the countries in which the Master Fund may invest may have a material adverse effect on the Master Fund.

Counterparty Risk. The Master Fund will transact most of its investments through financial institutions including but not limited to brokers, dealers and banks. All purchases and sales of securities will carry counterparty risks (i.e., the endogenous risk that the counter party will default) until the transactions have settled. All financing transactions such as borrowing or lending of funds or securities will carry counterparty risks until such borrowing or lending has terminated and the relevant collateral is returned. All deposits of securities or cash with a custodian, bank or financial institution will carry counterparty risk. Upon default by a counterparty the Master Fund may be forced to unwind certain transactions and the Master Fund may encounter delays and difficulties with respect to court procedures in seeking recovery of the Master Fund's assets. These risks may differ materially where the relevant transactions are not exchange-traded transactions, which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties may not benefit from such protections and expose the parties to the risk of counterparty default.

Institutional Risk. Institutions, such as brokerage firms, banks and broker-dealers, generally have custody of the Master Fund's portfolio assets and may hold such assets in "street name". An unforeseen event such as the bankruptcy or fraud at one of these institutions could impair the operational capabilities or the capital position of the Master Fund.

Contingency Reserves. The Directors, in consultation with the Manager, at any time in their discretion, may establish reserves for contingencies (including general reserves for unspecified contingencies). The establishment of such reserves will not insulate any portion of the Master Fund's assets from being at risk, and such assets may still be traded by the Master Fund. A *pro rata* portion of any reserve may be withheld from distribution to a redeeming Shareholder.

The Master Fund's Expenses and Charges. The Master Fund will be subject to substantial fees, charges and expenses, including the Management Fee and the Performance Fee payable to the Manager.

Possible Indemnification Obligations. The Fund and the Master Fund are generally obligated to indemnify the Administrator, the Manager and possibly other parties under the various agreements entered into with such persons against any liability that they or their respective Affiliates may incur in connection with their relationship with the Fund or the Master Fund (as the case may be).

Redemption Gate. A redemption gate allows a fund to suspend redemptions when redemption requests as of a certain date exceed a stated threshold of the fund's net assets. Generally, if a redemption gate is invoked, investors who submitted redemption requests are redeemed pro rata, and the fund avoids the various reputational and litigation risks involved in denying a redemption request. Once a redemption gate level is exceeded, the fund can either cancel excess redemptions or defer excess redemptions to the next permissible redemption date, provided that redemptions are permitted for Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares and Class A5 Participating Shares exceeding the relevant redemption limit if a 3% Redemption Fee is paid. The Fund operates the Redemption Gate with respect to Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and Class C Participating Shares. Notwithstanding the foregoing, the Directors, in consultation with the Manager, may waive the Redemption Limit and/or the Redemption Gate in respect of any or all Shareholders.

Possible Effect of Redemptions. Substantial redemption requests could require the Manager to liquidate the Master Fund's positions more rapidly than otherwise desirable or in undesirable market conditions to raise the necessary cash to fund redemption requests and achieve a market position that appropriately reflects a smaller asset base. These factors could adversely affect the Net Asset Value of the Participating Shares that are not redeemed. Also, the Master Fund could become significantly less liquid for non-redeeming Shareholders following the satisfaction of one or more redemption requests.

Compulsory Redemption of a Shareholder's Participating Shares. The Participating Shares of any Shareholder may be compulsorily redeemed by the Fund in accordance with the Articles if the Fund, in consultation with the Manager, deem such redemption to be desirable. There is no guarantee that Participating Shares will be redeemed at advantageous prices in the event of such a compulsory redemption.

Suspension of Redemptions. The Fund, in consultation with the Manager, may suspend the right of any Shareholder to redeem Participating Shares or to receive redemption proceeds from the Fund in the circumstances set out in the section headed "**Suspensions and Restructures**".

Certain Limitations Relating to Redemptions. The Master Fund does not intend to hold illiquid securities, instruments or other property for which no market or only a limited market may exist ("**Illiquid Securities**") that would impact redemption terms or the normal liquidity of the Master Fund. However, if for reasons unforeseen by the Manager or via market dislocations or otherwise, the Master Fund holds Illiquid Securities having an aggregate value equal to or greater than 10% of the aggregate value of the Master Fund's portfolio, then the Fund may withhold from any distribution of redemption proceeds a percentage amount thereof equal to the percentage obtained by dividing: (1) the aggregate value (as determined by the Manager in consultation with the Board) of the Master Fund's Illiquid Securities, by (2) the aggregate value of the Master Fund's total Net Asset Value (as determined by the Manager as the delegate of the Board). The amount withheld will be distributed at a later date within the succeeding twelve months, except as noted above under the section headed "**Suspensions and Restructures - Suspension of Valuation, Issue and/or Redemption of Participating Shares**". The Master Fund does not expect that a material portion of its assets will be held in Illiquid Securities at any time, although this may change. Certain of the Master Fund's investments in Illiquid Securities may be held through special purpose vehicles owned by the Master Fund. Using a special purpose vehicle provides limited liability protection as well as facilitating the combination of Master Fund and third-party capital to make an investment that would require an excessive capital commitment if made by the Master Fund alone. The Master Fund's investments in any such special purpose vehicles, however, do not constitute Illiquid Securities. The Master Fund has full discretion to determine the structure, capitalisation, and sources of capital for each special purpose vehicle.

With respect to Illiquid Securities, or where, in certain situations, no exchange, broker-dealer, bank, market maker or pricing service will issue pricing information for a security or other investment held in the Master Fund, the Manager will use its reasonable best efforts and all appropriate means to "fair value" such investment. Since determining fair value in a dislocated market depends on the facts and circumstances, the Master Fund will have broad discretion in determining the fair value of any Illiquid Security, including the discretion to write down to zero the value of any such Illiquid Security. **Investors should be aware that it is possible that Illiquid Securities may be written down to zero, in which case, Shareholders exposed to any such written-off Illiquid Security will have lost all their invested capital in such security. In addition, the value of the Illiquid Securities used to calculate redemption amounts may be too low, which harms Shareholders redeeming their Participating Shares; or too much, which harms Shareholders who remain invested in the Master Fund.**

Notwithstanding anything to the contrary contained herein, the Fund may refuse to make a redemption payment to a Shareholder if the Directors suspect or are advised that the payment of any redemption proceeds to such Shareholder may result in a breach or violation of any applicable laws or regulations (including, without limitation, any anti-money laundering or anti-terrorism laws and regulations) by the Fund or any other person in any relevant jurisdiction, or such refusal is necessary or appropriate to ensure compliance by the Fund, the Master Fund, the Manager, its Directors, the Board or the Administrator with any such applicable law or regulation in any relevant jurisdiction. In such circumstances, and until otherwise instructed by the relevant authority, the Fund may deposit such redemption proceeds in a separate bank account. If the Fund is given permission to pay out such redemption proceeds to the relevant Shareholder, that Shareholder's only right against the Fund will be the right to receive the monies so deposited (without interest).

Restriction on Transferability. Participating Shares may only be transferred in accordance with the Articles, subject to the written consent of the Directors, in consultation with the Manager, and as required by the transfer restrictions that are applicable in certain jurisdictions, as set out below. Please refer to the section headed "**General Information - Articles - Restriction on Transfer of Participating Shares**" for further details.

Recourse to All Assets/Cross Class Liability. The Fund and the Master Fund are each separate legal entities. Accordingly, all of the assets of the Fund and the Master Fund, including any Investments made by the Master Fund and any funds held by the Master Fund, are available to satisfy all liabilities and other obligations of the Fund and the Master Fund respectively, regardless of the Class or Series to which such assets or liabilities are attributable, and regardless of the fact that Investments may be held through special purpose trading subsidiaries. If the Fund or the Master Fund become subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's or the Master Fund's assets generally and not be limited to any particular assets, such as the asset representing the Investment giving rise to the liability. This may result in the Manager disposing of assets the Master Fund holds

in order to satisfy liabilities arising from other assets. In practice, cross Class liability will usually only arise where any Class or Series of Participating Shares in the Fund or Master Fund (as appropriate) become insolvent and is unable to meet all of its liabilities. In this case, all of the assets of the Fund or the Master Fund, as the case may be, attributable to another Class or Series of Participating Shares may be applied to cover the liabilities of the insolvent Class or Series.

Valuation Risk; Use of Estimates. The Master Fund's net asset value will be based to the extent possible on quotes provided by exchanges, brokers and other competent third-party pricing sources. Investors should note that the net asset value calculations of the Fund and the Master Fund may be adjusted following the year-end audit. The Administrator will not bear any liability if the price of an instrument, reasonably believed by it to be an accurate valuation of a particular direct or indirect investment of the Master Fund, is materially higher or lower than the price at which such instrument is subsequently sold or, in the case of an instrument sold short, purchased.

Master-Feeder Fund Structure. The Fund will invest, possibly in the future together with certain other entities, substantially all of its assets in the Master Fund through a master-feeder fund structure. A "master-feeder" fund structure presents certain unique risks to investors. The Master Fund will bear its and the Fund's operating costs, although the Manager will bear certain of the operating costs of the Master Fund as described herein. In addition, where there are multiple investment vehicles that invest in the same portfolio (in this case, the Master Fund), smaller investment vehicles investing in the Master Fund may be materially affected by the actions of larger investment vehicles investing in the Master Fund. For example, if a larger investment vehicle redeems its investment from the Master Fund, the interests of the non-redeeming funds could be harmed as redemptions depress the value of the remaining funds of the Master Fund. Substantial redemptions by investors in the Master Fund, including the Fund and other feeder funds over a short period of time, could necessitate the liquidation of securities positions at a time and in a manner which does not provide the most economic advantage to the Master Fund, and which therefore, could adversely affect the value of the Master Fund's assets.

Corporate Actions. The Fund may take such action as it considers necessary in relation to an investor's holding or redemption proceeds, as a result of relevant legislation and regulations, including but not limited to, FATCA, as further detailed in the section of this Memorandum entitled "Taxation". Such actions may include, but are not limited to the following:

1. The disclosure by the Fund, the Administrator or such other service provider or delegate of the Fund, of certain information relating to an investor to the TIA or equivalent authority and any other foreign government body as required by FATCA. Such information may include, without limitation, confidential information such as financial information concerning an investor's investment in the Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such investor.
2. The Fund may compulsorily redeem any Participating Shares held by an investor in accordance with the terms of this Memorandum and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to FATCA may therefore result in pecuniary loss to such investor.

Regulatory Related Risks

Exempt Offering. The Fund offers Participating Shares on a continuing basis without registration under any securities laws, except as disclosed in this Memorandum. While the Fund intends to rely on exemptions from such registration that the Fund and the Manager believe are available, there can be no assurance that factors such as the manner in which offers and sales are made, the scope of disclosure provided or changes in applicable law will not make such exemptions unavailable. A violation of securities registration requirements could result in the rescission of investors' purchases of Participating Shares at prices higher than the current value of those Participating Shares. This may potentially have a material and adverse effect on the Fund's performance and business.

Regulatory Approvals. The Master Fund may be restricted in its investments in various countries as a foreign company and require the approval of various regulatory bodies. There is no guarantee that the policies of relevant regulatory authorities towards investment by foreign companies will remain unchanged. Any adverse changes in

such policies may have a significant impact on the Master Fund's ability to invest, or to dispose of investments, in companies in countries in which such restrictions or policies exist.

Risks Relating to Absence of Statutory Regulation. While the Fund and the Master Fund may be considered similar to investment companies, neither the Fund nor the Master Fund are, or intend to be, registered under the US Company Act, in reliance upon an exemption available to privately-offered investment companies. Accordingly, the provisions of the US Company Act (which, among other matters, require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be afforded to the Fund, the Master Fund or the Shareholders. The Investment Adviser is not registered under the US Advisers Act as an investment adviser but is registered as benefitting from the Private Fund Adviser Exemption and is treated as an exempt reporting adviser. The Manager is not registered under the US Advisers Act as an investment adviser.

Regulatory Change. The regulation of the non-US securities markets and of investment funds such as the Fund and Master Fund has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future. While in certain situations the Manager may pursue opportunities for the Master Fund that may arise from announced or anticipated amendment to law, regulation or administrative practice, the effect of regulatory change on the Fund, can be impossible to predict, and therefore may be substantial and have a materially adverse impact on the Fund. There are currently a number of legislative proposals pending which, if enacted, could materially adversely affect the Fund and the alternative investment industry in general.

Potential for Enhanced Regulation of the Over-the Counter Derivatives Markets. The international regulatory landscape for OTC derivatives and structured products has undergone 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. Legislation relating to OTC derivatives was introduced both in the U.S. in 2010 (in the form of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act) and also in the European Union (in the form of the European Market Infrastructure Regulation). It is expected that the trend for further regulation of the OTC derivatives market to further 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 Master Fund and its investors.

While it is difficult to accurately predict the scope of future OTC legislation, many commentators believe a significant impact on end-users, such as the Master Fund, will be to increase the cost of OTC derivatives, subject them to new clearing and exchange trading requirements, and reduce the availability of customised derivatives which, if available, may be subject to even greater cost increases. It is unclear at this time how the derivatives industry will adapt to these changes.

Revised Regulatory Interpretations Could Make Certain Strategies Obsolete. In addition to proposed and actual accounting changes, there have recently been certain well-publicised incidents of regulators unexpectedly taking positions that prohibited strategies which had been implemented in a variety of formats for many years. In the current unsettled regulatory environment, it is impossible to predict if future regulatory developments might adversely affect the Fund or the Master Fund.

Other Risks

Disclosure of Investment Portfolio. The audited financial statements of the Master Fund will not include a detailed listing of positions held by the Master Fund. Such confidentiality is maintained to prevent third parties from using information concerning the Master Fund or the Master Fund's positions to its detriment. Examples of ways in which such information could be used adversely to the Master Fund include: (a) to "front run" the Master Fund on sales, or additional purchases, of such positions; (b) to make it more difficult for the Master Fund to protect its positions by withholding, or causing others to withhold, prospective trades; (c) to make it difficult to acquire or borrow securities; or (d) otherwise to interfere with the Master Fund's investment objectives. For this reason, the Manager believes it is important to take extra precautions to maintain the confidentiality of the positions in the Master Fund's investment portfolio.

Non-Disclosure of Positions. In an effort to protect the confidentiality of its positions, the Master Fund may not generally disclose any or all of its positions to Shareholders on an ongoing basis, although the Manager, in its sole discretion, may permit such disclosure on a selective basis to certain Shareholders, if it determines that there are sufficient confidentiality agreements and procedures in place.

Litigation. In the ordinary course of its business, the Fund, the Master Fund and the Manager may be subject to litigation from time to time. The outcome of litigation, which may materially adversely affect the value or operation of the Fund and the Master Fund, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Manager's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

Impacts of Recent Geopolitical Events. Increases in and volatility of the price of oil, current developments in Afghanistan, Iraq and the Middle East, the continued threat of terrorism both within the United States and abroad, the ongoing European sovereign debt crisis, the ongoing military and other actions and heightened security measures in response to these threats, international tensions between the United States and other nations, instability in the credit and sub-prime markets and the much-anticipated spread of avian bird flu and "Swine" flu throughout the world may cause disruptions to commerce, reduced economic activity, and continued volatility in markets throughout the world. Such systemic risks may have an adverse impact on some of the assets in the Master Fund's portfolio in the event that such risks result in a decline in the securities markets and economic activity because of these factors. The Manager cannot predict at this time the extent and timing of any decreased commercial and economic activity resulting from the above factors, or how any such decrease might affect the value of securities and other assets held by the Master Fund. The aforementioned factors could also result in incidents or circumstances that would disrupt the normal operations of the Manager, the Investment Adviser, the Prime Brokers and the Administrator, or any of the broker-dealers, which could also have negative effects on the investment performance of the Master Fund.

Restriction on Auditors' Liability. Cayman Islands law does not restrict the ability of Auditors to limit their liability and consequently the engagement letter entered into with the Auditors may contain such a provision as well as contain provisions indemnifying the Auditors in certain circumstances.

Side Letters. The Fund (with the approval of the Directors) may from time to time enter into letter agreements or other similar agreements (collectively, "**Side Letters**") with one or more Shareholders that provide these Shareholder(s) with additional and/or different rights and benefits (including, without limitation, with respect to access to information, the Management Fee and the Performance Fee and minimum investment amounts) than such Shareholder(s) have pursuant to this Memorandum. The Fund is not required to notify any or all of the other Shareholders of any such Side Letters or any of the rights and/or terms or provisions thereof, nor is the Fund required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders. The Fund or the Manager may enter into such Side Letters with any party as they may determine in their discretion at any time. The other Shareholders will have no recourse against the Fund, the Manager and/or any of their Affiliates if certain Shareholders receive additional and/or different rights and/or terms because of such Side Letters.

No Separate Counsel. DLA Piper Hong Kong is the legal counsel to each of the Fund and the Master Fund as to matters of United States law and Hong Kong Law. Maples and Calder has been engaged to act as counsel to the Fund, the Master Fund and the Manager as to matters of Cayman Islands Law only. Such counsel do not represent investors in the Fund, and no independent counsel has been retained to represent investors in the Fund in this regard.

The above discussion covers certain risks associated with the Fund and the Participating Shares, but is not, nor is it intended to be, a complete enumeration or explanation of all risks involved in an investment in the Fund. You should read this entire Memorandum and the Articles and consult with your own professional advisers before deciding whether to invest in the Fund. You should invest in the Fund only if you understand the nature of the investment, do not require more than limited liquidity in your investment, and can bear the economic risk that redemption will be restricted and fees, charges and Performance Fees paid based on net asset values that may substantially exceed realised values. In addition, as the Master Fund's investment program changes or develops over time, an investment in the Fund may be subject to additional risk factors that are not described in this Memorandum. The Manager, however, will supplement this Memorandum from time to time to disclose any material changes in the information

provided herein. No assurance can be given that profits will be achieved or that substantial losses will not be incurred.

IT IS PARTICULARLY IMPORTANT THAT INVESTORS CAREFULLY CONSIDER WHETHER A HIGHLY SPECULATIVE INVESTMENT IN THE FUND IS SUITABLE FOR THEM. AN INVESTMENT IN THE FUND IS LIKELY NOT TO BE SUITABLE FOR MANY INVESTORS. AN INVESTMENT IN THE FUND MAY NOT BE CONSISTENT WITH MANY INVESTORS' PORTFOLIO OBJECTIVES OR INVESTMENT RESTRICTIONS DUE TO: (A) THE POTENTIAL FOR RESTRICTED LIQUIDITY OF THE PARTICIPATING SHARES; (B) THE POSSIBILITY OF THE FUND RECEIVING A QUALIFIED AUDIT REPORT; AND (C) A VARIETY OF OTHER FACTORS.

Risk Management

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

Management Policy of Liquidity Risk

Investors are advised to refer to the above "Settlement and Liquidity Risks" for the relevant liquidity risk disclosure. To help mitigate the liquidity risk, liquidity management policy is implemented and is responsible for establishing prudent liquidity risk management including the following aspects: governance at the firm level, product design and disclosure, on-going liquidity risk assessment, exercise of power on suspension and redemption gates, stress testing, and liquidity risk management tools. Investors may obtain further details of liquidity risk management policy by contacting the Manager.

REGULATORY AND CONFLICTS OF INTEREST

Regulatory

US Commodity Exchange Act 1934, as amended. The Manager is registered as a commodity pool operator "CPO" in accordance with the "CFTC lite" regime under CFTC Regulations. The "CFTC lite" regime applies substantially reduced disclosure, record keeping and reporting requirements. The relief available under the "CFTC lite" regime is only available with respect to the operators of those funds in which each investor is a "qualified eligible person", as that term is defined in CFTC Regulation Section 4.7. The Investment Adviser benefits from an exemption to registration with the NFA as a commodity trading adviser "CTA".

US Investment Company Act 1940. Neither the Fund nor the Master Fund will be subject to registration under the US Company Act, in reliance upon the exemption from registration set forth in Section 3(c)(7) thereof, which in conjunction with Section 7(d) thereof and under current interpretations of the SEC, exempts from such registration any non-US issuer all of whose outstanding securities are beneficially owned either by non-US Persons or by US Persons that are "Qualified Purchasers" (as defined in Section 2(a)(51) under the Company Act). A "Qualified Purchaser" generally includes a natural person who owns not less than US\$5,000,000 in investments, a company acting for its own account or the accounts of other Qualified Purchasers which owns and invests on a discretionary basis not less than US\$25,000,000 in investments and certain trusts. The Subscription Agreement and Additional Subscription Agreement will include a representation that each US Person subscribing for Participating Shares is a "Qualified Purchaser", and the Subscription Agreements and the Articles will contain representations and restrictions on transfer designed to assure that these conditions will be met.

The Dodd–Frank Wall Street Reform and Consumer Protection Act (the "Dodd Frank Act"). The Dodd Frank Act was signed into law in the US on July 21, 2010. The Dodd Frank Act implements a wide range of financial regulatory reform across many different aspects of the financial sector in the US, including introducing new exemptions to the registration requirements of the US Advisers Act for advisers to certain privately offered investment funds.

Title IV of the Dodd-Frank Act – the Private Fund Investment Advisers Registration Act of 2010, provides exemptions from registration for an investment adviser that:

1. (i) has no place of business in the US; (ii) has, in total, fewer than 15 clients in the US and investors in the US in private funds advised by the investment adviser; (iii) has aggregate assets under management attributable to clients in the United States and investors in the United States in private funds advised by the investment adviser of less than US\$25 million; and (iv) does not hold itself out generally to the public in the United States as an investment adviser (the "**Foreign Private Adviser Exemption**");
2. is an investment adviser solely to private funds with less than US\$150 million in assets under management (the "**Private Fund Adviser Exemption**"); and
3. is an investment adviser solely to venture capital funds (the "**Venture Capital Fund Adviser Exemption**").

The Investment Adviser is not registered under the US Advisers Act as an investment adviser but is registered as benefitting from the Private Fund Adviser Exemption and is treated as an exempt reporting adviser. The Manager is not registered under the US Advisers Act as an investment adviser.

Should the Manager or Investment Adviser be required to register under the US Advisers Act as a result of the implementation of Title IV of the Dodd Frank Act, the Manager or the Investment Adviser (as the case may be) may be subject to increased regulatory, recordkeeping and compliance obligations and increased costs as a result.

Alternative Investment Fund Managers Directive. The European Council and the European Parliament have approved the Alternative Investment Fund Managers Directive 2011/61/EU (the "**AIFM Directive**") published by the European Commission on alternative investment fund managers ("**AIFMs**"). The AIFM

Directive will be supplemented with further rules and is required to be transposed into the laws of the European Union (the "EU") Member States. The overarching purpose of the AIFM Directive is to (a) regulate AIFMs based in the EU and (b) prohibit AIFMs from either (i) managing any alternative investment fund ("AIF") in the EU or (ii) marketing shares in AIF to investors in the EU unless authorised and, in the case of an AIF domiciled outside of the EU (such as the Fund), unless the domicile of the AIF meets certain conditions. To obtain authorisation and to manage an AIF in the EU, an AIFM (such as the Manager) would need to comply with various obligations in relation to the AIF which may create significant additional compliance costs that may be passed to investors in the relevant AIF.

The Manager, marketing a non-EU AIF (the Fund) to persons within the EU, will be required to, *inter alia*: (i) confirm that the Cayman Islands Monetary Authority has entered into a cooperation agreement with the regulator of each EU country into which the Fund is to be marketed; (ii) confirm that the Cayman Islands is not listed as a non-cooperative country for the purposes of the Financial Action Task Force; and (iii) provide certain additional regulatory and/or financial information to investors in the EU and regulators of such EU Member States.

The Fund, as a non-EU AIF managed by a non-EU AIFM (the Manager), may only be marketed to investors in the EU in accordance with applicable national private placement rules. Each EU Member State retains the discretion over its national private placement rules and retains the authority to enact new rules that may require an AIF to become registered with a local regulator before securities can be offered in that EU Member State and/or restrict or limit the ability for interests in any non-EU AIF (such as the Fund) from being marketed in such EU Member State. "Reverse solicitation", where an EU investor approaches a non-EU AIFM regarding shares in a non-EU AIF, is outside the scope of the AIFM Directive.

Hence, it is not possible to determine at present the full impact that the AIFM Directive will have on the Fund or the Manager. The Fund or the Manager may be required to implement steps to comply with Member State national rules to implement the AIFM Directive where the Fund is to be marketed. Compliance measures may be significant or may require amendments to the structure of the Fund (eg redomiciling to another jurisdiction). Regulatory changes impairing the ability of the Manager to manage investments of the Fund, or limiting the Fund's ability to market Shares in the future due to the implementation of the AIFM Directive, may have a material adverse effect on the Fund's ability to carry out its investment approach and in turn to achieve its investment objective.

Beneficial Ownership Regime. The Fund is regulated as a mutual fund under the Cayman Mutual Funds Act and, accordingly, does not fall within the scope of the primary obligations under Part XVIII of the Cayman Companies Act (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.

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

Accordingly, the Fund will require a subscriber for Participating Shares 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) and/or Cayman Islands legislation, (ii) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, OFAC, the EU, the UK and/or the Cayman Islands apply, or (iii) otherwise subject to sanctions imposed by the United Nations, OFAC, the EU, the UK (including as the latter are extended to the Cayman Islands by Statutory Instrument) or the Cayman Islands (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 Manager and the Investment Adviser 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 and Master Fund subsequently become subject to applicable sanctions, the Fund and Master 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.

U.S. Executive Order 13939, as amended. Pursuant to U.S. Executive Order No. 13959 "Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies", as amended from time to time, or any subsequent Executive Order of a similar nature ("**Executive Order**"), the U.S. government has imposed sanctions targeting certain Chinese military-industrial complex companies and Chinese defense and surveillance technology firms (or any other similar sanctioned companies) ("**CMICs**"). It prohibits U.S. persons (as defined in the Executive Order) from engaging in activities such as the purchase or sale of any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities, of any identified CMIC (or any other similar sanctioned securities) ("**CMIC Securities**"). As of the date of this Memorandum, the Fund does not have any U.S. investors and does not intend to acquire direct investment exposure to the CMIC Securities. To the extent required by the Executive Order and in the event that the Fund accepts subscriptions from U.S. investors, the Fund will implement appropriate procedures and control to comply with the Executive Order.

Anti-Money Laundering Regulations

Cayman Islands

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**").

The Fund, or the Relevant AML Person on the Fund's behalf, reserve 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 is not required upon 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, Participating Shares in the 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 Participating 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.

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 (As Revised) 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 Act (As Revised) 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 Act (As Revised) 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.

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 Fund. The Master Fund will discharge its obligations by implementing procedures substantially similar to the Fund.

Investors may obtain details (including contact details) of the current AML Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer of the Fund and the Master Fund, by contacting the Investment Adviser.

United States

As part of the Fund’s responsibility for the prevention of money laundering, the Fund, the Manager, the Investment Adviser, the Administrator and their respective subsidiaries, Affiliates, directors, officers, shareholders, employees, agents, and permitted delegates and sub-delegates may require representations relating to the source of funds, including that:

- (a) the funds did not come from or through a jurisdiction identified as non-cooperative by the Financial Action Task Force; and
- (b) the applicant is not identified on any US Office of Foreign Assets Control and does not have any affiliation of any kind with such an individual, entity or organisation.

Depending on the circumstances of each application, more detailed verification may be required. In certain instances where the application is made through a recognized intermediary which is regulated by a recognised regulatory authority and carries on business in a country considered as having sufficient anti-money laundering regulations by the Administrator, the Fund may rely on a written assurance from the intermediary that the requisite identification procedures on the applicant for business have been carried out.

The Fund, the Administrator and the Manager may, as new federal anti-money laundering rules are promulgated, request additional information and representations from both existing and potential investors. Failure to provide such additional information on a timely basis may result in the compulsory redemption from the Fund. However, the funds relating to such redemption may be held in the discretion of the Fund, if the Fund, the Administrator or the Manager, in their discretion, are concerned that such funds are part of any money laundering scheme.

Disclosure of Information

By subscribing, applicants consent to the disclosure by the Fund, the Manager, the Investment Adviser and/or the Administrator, including their respective agents, Affiliates, delegates, subsidiaries or associates, of any

information about them to regulators, government agencies and other relevant persons upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions, including upon request in connection with AML/CFT and similar matters in Hong Kong. Without limiting the foregoing, the Directors, or any authorised service providers (including the officers, the company secretary and the registered office agent of the Fund) shall be entitled to disclose to any regulatory or judicial authority, or to any stock exchange on which the Participating Shares or any Class may from time to time be listed, any information regarding the affairs of the Fund including, without limitation, information contained in the register and books of the Fund.

Data Protection

Prospective institutional investors (regardless of where they are based) who will be providing the Fund with personal data of EU individuals connected with them ("**EU-connected Investors**") should note that, by virtue of making an investment in the Fund and the associated interactions with the Fund and its Affiliates and 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 EU 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 delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The Fund shall act as a data controller in respect of this personal data and its Affiliates and delegates, such as the Administrator and the Manager may act as data processors (or data controllers in some circumstances).

The Fund has prepared a document outlining the Fund's data protection obligations and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new EU-connected Investors shall receive a copy of the Privacy Notice as part of the process to subscribe for the Participating Shares in the Fund and a copy of the Privacy Notice will be sent to all existing EU-connected Investors in the Fund that subscribed before the Data Protection Legislation came into effect.

The Privacy Notice contains information on the following matters in relation to data protection:

- that EU-connected Investors will provide the Fund with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the European Economic Area;
- details of data protection measures taken by the Fund;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Fund's policy for retention of personal data; and
- contact details for further information on data protection matters.

Given the specific purposes for which the Fund and its Affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals as data subjects under the Data Protection Legislation have the right to object to the processing of their data where the Fund has considered this to be necessary for the purposes of its or a third party's legitimate interests.

Cayman Islands Data Protection

The Cayman Islands Government enacted the Data Protection Act (As Revised) (the "**DPA**") on 18 May 2017. The DPA introduces legal requirements for the Fund 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 DPA (the "**Cayman Privacy Notice**"). The Cayman Privacy Notice is set out in Appendix C hereto.

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 DPA. The Fund shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Administrator, the Manager and *others*, 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 Cayman Privacy Notice and that the Cayman Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Fund.

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

Conflicts of Interest

The following inherent and potential conflicts of interest will exist in respect of the Master Fund, the Fund and each Class or Series of Participating Shares that may be issued. The Master Fund and the Fund may be subject to future or other actual or potential conflicts of interest in addition to those described in this Memorandum.

Compensation

The Management Fee and Performance Fee payable to the Manager have not been negotiated at arm's length. The Management Fee is payable without regard to the overall success of, or income earned by, the Fund or the Master Fund. Therefore, the Management Fee may create an incentive on the part of the Fund and the Master Fund to raise or otherwise increase, or preserve assets under management to a level higher than would be the case if the Manager were receiving a lower Management Fee. In addition, the Performance Fee is determined on the basis of increases in the Net Asset Value, including value attributable to unrealised appreciation. The Manager could receive substantial compensation in the event that the Master Fund generates increases in Net Asset Value. Prospective investors should note that the Manager may receive increased compensation because the Performance Fee will be calculated on a basis that includes unrealised appreciation as well as realised gains. The existence of such fees may also create an incentive to make Investments which are more speculative than would be the case without such performance based fees. Since the Master Fund accrues the Performance Fee at the end of each Performance Period or up to the date of redemption, the amount received by a Shareholder redeeming Participating Shares will reflect the accrued Performance Fee allocated to the redeemed Participating Shares.

Management Time

The Board and the Manager are not required to devote any particular amount of their time to the management of the Master Fund but will use their reasonable efforts in connection with the purposes and objectives of the Master Fund and will devote so much of their time and effort to the affairs of the Master Fund as may, in their judgement, be necessary to accomplish the purposes of the Master Fund.

The Directors, the Manager, their Affiliates, their respective members, officers, employees, principals, agents and Affiliates (the "**Affiliated Parties**") may conduct any other business, including any business within the

securities industry, whether or not such business is in competition with the Fund or the Master Fund. Without limiting the generality of the foregoing, the Affiliated Parties may act as general partner, investment adviser or investment manager for others, may manage funds, separate accounts or capital for others, may have, make and maintain investments in their own name or through other entities and may serve as an officer, director, consultant, partner or stockholder of one or more investment funds, partnerships, securities firms or advisory firms.

These other entities or accounts may have investment objectives or may implement investment strategies that are similar to, or different from, those of the Master Fund. As a result of the foregoing, the Affiliated Parties may have conflicts of interest in allocating their time and activity among the Fund or the Master Fund (as appropriate) and other entities in respect of whom they may be contractually bound to act. No Shareholder, Class or Series will be entitled to any of the profits that may be generated from these other activities.

Other Clients; Allocation of Investment Opportunities

The Board and the Manager are responsible for the investment decisions made on behalf of the Master Fund respectively, and are also responsible, directly or indirectly, for investment decisions made on behalf of other clients of the Manager. Affiliates, employees and officers of the Manager and the Investment Adviser may also provide investment advice to various clients. Accounts of other clients may have different terms of investment than the Master Fund, including different fee and liquidity terms. There are no restrictions on the ability of the Manager, the Investment Adviser, or such Affiliates to manage accounts or the business activities of other funds or other clients, whether the accounts follow the same or different investment objectives, philosophies and strategies as those used for the Master Fund.

The Manager may determine that an investment opportunity is appropriate for the Master Fund or another fund or account that it manages, or for itself, but not for another fund or account. Situations may arise in which investment funds or accounts managed by the Manager or its Affiliates have made investments that would have been suitable for investment by the Master Fund but, for various reasons, were not pursued by, or made available to, the Master Fund. To the extent that entities affiliated with the Manager invest in a particular investment, the ability of the Master Fund to invest in the same investment may be adversely affected by any limitation on availability of the Investment. In addition, the Manager may be required to choose between the Master Fund and other advisory clients in allocating investments.

The Manager generally intends to allocate all investment opportunities that may be appropriate for the Master Fund and other clients in a manner that is fair and equitable to all clients over time taking into account the different investment mandates and investment strategies applicable to such clients, current investment positions of a client, the relative capitalisation and cash availability of a client, investment time horizon, leverage ratios and other considerations. In particular, because the Master Fund will implement a particular strategy, whereas other clients may employ a broader range of strategies, allocations of certain investments may not necessarily be made on a *pro rata* basis. For example, the Master Fund may receive a higher allocation of certain investments but not or only a limited allocation of other investments, as determined by the Manager in its good faith discretion. Circumstances may occur, however, in which an allocation could have an adverse effect on the Master Fund or another client with respect to the price or size of securities positions that can be obtained.

From the standpoint of the Master Fund, simultaneous identical portfolio transactions for the Master Fund and the other clients may tend to decrease the prices received, and increase the prices required to be paid, by the Master Fund for its portfolio sales and purchases. Further, it may not always be possible or consistent with the investment objectives of the various persons or entities described above, and of the Master Fund, for the same investment positions to be taken or liquidated at the same time. Similarly, these investment positions may not be executed at the same price.

The Manager or an affiliated adviser may, in certain circumstances, take positions in accounts of other clients opposite to those taken in relation to the Master Fund and/or take positions in accounts of other clients which involve conflicts or potential conflicts with positions of the Master Fund (e.g., investments in different levels of a company's capital structure). These positions could adversely affect the performance of Investments of the Master Fund. For example, a large short position in a security in an account of a client could cause a decline in the value of a long position of the Master Fund in the same security. The Manager may also decline to make an investment for the Master Fund out of concern that such investment might harm another client of the Manager or an affiliated advisor.

Interest of Affiliated Parties in the Master Fund Investments

The Affiliated Parties may, through other investments, including other investment funds or managed accounts, have interests in the securities in which the Master Fund invests as well as interests in investments in which the Master Fund does not invest.

Transactions Involving the Manager

The Manager or any of its Affiliates may enter into "principal transactions" (including swaps) with the Master Fund in which the Manager or such Affiliate acts as principal for its own account with respect to the sale of a security to or purchase of a security from the Master Fund. Principal transactions will be completed in compliance with applicable law. In analysing such principal transactions, the Manager will have a conflict between acting in the best interests of the Master Fund and assisting itself or its Affiliate by selling or purchasing a particular security. Any such principal transaction may not be completed unless it has been approved by an independent director of the Board having regard to the full details of the relevant transaction.

The Manager may cause the Master Fund to purchase securities or other assets from or sell securities or other assets to, or engage in other transactions with, other clients or vehicles when the Manager believes such transactions are appropriate and in the best interests of the Master Fund. In the event the Manager wishes to reduce the investment of the Master Fund in a security or other asset and increase the investment of another fund or funds in such security or other asset, it may effect such transactions by directing the transfer of the securities or other assets between the Master Fund and such other funds.

The Manager, or brokers selected by it, may engage in "agency cross transactions" as defined in Rule 206(3)-2 ("**Agency Cross Transactions**") promulgated by the SEC under the US Advisers Act in which the Manager or such brokers act as a broker for both the Master Fund and for another person on the other side of the transaction. The Manager or such brokers may receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding, both parties to such Agency Cross Transactions. Agency Cross Transactions will be effected by the Manager or its Affiliates only to the extent permitted by applicable law. Any such Agency Cross Transaction may not be completed unless it has been approved by the Board having regard to the full details of the relevant transaction.

Valuation

The Board, in consultation with the Manager, may permit alternative methods of valuation to be used if they consider that such valuation better reflects the fair value of the Investments of the Master Fund. The Manager has a conflict between its interest in the assets of the Master Fund being valued at a high level to increase the amount of the Management Fee and Performance Fee, and its interest in such assets being valued so as not to disadvantage redeeming Shareholders. The Manager would also have an interest in a high value being attributed to the Investments of the Master Fund to the extent of its, or its Affiliates', intent to redeem all or a portion of their own Participating Shares (if any). On the other hand, during the period prior to a Redemption Day the Manager, to the extent it is not a redeemer or to the extent it intends to purchase the assets of the Master Fund to fund redemptions, has an interest in a lower value being placed on Investments. The Administrator will calculate the Net Asset Value of the Master Fund (with the exception of private equity transactions or other illiquid assets) and will do so under procedures established by the Board and under the ultimate supervision of the Directors and the Board. As the Administrator may be terminated by the Fund and the Master Fund in various circumstances under the Administration Agreement, it cannot be said to be beyond the influence of the Manager.

Material Non-Public or Confidential Information

The Affiliated Parties may acquire material non-public and/or confidential information that may restrict by law, internal policies or otherwise the Manager from purchasing securities or other assets, or selling securities or other assets for themselves or their clients (including the Master Fund) or otherwise using or receiving such information for the benefit of the Affiliated Parties or their clients. Due to these restrictions, the Manager may not initiate a transaction for the Master Fund's account that the Manager otherwise might have initiated, and this may have a significant impact on the ability to implement the Master Fund's strategy. In addition, the Master Fund may thereby become frozen in an investment position that it otherwise might have liquidated or closed

out. In order to maintain flexibility to invest in securities without violating securities laws that restrict trading while in possession of material non-public information, the Manager may establish internal structures and information walls restricting its access to material non-public information that might otherwise be available to it through its relationships with other Affiliated Parties. As a result, the Manager's investment flexibility may be constrained and it may sometimes make investment decisions different than those it would make if it had access to such information. Such decisions may result in a material loss to the Master Fund.

Conflicts as to Affiliates

The Manager may contract with entities that provide certain technology, research, consulting and other services that may have employees, principals and officers affiliated with, or in common with, the Manager, the Fund and/or its Directors.

The Manager may receive consulting assistance services from the Prime Brokers, which may include but not limited to technology, property, risk, operations, business and legal consulting and talent introduction. The Prime Brokers will provide such consulting assistance services in complement to, and not in place of, the Manager's independent professional advisors and service providers. The benefits provided to the Manager by receipt of the consulting assistance services from any Prime Broker will assist the Manager, either directly or indirectly, in the provision of efficient investment management services to the Fund and to other third parties. The receipt by the Manager of the assistance services from any Prime Broker may give rise to an actual or potential conflict of interest for the Manager.

The Manager will manage any such actual or potential conflict of interest appropriately.

Brokerage Commissions

Generally, the Manager will direct brokerage to firms which furnish or pay for quotation and/or research, research-related services, and other products and services within the "safe harbour" provided by Section 28(e) of the US Exchange Act. However, commissions generated by the Master Fund may also be used to pay for items not falling within the Section 28(e) "safe harbour" if they are being used solely to pay for items that would otherwise constitute an expense of the Master Fund. The Manager will generally use reasonable best efforts to ensure the use of commissions to pay for research products or services will fall within the safe harbour created by Section 28(e) of the US Exchange Act. Please refer to the section headed "**Fees and Charges - Commission Sharing Arrangements**" for further details in relation to how the Manager intends to deal with commissions.

Shareholders' Acknowledgment of Conflicts of Interest

The Manager will discuss the above conflicts of interest with any prospective or existing investor upon request. These activities and conflicts of interest are explicitly acknowledged and consented to by each Shareholder in the Subscription Agreement as a necessary condition to the Shareholder's admission to the Fund. Consent to the foregoing is an integral part of the consideration of each Shareholder being admitted to the Fund.

TAXATION

THE DISCUSSION HEREIN IS FOR INFORMATION PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE CAYMAN ISLANDS, HONG KONG AND US FEDERAL INCOME TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISER WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

Cayman Islands

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to each of the Fund and the Master Fund will be received free of all Cayman Islands taxes. Each of the Fund and the Master Fund is registered as an "exempted company" pursuant to the Cayman Companies Act. The Fund has received an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of 20 years from the date of the applicable undertaking, no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Fund, or to the shareholders thereof, in respect of any such property or income.

The Cayman Islands - 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 (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 Cayman Islands Tax Information Authority (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. Neither the Fund nor the Master Fund proposes to rely on any reporting exemption and therefore each intends to comply with such requirements of the AEOI Regulations.

The AEOI Regulations require the Fund and the Master Fund to, amongst other things (i) register with the Internal Revenue Service ("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.

For information on any potential withholding tax that may be levied against the Fund, see also separate US tax disclosure.

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 or withdrawal of the investor concerned, and may deduct relevant amounts from a recalcitrant investor so that any withholding tax payable by the Fund or any related costs, debts, expenses, obligations or liabilities (whether internal or external to the Fund) are recovered from such investor(s) whose action or inaction (directly or indirectly) gave rise or contributed to such taxes, costs or liabilities. Failure by an investor to assist the Fund in meeting its obligations pursuant to the AEOI Regulations may therefore result in pecuniary loss to such investor.

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.

Hong Kong Profits Tax

In general, the Fund or the Master Fund's exposure to Hong Kong profits tax will only arise if they are considered to be carrying on a trade or business in Hong Kong either by themselves or through activities carried on by a person on their behalf in Hong Kong. Only profits of revenue nature arising in or derived from Hong Kong from such trade or business ("**Hong Kong Source Profits**") will be chargeable to HK profits tax. If the Fund or the Master Fund is treated as carrying on a trade or business in Hong Kong, the Fund or the Master Fund will be liable to Hong Kong profits tax on its Hong Kong Source Profits at the current rate of 16.5%. For the purposes of the Fund or the Master Fund, Hong Kong Source Profits may generally include:

- profits arising from the disposal of securities listed on the Hong Kong Stock Exchange;
- profits arising from the disposal of unlisted securities (except those acquired and held as capital assets) where the contracts of purchase and/or sales are effected in Hong Kong. The term "effected" in this context does not just refer to the execution of the contracts or where the investment / divestment decisions are made but also includes the negotiation and all steps leading to the final conclusion of the contracts; and
- generally interest income arising from certain debt instruments where the loan proceeds were first made available to the issuers in Hong Kong.

Moreover, pursuant to the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006 enacted in March 2006 (as amended by the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2015 which was enacted in July 2015) ("**Offshore Funds Ordinance**"), profits earned by a non-Hong Kong resident fund will be exempt from Hong Kong profits tax if certain conditions can be satisfied (the "**Exemption Provision**") even though the profits may otherwise be treated as taxable under the general rules described above. In this regard, a fund would generally be considered a non-Hong Kong resident if its central management and control is exercised outside Hong Kong.

The Directors and the Manager of the Fund and the Master Fund will use all reasonable endeavours to avail the Fund and the Master Fund of the Hong Kong profits tax exemption under the Offshore Funds Ordinance. Nevertheless, no assurance can be given that profits from certain investments will not give rise to a liability for profits tax in Hong Kong.

Withholding Tax

There is no withholding tax on dividends or interest in Hong Kong.

Stamp Duty

In case the Master Fund acquires or disposes of any Hong Kong stocks as defined under the Hong Kong Stamp Duty Ordinance, Hong Kong stamp duty will be imposed at the current rate of 0.1% on the consideration or

the fair market value of the stocks, whichever is higher. The purchaser and the seller will each be liable for the Hong Kong stamp duty upon such transfer.

Hong Kong – Shareholders

Profits Tax

In general, dividends received by the Shareholders from the Fund will not be subject to Hong Kong profits tax. However, Shareholders should consult their tax advisers on the appropriate tax treatment of the dividends in the context of their particular situations.

Hong Kong does not tax capital gains arising from the sale, disposal, or redemption of Participating Shares. However, in the case of certain Shareholders (for example, dealers in securities, financial institutions and insurance companies carrying on a trade or business in Hong Kong), such gains may be considered to be part of the Shareholder's normal business profits rather than capital gains, and hence, subject to Hong Kong profits tax if the gains in question arise in, or are derived from, Hong Kong.

Under the Offshore Funds Ordinance, any tax-exempt profits earned by a non-Hong Kong resident fund that meets the prescribed conditions under the Exemption Provision may be treated as taxable in the hands of Hong Kong resident investors who hold a direct or indirect beneficial interest in the non-Hong Kong resident fund (the "**Deeming Provision**").

The above Deeming Provision will apply if:

- a Hong Kong resident, together with its associates, holds directly or indirectly 30% or more beneficial interest in such a tax-exempt non-Hong Kong resident fund; or
- a Hong Kong resident holds directly or indirectly a beneficial interest in such a tax-exempt non-Hong Kong resident fund that is an associate of the Hong Kong resident.

The Deeming Provision does not apply to a Hong Kong resident who has a direct or indirect beneficial interest in a non-Hong Kong resident fund if the Commissioner of Inland Revenue is satisfied that the beneficial interests in the non-Hong Kong resident fund are bona fide widely held.

Investors should consult their own professional advisers on the possible taxation consequences of their subscribing for, buying, holding, transferring, selling, redeeming or otherwise disposal of Participating Shares.

Stamp Duty

Hong Kong stamp duty will not be imposed on the issuance of new Participating Shares by the Fund.

No Hong Kong stamp duty will be payable in respect of transactions in the Participating Shares of the Fund, provided the share register of the Fund is maintained outside Hong Kong and the transfer of the Participating Shares will not be registered in Hong Kong.

United States

THIS SUMMARY IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING UNITED STATES FEDERAL TAX PENALTIES. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESS HEREIN, AND ANY TAXPAYER TO WHOM THE TRANSACTIONS OR MATTERS ARE BEING PROMOTED, MARKETED OR RECOMMENDED SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a general summary of certain US federal income tax aspects relevant to the Fund and to Shareholders who are US taxpayers, but does not purport to be a complete analysis of all potential tax considerations and tax risks that may be relevant to a decision to purchase Participating Shares. This summary

is based upon the Fund's anticipated operations as described in this Memorandum and upon the US Tax Code, US Treasury regulations, judicial decisions and administrative rulings of the IRS in effect or available on the date of this Memorandum, any of which could change at any time, possibly with retroactive effect. The Fund has not sought a ruling from the IRS or any other US federal, state or local agency with respect to any of the tax issues affecting the Fund. A decision to invest in the Fund should be based upon an evaluation of the merits of the trading program, and not upon any anticipated US tax benefits.

Investors should consult their own professional advisers on the possible US taxation consequences of their subscribing for, buying, holding, transferring, selling, redeeming or otherwise disposal of Participating Shares.

The Fund and the Master Fund

The Fund will be treated as a corporation for US federal income tax purposes, and the Master Fund will file an entity classification election with the IRS in order to be classified as a partnership for US federal income tax purposes if it has more than one Shareholder or as a disregarded entity if it has only one Shareholder. The Manager has been advised by its counsel that if the Master Fund will not be treated as a "publicly traded partnership" taxable as a corporation, provided that it does not at any time have more than 100 Shareholders (taking into account the attribution rules in US Treasury regulations promulgated under Section 7704 of the US Tax Code). In that connection, the Master Fund may request and rely on appropriate representations from each Shareholder and from transferees and transferors of Participating Shares in the Master Fund, in order to ensure that the Master Fund is not treated as a public traded partnership. This conclusion is not binding on the IRS or on any court, and there can be no assurance that the IRS will not assert that the Master Fund should be treated as a publicly traded partnership taxable as a corporation. The following discussion assumes that for US federal income tax purposes the Fund will be treated as a corporation and the Master Fund will be treated as a partnership or disregarded entity.

It is intended that the Fund and the Master Fund's affairs will be conducted such that, in general, its income and gain will not be treated as effectively connected with the conduct of a US trade or business or otherwise subject to US federal income tax on a net basis. Pursuant to a "safe harbour" under the US Tax Code, neither the Fund nor the Master Fund should be considered to be so engaged, so long as: (a) neither the Fund nor the Master Fund is considered a dealer in stock, securities or commodities or regularly offers to enter into, assume, offset, assign or otherwise terminate positions in derivatives with customers; (b) the US business activities (if any) of the Fund and the Master Fund consist solely of trading in stock, securities, commodities and derivatives for their own respective accounts (and, in the case of commodities, is limited to trading in commodities of a kind customarily dealt in on an organised exchange in transactions of a kind customarily consummated at such place); and (c) any entity in which the Fund or the Master Fund invests that is treated as a partnership or disregarded entity for US federal income tax purposes is not engaged in, or deemed to be engaged in, a US trade or business. The Fund and the Master Fund intend to conduct their affairs in a manner that meets such requirements, although the Fund and the Master Fund can make no assurances in this regard.

Should the Fund or the Master Fund engage in activities not covered by the safe harbour, including, but not limited to, deriving gains from the sale of United States real property interests, the Fund may be found to be engaged in the conduct of a US trade or business, in which event the Fund (but not any Shareholder), would be required to file a US federal income tax return for such year and pay tax on its income or gain that is effectively connected with such US trade or business on a net basis at a flat US corporate income tax rate of 21%. The Fund would also be subject to an additional branch profits tax at the rate of 30%. In addition, if the Master Fund is classified as a partnership as it is intended and deemed to be engaged in, directly or indirectly, a US trade or business, the Master Fund would be required to withhold taxes under Section 1446 of the US Tax Code from the income or gain allocable to the Fund that is effectively connected with the Master Fund's US trade or business.

Even assuming the Fund will not be engaged in, or be deemed to be engaged in, a US trade or business, it will be subject to a 30% US withholding tax on the gross amount of: (a) any US source interest income that does not qualify as "portfolio interest" or is not otherwise exempt from withholding tax; (b) US source dividend income; and (c) any other US source fixed or determinable annual or periodic gain, profits, or income that it receives from trading and investment activities. "Portfolio interest" is interest (other than certain contingent interest, interest received by a person owning, actually or constructively, 10% or more of the total combined voting power of all classes of stock of the payor, and certain other categories of interest) on an obligation issued after 18 July 1984 that: (a) if in bearer form, is issued prior to March 19, 2012 under arrangements reasonably designed to

ensure that such obligation will be sold only to non-US Persons, interest on which is payable only outside the US, and that bears a legend on its face that any US person who holds such obligation is subject to the US income tax laws; and (b) if in registered form, the US person responsible for paying interest has received a statement from the beneficial owner or from certain qualifying agents of the beneficial owner of such obligation that such owner is not a US person. The Fund and the Master Fund intend to provide such a statement on IRS Forms W-8BEN-E (Certificate of Status of Beneficial Owner for United States Withholding and Reporting (Entities)) and W-8IMY (Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain US Branches for United States Tax Withholding), respectively, as required by applicable law to any such persons paying interest for purposes of qualifying for the portfolio interest exemption from US withholding tax.

Compliance with US Withholding Requirements – Foreign Account Tax Compliance Act

Sections 1471 to 1474 of the Code, commonly referred to as FATCA, impose certain compliance requirements, including reporting and withholding requirements, on FFIs. The Master Fund and the Fund are FFIs that are subject to these requirements. The Fund's FATCA compliance obligations will be covered by the US IGA (as defined above), as well as Cayman Islands legislation implementing such US IGA. FATCA requires all entities in a broadly defined class of FFIs to comply with a reporting regime or be subject to a 30% withholding tax on certain US sourced payments (and beginning in 2019, a 30% withholding tax on gross proceeds from the sale or other disposition of US stocks and securities). Non-US entities that are not FFIs are required to either certify they have no substantial US beneficial ownership or to report certain information (including, but not limited to, name, address, and taxpayer identification number) with respect to their substantial US beneficial ownership or be subject to a 30% withholding tax on certain payments (and, beginning in 2019, a 30% withholding tax on gross proceeds from the sale or other disposition of US stocks and securities).

FATCA also contains complex provisions requiring participating FFIs to withhold on certain "foreign passthru payments" made to nonparticipating FFIs and to holders that fail to provide the required information. The definition of a "foreign passthru payment" is still reserved under the Treasury regulations, however the term generally refers to payments that are from non-US sources but that are "attributable to" certain US payments and gross proceeds described above. Withholding on these payments is not set to apply until 2019. In general, non-US investment funds, such as the Fund, are expected to constitute FFIs.

The reporting requirements imposed under FATCA require an FFI to enter into agreements with the IRS to obtain and disclose information about certain of the US investors in the FFI to the IRS or, if subject to an IGA (e.g., the US IGA), register with the IRS. IGAs are generally intended to result in the automatic exchange of tax information through reporting by an FFI to the government or tax authorities of the country in which such FFI is domiciled, followed by the automatic exchange of information with the IRS. Although no assurance can be provided, the Manager intends to cause the Fund to comply, to the extent reasonably practicable, with the reporting requirements to avoid the imposition of the withholding tax (where applicable), but if it does not do so (because, for example, applicable Permitted US Person Shareholders fail to provide the required information), certain payments made to any such FFI may be subject to a withholding tax, which could reduce the cash available to Shareholders. Further, such reporting requirements may apply to Shareholders and underlying entities in which the Fund invests, and the Manager may not have control over whether such entities comply with the reporting regime. Such withheld amounts that are allocable to a Shareholder may be deemed to have been distributed to such Shareholder to the extent the taxes reduce the amount otherwise distributable to such Shareholder.

Shareholders will be required to agree in advance to provide the Fund with tax information sufficient to enable the Fund and the Master Fund to comply with these requirements, and in some circumstances Shareholders may be required to waive the application of any privacy laws that protect them from making such disclosures. Moreover, under FATCA, the Manager may be required to redeem the Participating Shares held by any Participating Shareholder who fails to comply with information disclosure requests from the Manager.

US Taxable Shareholders

A Permitted US Person's investment in the Fund will be treated either as an investment in a "controlled foreign corporation" ("**CFC**") or as an investment in a "passive foreign investment company" ("**PFIC**") for US federal income tax purposes, depending on the percentage of Participating Shares of the Fund which is owned, directly or indirectly, by "United States shareholders" (if any). A "United States shareholder" for purposes of determining

whether the Fund is a CFC is defined as a US person owning 10% or more of the total combined voting power of the Fund, or 10% or more of the total value of shares of all classes of stock of the Fund. If United States shareholders own, directly or indirectly, more than 50% of the total voting power or the total value of the stock of the Fund, the Fund will be treated for US federal income tax purposes as a CFC and any United States shareholder would not be subject to the PFIC tax regime described below and instead would be required to include in income on a current basis its *pro rata* share of the subpart F income and global intangible low-taxed income of the Fund ("GILTI"), even if such income is not distributed currently. Complex attribution rules apply for purposes of determining ownership. The US shareholders of a CFC are generally subject to current US federal income tax on certain types of income of the CFC (e.g., dividends, interest, capital gains) regardless of cash distributions from the CFC. In addition, gain on the sale of the CFC's stock by a US shareholder (during the period that the foreign corporation is a CFC and thereafter for a 5-year period) may be classified in whole or in part as dividend income. Any losses realized by a CFC for any year will not be currently available to a US shareholder to offset any income from other sources and will not be carried forward to reduce the US shareholder's income in a subsequent year.

The Fund is expected to be a PFIC for US federal income tax purposes because of the type of assets to be held by the Fund and the nature of the income that the Fund is expected to earn. If the Fund is treated as a PFIC, the taxation of a US taxable Shareholder's investment in the Fund depends on whether such Shareholder elects to have the Fund treated as a "qualified electing fund" ("**QEF**") with respect to that Shareholder. Each US taxable Shareholder is entitled to determine on an individual basis whether or not to make the QEF election. A US taxable Shareholder makes a QEF election by filing with the IRS Form 8621 (Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with such Shareholder's annual US federal income tax return. The Fund intends to provide US taxable Shareholders with the tax information necessary to make a QEF election. Once made, the QEF election cannot be withdrawn without the consent of the IRS.

If a US taxable Shareholder elects to have the Fund treated as a QEF, such Shareholder will be required to include in its taxable income for each taxable year: (i) as ordinary income, its *pro rata* share of the Fund's "ordinary earnings" (the excess of the Fund's total earnings and profits over its net capital gain) for the taxable year; and (ii) as long-term capital gain, its *pro rata* share of the Fund's net capital gain for the taxable year. Moreover, any net short-term capital gains of the QEF will not pass-through as capital gains, but will be taxed as ordinary income. When a US taxable Shareholder receives a distribution from the Fund of earnings previously included in such Shareholder's taxable income, the distribution should not constitute a taxable dividend. Subject to an interest charge, a US taxable Shareholder may make a further election to defer the payment of tax attributable to the ordinary income and net capital gain realised by reason of the QEF election. If a US taxable Shareholder makes this additional election, the deferred tax and the interest thereon will be payable upon a distribution of cash or other property by the Fund or upon a redemption or other disposition by such Shareholder of part or all of its Participating Shares.

If a US taxable Shareholder does not elect to have the Fund treated as a QEF, such Shareholder will not be required to recognise taxable income as a result of its investment in the Fund until it receives a distribution taxable as a "dividend" or an "excess distribution". A US taxable Shareholder is considered to have received an excess distribution from the Fund in any year in which it receives from the Fund distributions that, in the aggregate, exceed 125% of the average amount of the distributions received by such Shareholder during the preceding three taxable years. Any excess distribution received by the US taxable Shareholder will be allocated ratably to each day in its holding period for the Participating Shares. The US taxable Shareholder will then be required to include in its taxable income for the year in which it receives the excess distribution: (i) that portion of the excess distribution allocated to that taxable year; and (ii) the "deferred tax amount". The deferred tax amount is calculated by multiplying (A) that portion of the excess distribution allocated to each taxable year ended prior to the date on which the US taxable Shareholder receives the excess distribution by (B) the maximum tax rate applicable to the US taxable Shareholder for that prior tax year. The sum of the products calculated for each taxable year as described in the previous sentence, plus interest on each such product beginning on the due date for filing tax returns for the prior taxable year and ending on the due date for filing tax returns for the taxable year in which the distribution was made, equals the "deferred tax amount". The rate at which interest is calculated is the rate applicable under Section 6621 of the US Tax Code for underpayment of tax. If a US taxable Shareholder redeems or otherwise disposes of such Shareholder's Participating Shares, such Shareholder will be required to calculate its tax on any gain recognised as if the gain were an "excess distribution".

Regardless of whether the Fund is treated as a CFC or as a PFIC, no US taxable Shareholder will be entitled to deduct currently any net loss realised by the Fund. Thus, even if the Fund were to realise trading or investment losses, US taxable Shareholders would not currently recognise loss for US federal income tax purposes because such losses would not flow through to the Shareholders. Instead, a US taxable Shareholder would recognise a capital loss only upon the Shareholder's redemption or other disposition of his or her Participating Shares.

US Tax-Exempt Shareholders

The following is a summary discussion of certain US federal income tax considerations relating to an investment in the Fund by U.S. tax-exempt organizations qualified under Section 501(c)(3) of the US Tax Code or US pension trusts or governmental plans qualified under Section 401(a) of the US Tax Code ("Tax Exempt Investors"). This discussion is necessarily general and is not intended to be applicable to investors other than Tax Exempt Investors or to those Tax Exempt Investors who hold (directly, indirectly or constructively) a 10 percent or greater interest in the Fund. The actual tax and financial consequences of the purchase, ownership, and disposition of Participating Shares will vary depending upon a Tax Exempt Investor's particular circumstances. This discussion does not constitute tax advice, and is not intended to substitute for tax planning. Accordingly, Tax Exempt Investors should consult with their own tax advisors.

Special considerations apply to Tax Exempt Investors investing in the Fund. As discussed below, a Tax Exempt Investor's income from an investment in the Fund generally should not be treated as resulting in "unrelated business taxable income" ("UBTI") under current law so long as such Tax Exempt Investor's acquisition of stock in the Fund is not debt financed. Income recognized by a Tax Exempt Investor is generally exempt from US federal income tax except to the extent of the entity's UBTI. UBTI is defined generally as income from a trade or business regularly carried on by a Tax Exempt Investor that is unrelated to its exempt purpose. Section 512(b) of the US Tax Code generally provides that in computing UBTI there shall be excluded all "dividends", "interest" and, with certain exceptions, "gains or losses from the sale, exchange or other disposition of property."

However, if a Tax Exempt Investor's acquisition of Participating Shares is debt financed, Section 512(b) of the US Tax Code specifically provides that a Tax Exempt Investor's "debt-financed income" will be included in computing UBTI and, consequently, all or a portion of such Tax Exempt Investor's income attributable to the Fund would be included in UBTI regardless of whether such income would otherwise be excluded as dividends, interest or other similar income. The Fund and the Manager may borrow funds or incur debt (including purchasing securities on margin), directly or indirectly, that may result in income of the Fund being treated as debt-financed income under the UBTI rules. Generally, borrowing or debt incurred by a corporation is not attributed to its shareholders under current law, such that a Tax Exempt Investor in the Fund should not be attributed any borrowing or debt incurred by the Fund (or treated as incurred by the Fund through the Manager). Accordingly, a Tax Exempt Investor's income from the Fund should not be treated as debt-financed income under the UBTI rules (assuming such investor has not itself borrowed to acquire its investment in the Fund) by reason of the Fund's direct or indirect borrowing, incurring debt or purchasing securities on margin.

As discussed above, the US Tax Code contains special provisions dealing with PFICs. It is anticipated that the Fund will be a "PFIC" for US federal income tax purposes. Shareholders in PFICs are subject to special rules for the taxation of "excess distributions" (which include both certain distributions by a PFIC and any gain recognized on a disposition of PFIC stock).

A Tax Exempt Investor generally should not be taxable on actual dividends or capital gains recognized with respect to the Fund (as a PFIC) to the extent the Tax Exempt Investor is not otherwise taxable under the UBTI provisions with respect to its stock in the Fund (for example, as debt-financed income). Consequently, a Tax Exempt Investor would be subject to tax under the PFIC rules in respect of excess distributions only in limited circumstances. Tax Exempt Investors acquiring Participating Shares should consult their own tax advisors as to the tax consequences of the ownership and disposition of the Participating Shares, including the application of the PFIC rules to their particular situations.

US Information Reporting

A US Shareholder that transfers cash to the Fund in exchange for Participating Shares may be required to file IRS Form 926 (Return by a US Transferor of Property to a Foreign Corporation) with the IRS if: (a) immediately after the transfer, such Shareholder holds, directly or indirectly, at least 10% of the total voting power or the

total value of the Fund; or (b) the amount of cash transferred by such Shareholder (or its affiliates) during the 12-month period ending on the date of the transfer exceeds US\$100,000. Failure to file IRS Form 926 when required can result in a penalty equal to 10% of the value of the cash transferred (not to exceed US\$100,000 unless such failure is intentional).

In addition, any US Shareholder (as defined above) may be required to file annually IRS Form 5471 (Information Return of US Persons With Respect To Certain Foreign Corporations) with the IRS. Such information return requires certain disclosures concerning the filing Shareholder, other Shareholders and the Fund and the Master Fund. The Fund has not committed itself to provide the information concerning the Fund or its Shareholders necessary to complete such return. Failure to file such information with the IRS may subject such US Shareholder to penalties (generally not to exceed US\$60,000), plus a reduction of a certain percentage of foreign taxes available for a US foreign tax credit.

Certain US persons within the meaning of the US Tax Code may be required to file Form 8886 ("Reportable Transaction Disclosure Statement") with their US tax return, and submit a copy of Form 8886 with the Office of Tax Shelter Analysis of the IRS if the Fund engages in certain "reportable transactions" within the meaning of Treasury regulations. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to IRS at its request. Losses above a certain threshold may constitute reportable transactions. If a US person within the meaning of the US Tax Code recognizes a loss upon a disposition of Participating Shares, such loss could constitute a "reportable transaction" for such Shareholder, and such Shareholder would be required to file Form 8886.

In addition, Tax-Exempt Investors may also be required to file Form 8886-T ("Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction") if they are a party to a "prohibited tax shelter transaction." Generally, a prohibited tax shelter transaction is a listed transaction (including a subsequently listed transaction), a confidential transaction, or a transaction with contractual protection. A tax-exempt entity is a party to such a transaction if it (1) facilitates the transaction by reason of its tax-exempt, tax indifferent or tax favoured status, (2) enters into a listed transaction and the tax-exempt entity's return reflects a reduction or elimination of liability for applicable federal employment, excise or UBTI taxes that is derived directly or indirectly from the tax consequences or tax strategy described in the published guidance that lists the transaction, or (3) is identified in published guidance, by type, class or role, as a party to a prohibited tax shelter transaction.

Although it is not anticipated that the Fund or the Master Fund will engage in reportable transactions or transactions that would be prohibited tax shelter transactions, it is possible that such transactions will occur. Accordingly, Participating Shareholders who are US persons within the meaning of the US Tax Code (including Tax Exempt Investors) are urged to consult with their tax advisers concerning Form 8886 and Form 8886-T based on their specific situations. Significant penalties apply to US persons who fail to comply with the foregoing reporting requirements.

A US person that is a shareholder of a PFIC is required to file an annual information return on IRS Form 8621. The Fund is expected to be classified as a PFIC. Consequently, US Shareholders will likely be required to file IRS Form 8621 with respect to their investment in the Fund. The IRS Form 8621 is attached to the US Shareholder's federal income tax return and must be filed by the due date of the return, with extensions. Under Treasury regulations, US tax-exempt organizations are required to file such form only if a dividend to such US tax-exempt organization from the PFIC would be taxable as UBTI (i.e., in the case of the Fund, only if a Tax Exempt Investor has borrowed to acquire its stock in the Fund). US persons should obtain their own tax advice in relation to such requirements.

A US Person who is an individual and has an interest in "specified foreign financial assets" in excess of a certain threshold is required to report those asset annually on IRS Form 8938 (Statement of Specified Foreign Financial Assets). The year end threshold is US\$50,000 for single taxpayers and US\$100,000 for married taxpayers filing a joint federal income tax return (thresholds of \$75,000/\$150,000, respectively, apply for any moment during the tax year). At a future date, certain closely held entities may also be required to file this information return. US Shareholders who are individuals generally will be required to file this Form, which is to be attached to their federal income tax return. Under the instructions to the IRS Form 8938, reporting of information on the Form is coordinated to some extent with the reporting on other information returns, including those described above, to avoid duplicate reporting of the same information. US Shareholders are advised to consult with their tax advisers or tax return preparers regarding the information to be reported on each form.

Reporting on FinCEN Form 114 (Report of Foreign Bank and Financial Accounts) is not required for investments in non-US private investment funds such as the Fund, but US Shareholders should be aware that such reporting may be required in the future.

Special reporting obligations may apply to a US person that holds a financial account located outside the United States. Any US Shareholder that is the owner of record or has legal title to Participating Shares, either directly or indirectly, may be required to report its interest in such Participating Shares as a foreign financial account to the US Treasury Department on FinCEN Form 114 (Report of Foreign Bank and Financial Accounts). Failure to file such form with the US Treasury Department may subject such US Shareholder to a penalty (generally not to exceed US\$10,000 for non-wilful violations). New US Shareholders are urged to consult their tax advisers regarding these potential reporting obligations and any other potential reporting obligations that may arise from an investment in the Fund. Neither the Fund nor the Manager will be responsible for advising Participating Shareholders of their reporting obligations or for notifying them of changes to the reporting requirements.

Non-US Shareholders

Except as provided below, Shareholders that are not US persons (non-resident alien individuals, foreign partnerships, foreign corporations, foreign trusts or foreign estates, each a "**Non-US Shareholder**") generally should not be subject to US federal income taxation on dividends received from the Fund and gain realised from the sale, exchange or redemption of Participating Shares held as capital assets. For these purposes the term "non-US person" means any person that is not a "US person" for federal income tax purposes. A "US person" means (1) a citizen or resident of the United States, (2) a partnership or corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof, (3) an estate the income of which is subject to United States federal income taxation regardless of its source or (4) a trust if (a) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantive decisions of the trust, or (b) it has a valid election in effect under applicable regulations promulgated under the US Tax Code to be treated as a US person.

In the case of a non-resident alien individual, any gain from the sale, exchange or redemption of Participating Shares will be subject to a 30% US federal income tax (or lower treaty rate if applicable) if: (a) such individual is present in the US for 183 days or more during the taxable year; and (b) such gain is derived from US sources. Generally, the source of gain upon the sale, exchange or redemption of Participating Shares is determined by the place of residence of the Non-US Shareholder. For purposes of determining the source of gain, residency is defined in a manner that may result in an individual who is otherwise a non-resident alien with respect to the US being treated as a US resident only for purposes of determining the source of gain. Each prospective individual Non-US Shareholder who anticipates being present in the US for 183 days or more (in any taxable year) or otherwise has a substantial connection to the US should consult his or her or her tax adviser with respect to the possible application of this rule.

Special rules may apply in the case of non-US Shareholders (i) that have an office or fixed place of business in the United States to which dividends or gain in respect of the Participating Shares are attributable, (ii) that have a "tax home" in the United States or (iii) that are former citizens of the United States, "controlled foreign corporations", non-US insurance companies that hold Participating Shares of the Fund in connection with their US business, non-US personal holding companies, passive foreign investment companies or corporations which accumulate earnings to avoid or defer US federal income tax. Such persons are urged to consult their US tax advisers before investing in the Fund.

In the case of Participating Shares of the Fund held in the United States by a custodian or nominee for a non-US investor, US backup withholding taxes may apply to dividends in respect of Participating Shares realized by such Participating Shareholder unless such Participating Shareholder properly certifies as to its non-US status or otherwise establishes an exemption from backup withholding.

Fund Audits

It is noted that the U.S. Bipartisan Budget Act of 2015 (the "**Budget Act**") has revised the rules relating to tax audits of a partnership for taxable years beginning after 31 December 2017. Under the new rules, the audit procedures for partnerships will generally require underpayments of tax to be determined and paid at the

partnership level following any adjustment to the partnership's items of income, gain, loss, deduction or credit. Subject to the rules and procedures under the Budget Act, a partnership may elect to pass through such adjustment to the persons who were partners in the year to which the assessment relates. If the election is made, the partners, and not the partnership, will be required to take into account such adjustment at the partner level and will also be required to pay any interest and penalties. A partnership's designated "partnership representative" will have broad authority to resolve the partnership audit and any such resolution will be binding on all partners.

The Directors may, in their sole discretion, require a person who was an investor in the year of adjustment to indemnify or reimburse the Fund for that person's allocable share of the imputed underpayment that the Fund paid in the year of adjustment as a result of the adjustment. The obligation of an investor to indemnify or reimburse the Fund shall survive an investor's ceasing to be a Shareholder of the Fund and/or the termination, dissolution, liquidation and winding up of the Fund. If the Fund ceases to exist prior to when any adjustment takes effect, the former Shareholders may be required to take into account any such adjustment.

Prospective investor should consult their tax advisors regarding the impact of the new partnership audit rules on an investment in the Fund.

US State and Local Taxes

The foregoing discussion does not address the US state and local tax consequences of an investment in the Fund. Prospective Shareholders are urged to consult their own tax advisers regarding US state and local tax matters.

The foregoing discussion is not intended as a substitute for careful tax planning, particularly because certain of the income tax consequences of an investment in the Fund may not be the same for all Shareholders. Accordingly, prospective Participating Shareholders in the Fund must consult their tax advisers with specific reference to their own tax situation under US federal income tax law and the provisions of applicable US state, local and other laws before subscribing for Participating Shares. Potential Participating Shareholders are urged to consult their own professional advisers, including tax advisers, regarding the possible tax, exchange control or other consequences of buying, holding, selling or redeeming Participating Shares under the laws of the jurisdictions of which they are citizens, residents or domiciliaries and in which they conduct business.

Other Jurisdictions

Interest, dividend and other income, including business profits attributable to a permanent establishment realised by the Fund from sources other than the Cayman Islands, Hong Kong and the United States, and gains including capital gains realised on the sale of securities of non-Cayman Islands, non-Hong Kong and non-US issuers, may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced and/or in which the issuer is located and/or in which the permanent establishment is located. It is impossible to predict the rate of foreign tax the Fund will pay since the nature and amount of assets to be invested by the Fund in any particular jurisdiction, the tax treatment of the activities of the Fund in any particular jurisdiction, and the ability of the Fund to reduce such taxes in any particular jurisdiction are not known.

European Savings Directive

Shareholders who are individuals resident in a Member State of the European Union should be aware that any income realised upon the sale, refund or redemption of their Shares, together with any income in the form of dividends or other distributions by the Fund, may (depending upon the investment portfolio of the Fund) become subject to the reporting regime (or the withholding tax regime) imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, if payment of such income is made by a paying agent established either in another Member State or in certain other jurisdictions which have agreed to introduce an equivalent reporting (or withholding tax) regime in respect of such payments.

The provisions of the Directive apply to payments made on or after 1 July 2005. As a result of the classification by the Cayman Islands of funds such as the Fund established in its jurisdiction, it is unlikely that payments made directly by the Fund will be subject to the reporting (or withholding tax) regime. However, because these rules are complex and the precise extent of their application has not yet been confirmed by all Member States or other relevant jurisdictions which have agreed to introduce an equivalent reporting (or withholding tax) regime,

application of the regime to payments emanating from the Fund or a Portfolio Fund cannot be excluded in all cases and shareholders who are individuals should consult their own tax advisers in relation to the purchase of the Shares.

Shareholders to whom the Directive may be relevant should also be aware that the EU Commission has approved certain amendments to the Directive, and that the amendments being considered include an extension of the types of funds or other undertakings for collective investment that are within the scope of the Directive. This extension, if implemented, might mean that in the future payments made by the Fund through any such payment agent as is described above to relevant Shareholders upon the redemption of Shares, or in the form of dividends or other distributions, could become subject to the reporting (or withholding tax) regime.

Future Changes in Applicable Law

The foregoing description of Cayman Islands, Hong Kong and US income tax consequences of investing in the Fund is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Fund to income taxes or subject Shareholders to increased income taxes.

Other Taxes

Prospective investors should consult their own counsel regarding tax laws and regulations of any other jurisdiction which may be applicable to them.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE INVESTORS. PROSPECTIVE INVESTORS SHOULD CONSULT LEGAL AND TAX ADVISERS IN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE AND DOMICILE TO DETERMINE THE POSSIBLE TAX OR OTHER CONSEQUENCES OF PURCHASING, HOLDING AND REDEEMING PARTICIPATING SHARES UNDER THE LAWS OF THEIR RESPECTIVE JURISDICTIONS.

INVESTMENTS BY EMPLOYEE BENEFIT PLANS

General

The following section sets forth certain consequences under ERISA and the US Tax Code which a fiduciary of an "employee benefit plan" as defined in, and subject to the fiduciary responsibility provisions of, ERISA or of a "plan" as defined in and subject to Section 4975 of the US Tax Code who has investment discretion should consider before deciding to invest the plan's assets in the Fund (such "employee benefit plans" and "plans" being referred to herein as "Plans", and such fiduciaries with investment discretion being referred to herein as "Plan Fiduciaries"). The following summary is not intended to be complete, but only to address certain questions under ERISA and the US Tax Code which are likely to be raised by the Plan Fiduciary's own counsel.

* * *

In general, the terms "employee benefit plan" as defined in ERISA and "plan" as defined in Section 4975 of the US Tax Code together refer to any plan or account of various types which provides retirement benefits or welfare benefits to an individual or to an employer's employees and their beneficiaries. Such plans and accounts include, but are not limited to, corporate pension and profit-sharing plans, "simplified employee pension plans", Keogh plans for self-employed individuals (including partners), individual retirement accounts described in Section 408 of the US Tax Code and medical benefit plans.

Each Plan Fiduciary must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Fund, including the role an investment in the Fund plays in the Plan's investment portfolio. Each Plan Fiduciary, before deciding to invest in the Fund, must be satisfied that investment in the Fund is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Fund, are diversified so as to minimise the risks of large losses and that an investment in the Fund complies with the documents of the Plan and related trust.

EACH PLAN FIDUCIARY CONSIDERING ACQUIRING PARTICIPATING SHARES MUST CONSULT ITS OWN LEGAL AND TAX ADVISERS BEFORE DOING SO.

Restrictions on Investments by Benefit Plan Investors

ERISA and a regulation issued thereunder contain rules for determining when an investment by a Plan in an entity will result in the underlying assets of the entity being assets of the Plan for purposes of ERISA and Section 4975 of the US Tax Code (i.e., "**plan assets**"). Those rules provide that assets of an entity will not be plan assets of a Plan which purchases an interest therein if the investment by all "benefit plan investors" is not "significant" or certain other exceptions apply. The term "benefit plan investors" includes all Plans (i.e., all "employee benefit plans" as defined in and subject to the fiduciary responsibility provisions of ERISA and all "plans" as defined in and subject to Section 4975 of the US Tax Code) and all entities that hold "plan assets" (each, a "**Plan Assets Entity**") due to investments made in such entities by already described benefit plan investors. ERISA provides that a Plan Assets Entity is considered to hold plan assets only to the extent of the percentage of the Plan Assets Entity's equity interests held by benefit plan investors. Investments by benefit plan investors will be deemed not significant if benefit plan investors own, in the aggregate, less than 25% of the total value of each class of equity interests of the entity (determined by not including the investments of persons with discretionary authority or control over the assets of such entity, of any person who provides investment advice for a fee (direct or indirect) with respect to such assets, and "affiliates" (as defined in the regulations issued under ERISA) of such persons; provided, however, that under no circumstances are investments by benefit plan investors excluded from such calculation).

In order to avoid causing assets of the Fund to be "plan assets", the Manager intends to restrict the aggregate investment by benefit plan investors to under 25% of the total value of each class of equity interests of the Fund (not including the investments of the Manager, any Director, the Investment Adviser, any member of the Board, any person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Fund, and any entity (other than a benefit plan investor) that is directly or indirectly through one or more intermediaries

controlling, controlled by or under common control with any of such entities (including a partnership or other entity for which the Manager is the general partner, investment adviser or provides investment advice), and each of the principals, officers and employees of any of the foregoing entities who has the power to exercise a controlling influence over the management or policies of such entity or of the Fund). Furthermore, because the 25% test is ongoing, it not only restricts additional investments by benefit plan investors, but also can cause the Manager to require that existing benefit plan investors redeem from the Fund in the event that other investors redeem. If rejection of subscriptions or such compulsory redemptions are necessary, as determined by the Manager, to avoid causing the assets of the Fund to be "plan assets", the Manager will effect such rejections or redemptions in such manner as the Manager, in its sole discretion, determines.

Ineligible Purchasers

In general, Participating Shares may not be purchased with the assets of a Plan if the Manager, the Investment Adviser, the Administrator, any Director, the Prime Brokers, any member of the Board, any placement agent, any of their respective affiliates or any of their respective employees either: (a) has investment discretion with respect to the investment of such plan assets; (b) has authority or responsibility to give or regularly gives investment advice with respect to such plan assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such plan assets and that such advice will be based on the particular investment needs of the Plan; or (c) is an employer maintaining or contributing to such Plan. A party that is described in clause (a) or (b) of the preceding sentence is a fiduciary under ERISA and the US Tax Code with respect to the Plan, and any such purchase might result in a "prohibited transaction" under ERISA and the US Tax Code.

Except as otherwise set forth, the foregoing statements regarding the consequences under ERISA and the US Tax Code of an investment in the Fund are based on the provisions of the US Tax Code and ERISA as currently in effect, and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial, or legislative changes will not occur that may make the foregoing statements incorrect or incomplete.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF PLANS IS IN NO RESPECT A REPRESENTATION BY THE MANAGER OR ANY OTHER PARTY RELATED TO THE FUND THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH AN ATTORNEY AND FINANCIAL ADVISERS AS TO THE PROPRIETY OF AN INVESTMENT IN THE FUND IN LIGHT OF THE CIRCUMSTANCES OF THE PARTICULAR PLAN.

GENERAL INFORMATION

Fund Incorporation and Share Capital

The Fund was incorporated on 11 March 2013 in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability. The Fund was incorporated with an authorised share capital of US\$50,000 divided into 100 non-participating voting Management Shares with a nominal or par value of US\$1.00 each and 4,990,000 non-voting redeemable Participating Shares with a nominal or par value of US\$0.01 each. As at the date of this Memorandum, the Management Shares are held by the Manager.

Save as disclosed in the section headed "**Fees and Charges**", no commissions, discounts, brokerages or other special terms have been granted by the Fund in connection with the issue or sale of any share or loan capital.

The Articles provide that the unissued Participating Shares of the Fund are at the disposal of the Directors who may allot, grant options over or otherwise dispose of the Participating Shares to such persons, at such times, on such terms and conditions and as the Directors think fit.

Rights of the Management Shares

The Management Shares have been created to comply with Cayman Islands law which requires that, if all of the Participating Shares are redeemed, there is always at least one share in the Fund in issue. The Management Shares carry no right to any dividend and on liquidation they will rank *pari passu* with the Shareholders in respect of the nominal amount paid up on such Management Shares. On a show of hands at a general meeting of the Fund, the holders of the Management Shares will have one vote and, on a poll at a general meeting of the Fund, the Management Shares carry one vote per Management Share held. Votes may be given in person or by proxy. The Management Shares may not be redeemed.

Rights of the Participating Shares

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Articles of the Fund. Among other things, the Articles provide certain rights of indemnification in favor of directors and officers of the Fund against legal liability and expenses arising in or about their conduct of the Fund's affairs or from the execution or discharge of their respective duties, powers, authorities or discretions, unless the same arises through such person's own dishonesty. The rights attaching to the Participating Shares are summarised below:

Winding Up

The Participating Shares carry a right to a return of the nominal amount paid up in respect of such Participating Shares *pari passu* with the rights of the holder of the Management Shares to receive back the nominal amount paid up on the Participating Shares, and an exclusive right to share, *pari passu inter se* (to the exclusion of the Management Shares), in surplus assets remaining after the return of the nominal amount paid up on the Participating Shares and the Management Shares.

Voting

The voting rights of the Shareholders are strictly limited. Shareholders are only entitled to vote on any resolution which materially and adversely varies or abrogates the rights attaching to the Participating Shares then in issue. At any meeting of the Fund at which Shareholders are entitled to vote, each Shareholder present is entitled to one vote on a show of hands and one vote for each Participating Share held by him or her on a poll. Votes may be given in person or by proxy.

Memorandum of Association

The Memorandum of Association provides that the Fund's objects are unrestricted and allow the Fund, *inter alia*, to carry on the business of an investment company and to acquire and hold by way of investment, sell and deal in shares, stocks, call options, put options, futures, debenture stock, bonds, obligations, currencies, certificates of deposit, bills of exchange and securities of all kinds. The objects of the Fund are set out in the Memorandum of Association which is available for inspection at the address specified below.

Articles

The Articles contain, *inter alia*, provisions to the following effect:

Modification of Rights

The rights attached to any Class of Participating Shares for the time being issued (unless otherwise provided by the terms of issue of the Participating Shares of that Class) may only, whether or not the Fund is being wound up, be materially adversely varied or abrogated from time to time with the consent in writing of the holders of not less than two-thirds of the issued Participating Shares of the relevant Class or with the sanction of a resolution passed at a separate meeting of the holders of the Participating Shares of such Class by a majority of two-thirds of the votes cast at such a meeting. To every such separate meeting all the provisions of the Articles relating to general meetings of the Fund or to the proceedings thereat shall, *mutatis mutandis*, apply except that the necessary quorum shall be one or more persons at least holding or representing by proxy one-third in nominal amount of the issued Participating Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall be a quorum) and that every Shareholder of the Class shall on a poll have one vote for each Participating Share of the Class held by such Shareholder. For such purposes, the Directors may treat all Classes, or any two or more Classes, as forming one Class if the Directors consider that all such Classes would be affected in the same way by the proposals under consideration but in any other case will treat them as separate Classes.

Alteration of Share Capital

The Fund may, from time to time, by ordinary resolution, consolidate and divide all or any of its shares or subdivide its shares or any of them into shares of a smaller amount than that fixed by the Memorandum of Association or cancel authorised but unissued shares.

Subject to the provisions of the Cayman Companies Act and to any confirmation or consent required by law, the Fund may by special resolution reduce its authorised and issued share capital or any capital redemption reserve fund or share premium account in any manner.

Restriction on Transfer of Participating Shares

Participating Shares may be transferred in accordance with the Articles, subject to the written consent of the Directors in consultation with the Manager and such transfer restrictions applicable to the jurisdictions set out below, by using such form or forms as may from time to time be prescribed by the Directors and signed by both the transferor and the transferee. Copies of the prescribed form(s) of transfer, for the time being applicable, will be available upon request from the Administrator. Forms of transfer will be required for all transfers of legal ownership interests in the Participating Shares.

All transfers and other documents of title relating to any Participating Shares must be lodged for registration with the Administrator. The Directors, in consultation with the Manager, may decline to register any transfer of Participating Shares if the transfer to, or holding of Participating Shares by, a transferee of the Participating Shares to be transferred would, in the conclusive determination of the Directors cause or be likely to cause a pecuniary, tax, legal, regulatory or material disadvantage to the Fund, the Master Fund, the Manager or their Affiliates or any other Shareholder.

The Directors, in consultation with the Manager, may also decline to register a transfer of Participating Shares where such Participating Shares are already subject to a request for redemption.

The Administrator and the Manager reserve the right to request such information as is necessary to verify the identity of a transferee of Participating Shares. In the event of a delay or failure by the transferee to produce any

information required for verification purposes, the Manager may refuse to allow the transfer. The Administrator and the Manager are not liable to the transferor or the transferee for any loss suffered by them as a result of the non-registration of the transfer.

The registration of transfers may be suspended at such times and for such periods as the Directors, in consultation with the Manager, may from time to time determine.

No transfer resulting in the breach of any applicable law or regulation, in respect of the minimum shareholding(s) in the Fund will be registered.

Dividend Policy

The Fund may declare dividends on the Participating Shares from time to time. Any declared dividend or distribution should be paid out of the income received by the Fund from its underlying Investments, its share premium account or as otherwise permitted by applicable law. However, it is the Fund's current intention not to declare any dividends on the Participating Shares and dividends received by the Fund from Investments will be reinvested in the Fund.

Cayman Mutual Funds Act

The Fund and the Master Fund are registered as mutual funds pursuant to section 4(3) of the Cayman Mutual Funds Act and are therefore regulated as mutual funds by the Authority. As section 4(3) mutual funds, the minimum initial investment purchasable by an investor in either 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 Cayman Mutual Funds Act. Regulation under the Cayman Mutual Funds Act 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 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 of the Fund or the Master Fund, as applicable, and may result in the Authority applying to the court to have the Fund or the Master Fund wound up.

Neither the Fund nor the Master Fund are, however, subject to supervision in respect of their investment activities or the constitution of the Master Fund's portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the 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 of this document or the merits of an investment in the Fund. There is no investment compensation scheme available in the Cayman Islands to investors.

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 its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the directors of the Fund or the Master Fund, to appoint a person to advise the 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 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.

Email Instructions

All applications to subscribe or redeem must initially be sent by electronic mail to the specific valid electronic mail address with the originally signed documentation to follow in a timely manner by mail/courier. Applicants who fail to follow this procedure and simply submit requests by mail only may miss their preferred dealing date and must receive official acknowledgement of receipt in the form of a Subscription Order Note or Redemption Order Note from the Administrator. The Administrator takes no responsibility for requests which are not appropriately transmitted, sent or acknowledged.

Information Disclosure

Each investor will be required to acknowledge in its subscription application that the Fund, the Administrator and any of their Affiliates or delegates, the Manager and/or the Investment Adviser may disclose to each other, to any Affiliate, to any other service provider to the Fund or to any regulatory body in any applicable jurisdiction, copies of the subscriber's subscription application and any information concerning the applicant provided by the applicant to the Fund, the Administrator and any of their Affiliates or delegates, the Manager and/or the Investment Adviser. Any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person by law or otherwise.

General Meetings

There is no requirement for the Fund to hold an annual general meeting in each year. Notices of general meetings that may be held will be dispatched in writing to Shareholders and/or the holders of the Management Shares who are entitled to receive notice of, attend and vote at such meetings, at their registered addresses. At least 14 calendar days' prior notice in writing will be provided in respect of any other meetings of Shareholders. The Directors may convene a general meeting by shorter notice by the consent of a majority of not less than 75% of the Shareholders entitled to attend and vote at the meeting. All notices of meetings will specify the day, time, place and, in the case of special business, the general nature of the business of the meeting.

Financial Reports and Accounts

The Fund and the Master Fund will prepare their respective annual financial statements in accordance with US GAAP or such other generally accepted accounting standards determined by the Directors, in consultation with the Manager, from time to time. Copies of the audited financial statements of the Fund, which will be made up to the end of each Financial Year, will be made available to Shareholders upon written request to the Manager within six months after the end of the relevant financial year. In addition, the Manager will provide each Shareholder with monthly unaudited statements which outline the Net Asset Value of that Shareholder's Participating Shares. The Directors may provide more regular updates to Shareholders. For the avoidance of doubt, these monthly unaudited statements will continue to be provided to Shareholders in the event of the Suspension of redemption of Participating Shares.

Amendments to this Memorandum

Subject to the applicable laws, the Fund may amend this Memorandum without seeking the consent of the Shareholders. However, no change will be allowed which could materially adversely affect the Shareholders of Participating Shares without the Shareholders of the relevant Participating Shares being given written notice of the proposed amendment at least three months prior to the next Redemption Day at which Participating Shares may be redeemed, at which time such changes to this Memorandum will take effect.

Nothing in the foregoing will operate to restrict the ability of the Fund, in consultation with the Manager, from amending the investment strategy and investment program of the Fund with immediate effect in whole or in part, without obtaining Shareholder approval, where such change is regarded by the Manager as an evolution of the investment strategy and investment program in response to changing market conditions, where such amendment is in the best interests of the Fund, or otherwise. In addition, nothing in the foregoing will operate to restrict the Fund, in consultation with the Manager, from making any amendment to this Memorandum (or other document) where such amendment is reasonably regarded by the Fund as necessary to remedy a patent error in such document or to clarify what is perceived by the Fund to be an ambiguity in the relevant document.

The Fund will seek the opinion of independent legal counsel in determining whether an amendment to this Memorandum may materially adversely affect Shareholders before providing notice of such change.

Material Contracts

The following material contracts have been entered into in relation to the Fund since its incorporation (or are intended to be entered into in the immediate future):

- the Fund Services Agreement;
- the Investment Management Agreement;
- the Investment Advisory Agreement;

- the Administration Agreement; and
- each International Prime Brokerage Agreement.

General

- The Fund has not since its incorporation been engaged in and is not currently engaged in any litigation or arbitration nor, so far as the Directors are aware, is there any litigation or claim pending or threatened against the Fund.
- The Fund does not have, nor has it had since its incorporation, any employees.
- The promoter of the Fund is the Manager. Except as disclosed in the section headed "**Fees and Charges**", no amount or benefit has been paid or given to any promoter since the incorporation of the Fund and none is intended to be paid or given.

Available Documentation

Copies of the following documents, subject to satisfaction of any confidentiality provisions specified by the parties thereto, may be inspected at the office of Long Corridor Asset Management Limited at Unit 3609, AIA Tower, 183 Electric Road, North Point, Hong Kong during business hours on any Business Day and free of charge on 10 Business Days' prior notification to the Manager:

- the Amended and Restated Memorandum and Articles of Association of the Fund adopted by special resolution dated 28 March 2013;
- the Amended and Restated Memorandum and Articles of Association of the Master Fund adopted by special resolution dated 28 March 2013;
- the material contracts referred to above (with the exception of each International Prime Brokerage Agreement and the Administration Agreement);
- the Certificate of Incorporation of the Fund and Certificate of Incorporation on Change of Name; and
- the taxation exemption certificates issued to the Fund and the Master Fund.

Dated September 1st, 2021

APPENDIX A - DEFINITIONS

"Additional Subscription Agreement"	the subscription agreement in relation to the application for additional Participating Shares by a Shareholder;
"Administration Agreement"	the professional services agreement between the Fund, the Master Fund and the Administrator (as amended);
"Administrator"	Northern Trust Global Fund Services Cayman Limited, or such other person that may be appointed as the administrator of the Fund and the Master Fund from time to time;
"Affiliates"	in respect of a person or entity (" First Person "): <ul style="list-style-type: none"> (a) an entity in which the First Person holds, directly or indirectly, 50% or more of the voting rights; (b) an entity or person which owns, directly or indirectly, 50% or more of the voting rights in the First Person; (c) an entity in which the First Person and an entity described in paragraph (b) above own, directly or indirectly, 50% or more of the voting rights; (d) an entity over which the First Person or its holding company exercises direct or indirect management control, even though it may own less than 50% of the voting rights in such entity; and (e) an entity or person which exercises direct or indirect management control over the First Person or its holding company, even though it may own less than 50% of the voting rights in the First Person or its holding company;
"Articles"	the Articles of Association of the Fund (as amended);
"Assets Under Management"	the absolute value of all long and short cash security positions (excluding cash and interest rate hedges) and the market value for credit default swaps and delta adjusted for equity options;
"Auditors"	Ernst & Young Ltd., Cayman Islands or such other person that may be appointed as auditors of the Fund and the Master Fund, respectively, from time to time;
"Authority"	the Cayman Islands Monetary Authority;
"Board"	the board of directors of the Fund or the Master Fund, as the context requires;
"Business Day"	a day (except Saturday and Sunday) on which banks in Hong Kong and the Cayman Islands are open for normal banking business, 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 or the Cayman Islands are open on any day is reduced, such day shall not be a Business Day unless the Directors, in consultation with the Manager and the Administrator, otherwise determine;
"Cayman Companies Act"	the Companies Act (as amended) of the Cayman Islands;

"Cayman Mutual Funds Act"	the Mutual Funds Act (as amended) of the Cayman Islands;
"CFTC"	the US Commodity Futures Trading Commission;
"Class"	a class of Participating Shares in the capital of the Fund or Master Fund (as the context requires), which may be subject to specific terms, and includes a Series (as the context may require);
"Class A2 Participating Shares"	the Class of Participating Shares in the Fund that are issued only to investors other than Class C Investors, with the rights and obligations summarised in this Memorandum;
"Class A3 Participating Shares"	the Class of Participating Shares in the Fund that are issued only to investors other than Class C Investors, with the rights and obligations summarised in this Memorandum;
"Class A4 Participating Shares"	the Class of Participating Shares in the Fund that are issued only to investors other than Class C Investors, with the rights and obligations summarised in this Memorandum;
"Class A5 Participating Shares"	the Class of Participating Shares in the Fund that are issued only to investors other than Class C Investors, with the rights and obligations summarised in this Memorandum;
"Class B Participating Shares"	the Class of Participating Shares in the Fund that are issued only to investors other than Class C Investors, with the rights and obligations summarised in this Memorandum;
"Class C Investors"	the Manager, the Investment Adviser and their employees and Affiliates;
"Class C Participating Shares"	the Class of Participating Shares in the Fund that are issued only to Class C Investors, with the rights and obligations summarised in this Memorandum;
"Data Protection Legislation"	means, from 25 May 2018 onwards, the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679);
"Directors"	the directors of the Fund acting as a board, including any duly authorised committee of the board of directors of the Fund or, as the context requires, the sole director;
"ERISA"	the US Employee Retirement Income Security Act of 1974 (as amended);
"FATCA"	means one or more of the following, as the context requires; <ol style="list-style-type: none"> 1. sections 1471 to 1474 of the US Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, commonly referred to as the US Foreign Account Tax Compliance Act, the Common Reporting Standard ("CRS") issued by the Organisation for Economic Cooperation and Development OECD, when adopted, or similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting and/or withholding tax regimes; 2. any intergovernmental agreement, treaty or any other arrangement between the Cayman Islands and any of the US, the UK or any other jurisdiction (including between any government bodies in each relevant jurisdiction), entered into to facilitate, implement, comply with or

supplement the legislation, regulations or guidance described in paragraph (1); and

3. any legislation, regulations or guidance implemented in the Cayman Islands to give effect to the matters outlined in the preceding paragraphs.

"FCA"	the Financial Conduct Authority of the United Kingdom established pursuant to the Financial Services Act of 2012;
"FI"	a foreign financial institution for the purpose of FATCA;
"Financial Year"	a financial year of the Fund being a period of 12 months from 1 January to 31 December, or as otherwise determined by the Directors in consultation with the Manager;
"FINRA"	the Financial Industry Regulatory Authority, Inc. of the United States (formerly known as the National Association of Securities Dealers, Inc.);
"Fund"	Long Corridor Alpha Opportunities Feeder Fund, an exempted company incorporated in the Cayman Islands with limited liability under the laws of the Cayman Islands;
"Fund Services Agreement"	the fund services agreement between the Manager and the Fund;
"HIRE Act"	the US Hiring Incentives to Restore Employment Act of 2010 (as amended);
"HK Companies Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) (as amended);
"HK SFO"	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (as amended);
"HK\$" or "HK Dollars"	the lawful currency of Hong Kong;
"HMRC"	HM Revenue & Customs of the United Kingdom;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"International Prime Brokerage Agreement"	the prime brokerage agreement entered into between the Master Fund and each of the Prime Brokers and/or such other prime brokerage agreement as may be entered into between the Master Fund and a Prime Broker from time to time;
"Investment Adviser"	Long Corridor Asset Management Limited and its successors in title as investment adviser or such entity or entities that may be appointed as an investment adviser to the Manager from time to time;
"Investment Advisory Agreement"	the investment advisory agreement between the Manager and the Investment Adviser;
"Investment Management Agreement"	the amended and restated investment management agreement between the Manager and the Master Fund;
"Investments"	the cash, investments and other assets from time to time comprising the assets of the Fund and/or the Master Fund (as the context requires);

"IRS"	the Internal Revenue Service of the United States;
"Long Corridor"	collectively, the Manager and the Investment Adviser;
"Management Fee"	the fee payable to the Manager by the Master Fund pursuant to the Investment Management Agreement in respect of the management of the Master Fund, as described in the section headed "Fees and Charges" ;
"Management Shares"	the non-participating voting shares in the Fund having a nominal value of US\$1.00 each;
"Manager" or "Long Corridor Asset Management"	Long Corridor Asset Management, an exempted company with limited liability incorporated in the Cayman Islands, acting in its capacity as the manager of the Fund and the Master Fund (as the case may be), or such other person as may be appointed as the manager of the Fund or the Master Fund from time to time;
"Master Fund"	Long Corridor Alpha Opportunities Master Fund, an exempted company incorporated in the Cayman Islands with limited liability under the laws of the Cayman Islands;
"Memorandum"	this Memorandum issued in connection with the offer of Participating Shares, as modified or supplemented from time to time;
"Minimum Subscription"	such amount as specified in this Memorandum as being the minimum initial amount an investor must subscribe for Participating Shares, unless otherwise permitted by the Fund in consultation with the Manager and subject to any minimum amount as prescribed by the Cayman Mutual Funds Act;
"Net Asset Value" or "NAV"	the net asset value of the Fund, the Master Fund or of a Class and/or Series, as the context may require, as at the relevant Valuation Point after the deduction of all fees (including the Management Fee and any Performance Fee), costs and expenses paid, payable or accrued as of that Valuation Point or such other day as the Fund or the Master Fund (as the context requires) may determine, as calculated by the Administrator in accordance with the Articles and as set out in the section headed "Valuation" ;
"Net Asset Value per Participating Share"	the Net Asset Value of each Class and/or Series of Participating Shares divided by the number of Participating Shares of that Class and/or Series outstanding on the relevant Valuation Point;
"New Issues Rules"	the FINRA Conduct Rule 5130, administered by FINRA, entitled "Restrictions on the Purchase and Sale of Initial Equity Public Offerings" (as amended) and the FINRA Conduct Rule 5131, administered by FINRA, entitled "New Issue Allocations and Distributions" (as amended) or such other applicable regulations governing the allocation of newly issued equity securities;
"Non-US Person"	<ul style="list-style-type: none"> (a) a natural person who is not a resident of the US; (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction; (c) an entity, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction, organised principally for passive investment such as a pool, investment company, or other similar entity, provided that: (i) units of participation in the entity held by persons who do not qualify as Non-US Persons or

otherwise as "qualified eligible persons" under the CFTC rules represent in the aggregate less than 10% of the beneficial interest in the entity; (ii) such entity was not formed principally for the purpose of facilitating investments by US Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-US Persons; and (iii) such entity was not formed by a US Person principally for the purpose of investing in securities not registered under the US Securities Act (unless it was organised or incorporated and is owned exclusively by "accredited investors", as defined in the SEC rules, who are not natural persons, estates, or trusts);

- (d) an estate or trust, the income of which is not subject to US federal income tax regardless of source, provided that no executor or administrator of such an estate or trustee of such a trust, as the case may be, is a US Person;
- (e) a pension plan for the employees, officers, or principals of an entity organised and with its principal place of business outside the United States, provided that such plan is established and administered in accordance with the laws of a country other than the US and customary practices and documentation of such country; or
- (f) any other person who is not a US Person;

"OTC"

over-the-counter;

"Participating Share"

a non-voting redeemable participating share in the share capital of the Fund (or Master Fund, as the context requires) having a nominal or par value of US\$0.01 each unless otherwise stated;

"Performance Fee"

the fee payable to the Manager by the Master Fund pursuant to the Investment Management Agreement, in respect of the performance of each Series of Participating Shares in the Master Fund, as described in the section headed "**Fees and Charges**";

"Performance Period"

for each Series of Participating Shares, starts at the later of the first day of each Financial Year or the Subscription Day referable to such Series of Participating Shares and ends on the earlier of the last day of such Financial Year or the Redemption Day referable to the relevant Participating Share;

"Permitted US Person"

a US Person that is:

- (a) an "accredited investor" as defined under Regulation D of the US Securities Act; and
- (b) a "qualified purchaser" as defined in Section 2(a)(51) under the US Company Act or "knowledgeable employee" within the meaning of the regulations thereunder; and
- (c) a "qualified eligible person" as that term is defined in CFTC Regulation Section 4.7(a)(2).

"PRA"

the Prudential Regulatory Authority of the United Kingdom established pursuant to the Financial Services Act of 2012;

"PRC"	the People's Republic of China but excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and the Republic of China;
"Prime Broker"	each of Deutsche Bank AG (which will be replaced by BNP Paribas London Branch around the end of 2021), Merrill Lynch International and Goldman Sachs International and/or such other person that may be appointed as a prime broker and/or a custodian of the Master Fund from time to time;
"Redemption Day"	with respect to Class A2 Participating Shares, Class A3 Participating Shares, Class A4 Participating Shares, Class A5 Participating Shares, Class B Participating Shares and Class C Participating Shares, the first Business Day of the month of each calendar quarter, or such other day or days as the Directors, in consultation with the Manager, may designate from time to time including, for the avoidance of doubt, a day on which a compulsory redemption of Participating Shares occurs;
"Redemption Notice"	a written notice given by a Shareholder to the Fund (or to the Administrator or its affiliate on behalf of the Fund) requesting the redemption of all or some of that Shareholder's Participating Shares;
"Redemption Payment Extension"	has the meaning given to that term in the section headed " Suspensions and Restructures ";
"Redemption Price"	the Net Asset Value per Participating Share of the relevant Class and Series as at the Valuation Day immediately preceding the relevant Redemption Day less any amount that the Directors, in consultation with the Manager, may, in their sole discretion, deduct to reflect all the administrative charges incurred in relation to the relevant redemption;
"Relevant Communications"	has the meaning given to that term in the section headed " Subscription, Issue and Redemption of Participating Shares - Communications Policy ";
"Restricted Person"	any person that the New Issues Rules defines as being a "restricted person" including, without limitation, any FINRA member, any associated person of a FINRA member, any senior officer of a registered management firm, bank, savings and loan institution or insurance company, as more fully described in the Subscription Agreement;
"SEC"	the US Securities and Exchange Commission;
"Series"	a series of Participating Shares within a Class;
"Shareholder"	a holder of Participating Shares in the Fund;
"SIB Act"	Securities Investment Business Act (as amended) of the Cayman Islands;
"Side Letter"	has the meaning given to that term in the section headed " Summary - Side Letters ";
"Subscription Agreement"	the subscription agreement in relation to an application for Participating Shares in the Fund entered into between an investor and the Fund;
"Subscription Day"	the first Business Day of each calendar month, or such other day or days as the Directors, in consultation with the Manager, may from time to time determine;
"Subscription Deadline"	has the meaning given to that term in the section headed " Subscription, Issue and Redemption of Participating Shares ";

"Subscription Price"	US\$1,000 per Participating Share;
"Suspension"	has the meaning given to that term in the section headed "Suspensions and Restructures - Suspension of Valuation, Issue and/or Redemption of Participating Shares" ;
"Suspension Event"	has the meaning given to that term in the section headed "Suspensions and Restructures - Suspension of Valuation, Issue and/or Redemption of Participating Shares" ;
"United States" or "US"	the United States of America (including the States and the District of Columbia), its territories, its possessions and all other areas subject to its jurisdiction;
"US Advisers Act"	the US Investment Advisers Act of 1940 (as amended);
"US\$" or "US Dollars"	the lawful currency of the United States;
"US Company Act"	the US Investment Company Act of 1940 (as amended);
"US Exchange Act"	the US Securities Exchange Act of 1934 (as amended);
"US GAAP"	United States generally accepted accounting principles;
"US Person"	a US person as defined for the purposes of US federal securities, commodities and tax laws, including Regulation S under the US Securities Act, as the context requires;
"US Securities Act"	the US Securities Act of 1933 (as amended);
"US Tax Code"	the US Internal Revenue Code of 1986 (as amended);
"Valuation Day"	the last Business Day of each calendar month, or such other day or days as the Directors or Board (as applicable), in consultation with the Manager, may in their sole discretion determine in any particular case or generally; and
"Valuation Point"	the close of business in the last relevant market to close on each Valuation Day or such other time on such other Business Day or Business Days as the Directors or the Board (as applicable), in consultation with the Manager, may from time to time determine.

In this Memorandum unless otherwise stated:

- (a) words and expressions used in this Memorandum but not defined have the same meanings as in the Articles;
- (b) unless otherwise stated, references to time are to time in Hong Kong;
- (c) "in writing" and "written" includes printing, type, telex, facsimile, electronic mail, photography and all other modes of representing or reproducing words in permanent visible form;
- (d) words importing the singular include the plural and vice versa, and words importing one gender include both genders and the neuter and vice versa;
- (e) references to a person includes an individual, body corporate, partnership, any other unincorporated body or association of persons, and any government or government agency; and

- (f) references to legislation or legislative provisions include any amendment, consolidation, extension or re-enactment from time to time, and any orders, regulations, instruments or other subordinate legislation made under that legislation or legislative provision.

APPENDIX B – NOTICES FOR INVESTORS IN KEY JURISDICTIONS

The following legends apply to the extent Participating Shares are offered to persons in the jurisdictions indicated:

AUSTRALIA

THE FUND IS NOT A REGISTERED MANAGED INVESTMENT SCHEME AND THIS MEMORANDUM IS NOT A DISCLOSURE DOCUMENT LODGED OR REQUIRED TO BE LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION. THE OFFERING OF SHARES WILL ONLY BE OFFERED IN AUSTRALIA ONLY TO PERSONS TO WHOM SUCH SECURITIES MAY BE OFFERED WITHOUT A DISCLOSURE STATEMENT UNDER PART 7.9 OF THE CORPORATIONS ACT. THE PARTICIPATING SHARES SUBSCRIBED BY INVESTORS IN AUSTRALIA MUST NOT BE OFFERED FOR RESALE IN AUSTRALIA FOR 12 MONTHS FROM ALLOTMENT EXCEPT IN CIRCUMSTANCES WHERE DISCLOSURE TO INVESTORS UNDER PART 6D.2 OF THE CORPORATIONS LAW WOULD NOT BE REQUIRED OR WHERE A COMPLIANT DISCLOSURE STATEMENT IS PRODUCED. PROSPECTIVE INVESTORS IN AUSTRALIA SHOULD CONFER WITH THEIR PROFESSIONAL ADVISORS IF IN ANY DOUBT ABOUT THEIR POSITION.

BAHRAIN

ALL APPLICATIONS FOR INVESTMENT SHOULD BE RECEIVED, AND ANY ALLOTMENTS MADE, FROM OUTSIDE BAHRAIN. THE FUND IS NOT A COLLECTIVE INVESTMENT SCHEME WITHIN THE MEANING OF BAHRAIN MONETARY AGENCY CIRCULAR NO. OG/356/92 DATED NOVEMBER 18, 1992

BELGIUM

THE OFFERING OF SHARES HAS NOT BEEN AND WILL NOT BE NOTIFIED TO THE BELGIAN FINANCIAL SERVICES AND MARKETS AUTHORITY (AUTORITEIT VOOR FINANCIËLE DIENSTEN EN MARKTEN/AUTORITÉ DES SERVICES ET MARCHÉS FINANCIERS) NOR HAS THIS MEMORANDUM BEEN, NOR WILL IT BE, APPROVED BY THE FINANCIAL SERVICES AND MARKETS AUTHORITY. THE PARTICIPATING SHARES MAY BE OFFERED IN BELGIUM ONLY TO A MAXIMUM OF 99 INVESTORS OR TO INVESTORS INVESTING A MINIMUM OF €250,000 OR TO PROFESSIONAL OR INSTITUTIONAL INVESTORS, IN RELIANCE ON ARTICLE 5 OF THE LAW OF JULY 20, 2004. THIS MEMORANDUM MAY BE DISTRIBUTED IN BELGIUM ONLY TO SUCH INVESTORS FOR THEIR PERSONAL USE AND EXCLUSIVELY FOR THE PURPOSES OF THIS OFFERING OF SHARES. ACCORDINGLY, THIS MEMORANDUM MAY NOT BE USED FOR ANY OTHER PURPOSE NOR PASSED ON TO ANY OTHER INVESTOR IN BELGIUM.

ANY OFFER TO SELL OR SALE OF SHARES MUST BE MADE IN COMPLIANCE WITH THE PROVISIONS OF THE LAW OF THE 6 APRIL 2010 ON TRADE PRACTICES AND CONSUMER PROTECTION TO THE EXTENT APPLICABLE PURSUANT TO THE ROYAL DECREE OF 5 DECEMBER 2000.

BRITISH VIRGIN ISLANDS

THE FUND, THIS MEMORANDUM AND THE PARTICIPATING SHARES OFFERED HEREBY HAVE NOT BEEN, AND WILL NOT BE, RECOGNISED OR REGISTERED UNDER THE LAWS AND REGULATIONS OF THE BRITISH VIRGIN ISLANDS. THE PARTICIPATING SHARES MAY NOT BE OFFERED OR SOLD IN THE BRITISH VIRGIN ISLANDS EXCEPT IN CIRCUMSTANCES IN WHICH THE FUND, THIS MEMORANDUM AND THE PARTICIPATING SHARES DO NOT REQUIRE THE RECOGNITION BY OR REGISTRATION WITH THE AUTHORITIES OF THE BRITISH VIRGIN ISLANDS.

CANADA

THIS MEMORANDUM CONSTITUTES AN OFFERING IN CANADA OF THE PARTICIPATING SHARES OF THE FUND IN THE PROVINCES OF BRITISH COLUMBIA, ONTARIO AND QUÉBEC ONLY AND TO THOSE PROSPECTIVE INVESTORS IN CANADA WHERE AND TO WHOM THEY MAY BE LAWFULLY OFFERED FOR SALE AND, THEREIN, ONLY BY PERSONS PERMITTED TO DISTRIBUTE SUCH SECURITIES. THIS MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN ADVERTISEMENT OR A PUBLIC OFFERING OF THE PARTICIPATING SHARES OF THE FUND. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THIS MEMORANDUM OR THE MERITS OF THE PARTICIPATING SHARES AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENSE.

THE DISTRIBUTION OF THE PARTICIPATING SHARES IN THE PROVINCES OF BRITISH COLUMBIA, ONTARIO AND QUÉBEC IS BEING MADE ONLY ON A PRIVATE PLACEMENT BASIS AND IS EXEMPT FROM THE REQUIREMENT THAT THE MANAGER PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT PROVINCIAL SECURITIES COMMISSIONS. ACCORDINGLY, ANY RESALE OF SHARES MUST BE MADE IN ACCORDANCE WITH APPLICABLE PROVINCIAL SECURITIES LEGISLATION WHICH MAY REQUIRE REALES TO BE MADE IN ACCORDANCE WITH EXEMPTIONS FROM REGISTRATION AND PROSPECTUS REQUIREMENTS. CANADIAN INVESTORS ARE ADVISED TO SEEK LEGAL ADVICE PRIOR TO ANY RESALE OF SUCH SHARES.

EACH CANADIAN INVESTOR WHO ACQUIRES SHARES WILL BE DEEMED TO HAVE REPRESENTED TO THE MANAGER AND ANY DEALER WHO SELLS SHARES TO SUCH INVESTOR THAT: (I) WHERE REQUIRED BY LAW, SUCH INVESTOR IS PURCHASING AS PRINCIPAL AND NOT AS AGENT; (II) SUCH INVESTOR OR ANY ULTIMATE PURCHASER FOR WHICH SUCH INVESTOR IS ACTING AS AGENT IS NOT AN INDIVIDUAL AND IS ENTITLED UNDER APPLICABLE CANADIAN SECURITIES LAWS TO PURCHASE SUCH SHARES WITHOUT THE BENEFIT OF A PROSPECTUS QUALIFIED UNDER SUCH SECURITIES LAWS; (III) IN THE CASE OF AN INVESTOR LOCATED IN ONTARIO, SUCH INVESTOR IS AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF SECTION 1.1 OF ONTARIO SECURITIES COMMISSION RULE 45-501; (IV) IN THE CASE OF AN INVESTOR LOCATED IN QUÉBEC, SUCH INVESTOR IS A "SOPHISTICATED PURCHASER" WITHIN THE MEANING OF THE SECURITIES ACT (QUÉBEC); AND (V) IN THE CASE OF AN INVESTOR LOCATED IN BRITISH COLUMBIA, SUCH INVESTOR IS AN "ACCREDITED INVESTOR" WITHIN THE MEANING OF SECTION 1.1 OF MULTILATERAL INSTRUMENT 45-103.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN LEGAL AND TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTICIPATING SHARES IN THEIR PARTICULAR CIRCUMSTANCES AND WITH RESPECT TO THE ELIGIBILITY OF THE PARTICIPATING SHARES FOR INVESTMENT BY SUCH INVESTOR UNDER RELEVANT CANADIAN LEGISLATION.

STATUTORY RIGHTS OF ACTION FOR RESCISSION OR DAMAGES (ONTARIO ONLY)

PURSUANT TO ONTARIO SECURITIES LEGISLATION, WHERE AN OFFERING MEMORANDUM HAS BEEN FURNISHED TO A PROSPECTIVE PURCHASER IN CONNECTION WITH A DISTRIBUTION OF SECURITIES IN RELIANCE UPON THE ACCREDITED INVESTOR EXEMPTION, THE RIGHTS OF ACTION REFERRED TO IN SECTION 130.1 OF THE SECURITIES ACT (ONTARIO) (THE "ACT") MUST BE DESCRIBED IN THE OFFERING MEMORANDUM. THESE RIGHTS AND THE APPLICABLE NOTICE WITH RESPECT THERETO, MUST BE EXERCISED OR DELIVERED, AS THE CASE MAY BE, BY THE PURCHASER WITHIN THE TIME LIMITS PRESCRIBED BY APPLICABLE ONTARIO SECURITIES LEGISLATION. WHERE USED HEREIN, "MISREPRESENTATION" MEANS AN UNTRUE STATEMENT OF A MATERIAL FACT OR AN OMISSION TO STATE A MATERIAL FACT THAT IS REQUIRED TO BE STATED OR THAT IS NECESSARY TO MAKE ANY STATEMENT NOT MISLEADING IN LIGHT OF THE CIRCUMSTANCES IN WHICH IT WAS MADE. A "MATERIAL FACT," WHERE USED IN RELATION

TO SECURITIES ISSUED OR PROPOSED TO BE ISSUED, MEANS A FACT THAT SIGNIFICANTLY AFFECTS, OR WOULD REASONABLY BE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON, THE MARKET PRICE OR VALUE OF SUCH SECURITIES. THESE RIGHTS OF ACTION ARE DESCRIBED BELOW.

IN THE EVENT THAT THE MEMORANDUM (INCLUDING ANY AMENDMENT OR SUPPLEMENT THERETO) CONTAINS A MISREPRESENTATION, AN ONTARIO PURCHASER WHO PURCHASES INTERESTS OFFERED BY THIS MEMORANDUM DURING THE PERIOD OF DISTRIBUTION SHALL BE DEEMED TO HAVE RELIED UPON THE MISREPRESENTATION IF IT WAS A MISREPRESENTATION AT THE TIME OF PURCHASE, AND HAS A RIGHT OF ACTION FOR DAMAGES OR ALTERNATIVELY FOR RESCISSION AGAINST THE FUND, PROVIDED THAT:

- A) IF THE PURCHASER EXERCISES ITS RIGHT OF RESCISSION, IT SHALL NOT HAVE A RIGHT OF ACTION FOR DAMAGES AGAINST THE FUND;
- (B) THE FUND WILL NOT BE LIABLE IF IT PROVES THAT THE PURCHASER PURCHASED THE PARTICIPATING SHARES OF THE FUND WITH KNOWLEDGE OF THE MISREPRESENTATION;
- (C) IN AN ACTION FOR DAMAGES, THE FUND WILL NOT BE LIABLE FOR ALL OR ANY PORTION OF THE DAMAGES THAT IT PROVES DO NOT REPRESENT THE DEPRECIATION IN VALUE OF THE PARTICIPATING SHARES AS A RESULT OF THE MISREPRESENTATION RELIED UPON; AND
- (D) IN NO CASE SHALL THE AMOUNT RECOVERABLE EXCEED THE PRICE AT WHICH THE PARTICIPATING SHARES WERE OFFERED.

SECTION 138 OF THE ACT PROVIDES THAT NO ACTION SHALL BE COMMENCED TO ENFORCE THESE RIGHTS IN THE CASE FOR RESCISSION MORE THAN:

- (E) (I) 180 DAYS AFTER THE DATE OF THE TRANSACTION THAT GAVE RISE TO THE CAUSE OF ACTION; OR
(II) THREE YEARS AFTER THE DATE OF THE TRANSACTION THAT GAVE RISE TO THE CAUSE OF ACTION.

THE RIGHTS OF ACTION DESCRIBED ABOVE ARE IN ADDITION TO AND WITHOUT DEROGATION FROM ANY RIGHT OR REMEDY AVAILABLE AT LAW TO THE PURCHASER AND ARE INTENDED TO CORRESPOND TO THE RELEVANT PROVISIONS OF ONTARIO SECURITIES LEGISLATION AND ARE SUBJECT TO THE DEFENCES CONTAINED THEREIN. SUCH PROVISIONS MAY CONTAIN LIMITATIONS AND STATUTORY DEFENCES ON WHICH APPLICABLE PARTIES MAY RELY.

YOU ACKNOWLEDGE THAT IT IS YOUR EXPRESS WISH THAT ALL DOCUMENTS EVIDENCING OR RELATING IN ANY WAY TO THE DISTRIBUTION OF THE PARTICIPATING SHARES BE DRAWN UP IN THE ENGLISH LANGUAGE ONLY.

CAYMAN ISLANDS

NO INVITATION MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE PARTICIPATING SHARES AND THIS MEMORANDUM DOES NOT CONSTITUTE SUCH AN INVITATION. PARTICIPATING SHARES MAY NOT BE SOLD OR TRANSFERRED TO MEMBERS OF THE PUBLIC OF THE CAYMAN ISLANDS, EXCEPT TO AN EXEMPTED OR ORDINARY NON-RESIDENT COMPANY, EXEMPTED LIMITED PARTNERSHIP AND EXEMPTED TRUST INCORPORATED OR REGISTERED IN THE CAYMAN ISLANDS.

DENMARK

THE FUND HAS NOT OBTAINED AN APPROVAL FOR MARKETING IN DENMARK BY THE DANISH FINANCIAL SUPERVISORY AUTHORITY PURSUANT TO THE DANISH ACT ON INVESTMENT ASSOCIATIONS AND SPECIAL-PURPOSE ASSOCIATIONS AS WELL AS OTHER COLLECTIVE INVESTMENT SCHEMES ETC. (CONSOLIDATED ACT NO. 904 OF 5 JULY 2010, AS AMENDED BY ACT NO. 1556 OF 21 DECEMBER 2010) (THE "ACT") AND THE EXECUTIVE ORDER ON MARKETING CARRIED OUT BY FOREIGN INVESTMENT UNDERTAKINGS IN DENMARK (EXECUTIVE ORDER NO. 505 OF 12 MAY 2010) (THE "EXECUTIVE ORDER") ISSUED BY THE DANISH FINANCIAL SUPERVISORY AUTHORITY. THE PARTICIPATING SHARES OF THE FUND HAVE NOT BEEN OFFERED OR SOLD AND MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, TO INVESTORS IN DENMARK. THIS IMPLIES, INTER ALIA, THAT THE PARTICIPATING SHARES IN THE FUND MAY NOT BE OFFERED OR MARKETED TO POTENTIAL INVESTORS IN DENMARK UNLESS AN APPROVAL FROM THE DANISH FINANCIAL SUPERVISORY AUTHORITY IN ACCORDANCE WITH SECTION 16(1) OF THE ACT HAS BEEN OBTAINED.

EUROPEAN ECONOMIC AREA

THE FUND IS A NON-EU ALTERNATIVE INVESTMENT FUND AS DEFINED IN THE EU ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE, AND ITS NON-EU ALTERNATIVE INVESTMENT FUND MANAGER IS THE INVESTMENT ADVISER. THE FUND MAY NOT BE MARKETED BY OR ON BEHALF OF THE INVESTMENT ADVISER FOR THE PURPOSES OF ARTICLE 4 OF THE ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA. THIS MEMORANDUM IS NOT TO BE ISSUED OR DISTRIBUTED IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA. THE EXPRESSION "ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE" MEANS DIRECTIVE 2011/61/EU (AND AMENDMENTS THERETO) AS IMPLEMENTED IN EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, INCLUDING ANY ADDITIONAL RELEVANT IMPLEMENTING MEASURES IN ANY SUCH RELEVANT MEMBER STATE, INCLUDING ANY ADDITIONAL REQUIREMENTS OR CONDITIONS IMPOSED ON NON-EU ALTERNATIVE INVESTMENT FUND MANAGERS BY SUCH IMPLEMENTING MEASURES.

FINLAND

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN FINLAND. THE PARTICIPATING SHARES CANNOT BE OFFERED OR SOLD IN FINLAND BY MEANS OF ANY DOCUMENT TO ANY PERSONS OTHER THAN "PROFESSIONAL INVESTORS" AS DEFINED BY THE FINNISH MUTUAL FUNDS ACT (SIJOITUSRAHASTOLAKI 29.1.1999/48), AS AMENDED. NO ACTION HAS BEEN TAKEN TO AUTHORIZE AN OFFERING OF THE PARTICIPATING SHARES TO THE PUBLIC IN FINLAND AND THE DISTRIBUTION OF THIS MEMORANDUM IS NOT AUTHORISED BY THE FINANCIAL SUPERVISION AUTHORITY IN FINLAND. THIS MEMORANDUM IS STRICTLY FOR PRIVATE USE BY ITS HOLDER AND MAY NOT BE PASSED ON TO THIRD PARTIES OR OTHERWISE PUBLICLY DISTRIBUTED. SUBSCRIPTIONS WILL NOT BE ACCEPTED FROM ANY PERSONS OTHER THAN THE PERSON TO WHOM THIS MEMORANDUM HAS BEEN DELIVERED BY THE FUND OR ITS REPRESENTATIVE. THIS MEMORANDUM MAY NOT INCLUDE ALL THE INFORMATION THAT IS REQUIRED TO BE INCLUDED IN A PROSPECTUS IN CONNECTION WITH AN OFFERING TO THE PUBLIC.

FRANCE

THE PARTICIPATING SHARES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN THE REPUBLIC OF FRANCE AND NEITHER THIS MEMORANDUM, WHICH HAS NOT BEEN SUBMITTED TO THE AUTORITÉ DES MARCHÉS FINANCIERS, NOR ANY OFFERING MATERIAL OR INFORMATION CONTAINED THEREIN RELATING TO THE FUND, MAY BE SUPPLIED IN CONNECTION WITH ANY OFFER OF THE PARTICIPATING SHARES IN THE REPUBLIC OF FRANCE.

GERMANY

EACH PURCHASER OF SHARES ACKNOWLEDGES THAT THE FUND IS NOT AND WILL NOT BE REGISTERED FOR PUBLIC DISTRIBUTION IN GERMANY. THIS MEMORANDUM DOES NOT CONSTITUTE A SALES PROSPECTUS PURSUANT TO THE GERMAN INVESTMENT ACT (INVESTMENTGESETZ) OR THE GERMAN SECURITIES PROSPECTUS ACT (WERTPAPIERPROSPEKTGESETZ). ACCORDINGLY, NO OFFER OF THE PARTICIPATING SHARES MAY BE MADE TO THE PUBLIC IN GERMANY. THIS MEMORANDUM AND ANY OTHER DOCUMENT RELATING TO THE PARTICIPATING SHARES, AS WELL AS INFORMATION OR STATEMENTS CONTAINED THEREIN, MAY NOT BE SUPPLIED TO THE PUBLIC IN GERMANY OR USED IN CONNECTION WITH ANY OFFER FOR SUBSCRIPTION OF THE INTERESTS TO THE PUBLIC IN GERMANY OR ANY OTHER MEANS OF PUBLIC MARKETING. AN OFFER OF THE PARTICIPATING SHARES EXCLUSIVELY TO CREDIT INSTITUTIONS AND FINANCIAL SERVICES PROVIDERS AS DEFINED IN THE GERMAN BANKING ACT, PRIVATE OR PUBLIC INSURANCE COMPANIES, INVESTMENT COMPANIES AND THEIR MANAGERS AS WELL AS PENSION FUNDS AND THEIR ADMINISTRATORS IS NOT DEEMED TO BE A PUBLIC DISTRIBUTION.

GUERNSEY

PARTICIPATING SHARES ARE NOT OFFERED TO THE PUBLIC IN THE BAILIWICK OF GUERNSEY. PERSONS RESIDENT IN GUERNSEY MAY ONLY APPLY FOR PARTICIPATING SHARES PURSUANT TO PRIVATE PLACEMENT ARRANGEMENTS. THIS MEMORANDUM HAS NOT BEEN FILED WITH THE GUERNSEY FINANCIAL SERVICES COMMISSION PURSUANT TO THE CONTROL OF BORROWING (BAILIWICK OF GUERNSEY) ORDINANCES 1959 TO 1989 AND NO AUTHORISATIONS IN RESPECT OF THE PROTECTION OF INVESTORS (BAILIWICK OF GUERNSEY) LAW 1987 HAVE BEEN ISSUED BY THE GUERNSEY FINANCIAL SERVICES COMMISSION IN RESPECT OF IT.

HONG KONG

THIS MEMORANDUM HAS NOT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION IN HONG KONG AND ACCORDINGLY, PARTICIPATING SHARES MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS MEMORANDUM OR ANY OTHER DOCUMENT OTHER THAN TO "PROFESSIONAL INVESTORS" (AS SUCH TERM IS DEFINED IN THE HK SFO), OR IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER OR AN INVITATION TO THE PUBLIC FOR THE PURPOSES OF THE HK SFO. OFFERS OF PARTICIPATING SHARES WILL NOT BE AND MAY NOT BE MADE TO ANY PERSON IN HONG KONG OTHER THAN A PERSON TO WHOM THIS MEMORANDUM HAS BEEN ISSUED BY OR ON BEHALF OF THE MANAGER. NO PERSON TO WHOM THIS MEMORANDUM IS GIVEN BY OR ON BEHALF OF THE MANAGER MAY ISSUE, CIRCULATE OR DISTRIBUTE THIS MEMORANDUM IN HONG KONG OR MAKE OR GIVE A COPY OF THIS MEMORANDUM TO ANY PERSON.

INDIA

THIS MEMORANDUM IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE A "PUBLIC OFFER" OR AN INVITATION TO MORE THAN 50 PERSONS IN INDIA FOR ANY INVESTMENT OR SUBSCRIPTION FOR FOREIGN SECURITIES. ANY PERSON WHO IS IN POSSESSION OF THIS MEMORANDUM IS HEREBY NOTIFIED THAT NO ACTION HAS BEEN OR WILL BE TAKEN THAT WOULD ALLOW AN OFFERING OF FOREIGN SECURITIES TO MORE THAN 50 PERSONS IN INDIA AND NEITHER THIS MEMORANDUM NOR ANY OFFERING MATERIAL RELATING TO FOREIGN SECURITIES HAS BEEN SUBMITTED TO THE REGISTRAR OF COMPANIES (ROC) OR THE SECURITIES AND EXCHANGE BOARD OF INDIA FOR PRIOR REVIEW OR APPROVAL. FURTHER, NO PROSPECTUS FILING HAS BEEN MADE WITH THE ROC, INDIA. ACCORDINGLY, THE INTERESTS MAY NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED AND NEITHER THIS MEMORANDUM NOR ANY OFFERING MATERIAL RELATING TO THE INTERESTS MAY BE DISTRIBUTED OR MADE AVAILABLE (IN WHOLE OR IN PART) TO MORE THAN 50 PERSONS IN INDIA, DIRECTLY OR INDIRECTLY IN

CONNECTION WITH ANY OFFER OR INVITATION FOR ANY INVESTMENT OR SUBSCRIPTION OF THE INTERESTS.

IRELAND

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFERING OR PURCHASE OF SHARES IS RESTRICTED TO THE INDIVIDUAL TO WHOM THIS MEMORANDUM IS ADDRESSED. ACCORDINGLY, IT MAY NOT BE REPRODUCED IN WHOLE OR IN PART, NOR MAY ITS CONTENTS BE DISTRIBUTED IN WRITING OR ORALLY TO ANY THIRD PARTY AND IT MAY BE READ SOLELY BY THE PERSON TO WHOM IT IS ADDRESSED AND HIS/HER PROFESSIONAL ADVISERS. SHARES IN THE FUND WILL NOT BE OFFERED OR SOLD BY ANY PERSON OTHERWISE THAN IN CONFORMITY WITH THE PROVISIONS OF THE EUROPEAN COMMUNITIES (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2007, AS AMENDED. SHARES IN THE FUND WILL NOT IN ANY EVENT BE MARKETED IN IRELAND EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF THE CENTRAL BANK OF IRELAND.

ISLE OF MAN

THE FUND IS NOT SUBJECT TO ANY FORM OF REGULATION OR APPROVAL IN THE ISLE OF MAN. THIS DOCUMENT HAS NOT BEEN REGISTERED OR APPROVED FOR DISTRIBUTION IN THE ISLE OF MAN AND MAY ONLY BE DISTRIBUTED IN OR INTO THE ISLE OF MAN BY A PERSON PERMITTED UNDER ISLE OF MAN LAW TO DO SO AND IN ACCORDANCE WITH THE ISLE OF MAN FINANCIAL COLLECTIVE INVESTMENT SCHEMES ACT 1988 AND REGULATIONS MADE THEREUNDER. SHAREHOLDERS IN THE FUND ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION SCHEME.

ITALY

THE PARTICIPATING SHARES MAY NOT BE OFFERED, SOLD OR DELIVERED AND THIS MEMORANDUM, OR ANY CIRCULAR, ADVERTISEMENT OR OTHER DOCUMENT OR OFFERING MATERIAL RELATING TO THE PARTICIPATING SHARES, MAY NOT BE PUBLISHED, DISTRIBUTED OR MADE AVAILABLE IN THE REPUBLIC OF ITALY UNLESS: (I) THE PARTICIPATING SHARES HAVE BEEN PREVIOUSLY REGISTERED WITH THE BANK OF ITALY AND, AS APPROPRIATE, WITH THE ITALIAN SECURITIES AND EXCHANGE COMMISSION (CONSOB); AND (II) THE OFFERING, SALE OR DELIVERY OF THE PARTICIPATING SHARES AND PUBLICATION OR DISTRIBUTION OF THIS MEMORANDUM OR OF ANY OTHER DOCUMENT OR OFFERING MATERIAL IS MADE IN ACCORDANCE WITH RELEVANT ITALIAN LAWS AND REGULATIONS.

JAPAN

THE PARTICIPATING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED FOR A PUBLIC OFFERING IN JAPAN PURSUANT TO ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED) (THE "FIEA"). THE PARTICIPATING SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO OR FOR THE BENEFIT OF ANY RESIDENT OF JAPAN OR TO OTHERS FOR REOFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO A RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER RELEVANT LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN. AS USED IN THIS PARAGRAPH, "RESIDENT OF JAPAN" MEANS ANY PERSON RESIDENT IN JAPAN, INCLUDING A NATURAL PERSON HAVING HIS PLACE OF DOMICILE OR RESIDENCE IN JAPAN, OR A JURIDICAL PERSON HAVING ITS PRINCIPAL OFFICE IN JAPAN.

JERSEY

THIS MEMORANDUM RELATES TO A PRIVATE PLACEMENT AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN JERSEY TO SUBSCRIBE FOR THE PARTICIPATING SHARES

OFFERED HEREBY. NO REGULATORY APPROVAL HAS BEEN SOUGHT TO THE OFFER IN JERSEY AND IT MUST BE DISTINCTLY UNDERSTOOD THAT THE JERSEY FINANCIAL SERVICES COMMISSION DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF OR ANY REPRESENTATIONS MADE IN CONNECTION WITH THE FUND. THE OFFER OF THE PARTICIPATING SHARES IS PERSONAL TO THE PERSON TO WHOM THIS MEMORANDUM IS BEING DELIVERED BY OR ON BEHALF OF THE FUND, AND A SUBSCRIPTION FOR THE PARTICIPATING SHARES WILL ONLY BE ACCEPTED FROM SUCH PERSON. THE MEMORANDUM MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

REPUBLIC OF KOREA

THE OFFERING OF SHARES HAS NOT BEEN REGISTERED UNDER THE SECURITIES AND EXCHANGE ACT OF SOUTH KOREA AND NONE OF THE SHARES MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA, EXCEPT PURSUANT TO APPLICABLE LAWS AND REGULATIONS OF SOUTH KOREA.

KUWAIT

THE FUND HAS NOT BEEN LICENSED BY THE KUWAIT MINISTRY OF COMMERCE AND INDUSTRY PURSUANT TO LAW NO. 31/1990 REGULATING THE NEGOTIATIONS OF SECURITIES AND ESTABLISHMENT OF INVESTMENT FUNDS.

LIECHTENSTEIN

THE INTERESTS ARE OFFERED TO A NARROWLY DEFINED CATEGORY OF INVESTORS, IN ALL CASES AND UNDER ALL CIRCUMSTANCES DESIGNED TO PRECLUDE A PUBLIC SOLICITATION IN LIECHTENSTEIN. THIS MEMORANDUM MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE, NOR BE FURNISHED TO ANY OTHER PERSON OTHER THAN THOSE TO WHOM COPIES HAVE PERSONALLY BEEN SENT. THIS OFFER IS A PRIVATE OFFER, THIS MEMORANDUM AND THE TRANSACTIONS DESCRIBED THEREIN ARE THEREFORE NOT NOR HAVE BEEN SUBJECT TO THE REVIEW AND SUPERVISION OF THE LIECHTENSTEIN FINANCIAL MARKET AUTHORITY. THIS OFFER IS NOT INTENDED FOR ON-SELLING.

LUXEMBOURG

THE PARTICIPATING SHARES MAY NOT BE PUBLICLY OFFERED OR SOLD IN THE GRAND DUCHY OF LUXEMBOURG. THE PARTICIPATING SHARES ARE OFFERED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS, IN ALL CASES UNDER CIRCUMSTANCES DESIGNED TO PRECLUDE A DISTRIBUTION WHICH WOULD BE OTHER THAN BY A MEMORANDUM. THIS MEMORANDUM MAY NOT BE REPRODUCED OR USED FOR ANY PURPOSE, NOR BE FURNISHED TO ANY PERSON OTHER THAN THOSE TO WHOM COPIES HAVE BEEN SENT.

NETHERLANDS

THIS DOCUMENT IS NOT ADDRESSED TO OR INTENDED FOR ANY INDIVIDUAL OR LEGAL ENTITY IN THE NETHERLANDS EXCEPT (A) INDIVIDUALS OR LEGAL ENTITIES WHO QUALIFY AS QUALIFIED INVESTORS AS DEFINED BY ARTICLE 2 PARAGRAPH 1(E) OF THE PROSPECTUS DIRECTIVE (2003/71/EC), AS AMENDED OR (B) OTHER PERSONS TO WHOM, OR IN CIRCUMSTANCES WHERE, AN EXEMPTION OR EXCEPTION TO THE OFFERING OF INTERESTS IN COLLECTIVE INVESTMENT SCHEMES (BELEGGINGSINSTELLINGEN) APPLIES PURSUANT TO THE ACT ON FINANCIAL SUPERVISION (WET OP HET FINANCIËEL TOEZICHT), AND THE RULES AND REGULATIONS PROMULGATED PURSUANT THERETO, AS AMENDED. DISTRIBUTION OF THIS DOCUMENT DOES NOT TRIGGER A LICENCE

REQUIREMENT FOR THE FUND IN THE NETHERLANDS AND CONSEQUENTLY NO SUPERVISION WILL BE EXERCISED OVER THE FUND BY THE NETHERLANDS AUTHORITY FOR THE FINANCIAL MARKETS (AUTORITEIT FINANCIËLE MARKTEN).

NORWAY

THIS MEMORANDUM HAS NOT BEEN FILED WITH THE OSLO STOCK EXCHANGE IN ACCORDANCE WITH THE NORWEGIAN SECURITIES TRADING ACT, SECTION 5-1, AND MAY THEREFORE NOT BE DISTRIBUTED TO MORE THAN FIFTY POTENTIAL INVESTORS IN NORWAY.

PRC

THE PARTICIPATING SHARES MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY TO THE PUBLIC IN THE PRC AND NEITHER THIS MEMORANDUM, WHICH HAS NOT BEEN SUBMITTED TO THE CHINA SECURITIES AND REGULATORY COMMISSION, NOR ANY OFFERING MATERIAL OR INFORMATION CONTAINED HEREIN RELATING TO THE PARTICIPATING SHARES, MAY BE SUPPLIED TO THE PUBLIC IN THE PRC OR USED IN CONNECTION WITH ANY OFFER FOR THE SUBSCRIPTION OR SALE OF PARTICIPATING SHARES TO THE PUBLIC IN THE PRC. HOWEVER, THE FOREGOING RESTRICTIONS DO NOT PREVENT ANY PRC INCORPORATED ENTITIES THAT ARE AUTHORISED TO ENGAGE IN FOREIGN EXCHANGE BUSINESS AND OFFSHORE INVESTMENT FROM OUTSIDE OF THE PRC FROM INVESTING IN THE FUND THROUGH LEGITIMATE VEHICLES. SUCH RESTRICTIONS DO NOT PREVENT ANY PRC INDIVIDUALS WITH LEGITIMATE FOREIGN CURRENCY ACCOUNTS OUTSIDE OF THE PRC FROM INVESTING IN THE FUND. SUCH PRC INCORPORATED ENTITIES AND PRC INDIVIDUALS MAY BE SUBJECT TO FOREIGN EXCHANGE CONTROL APPROVAL AND FILING REQUIREMENTS UNDER THE RELEVANT CHINESE FOREIGN EXCHANGE REGULATIONS WITH RESPECT OF SUCH SUBSCRIPTIONS AND TRADING OF THE PARTICIPATING SHARES.

SAUDI ARABIA

THE PARTICIPATING SHARES MAY ONLY BE OFFERED AND SOLD IN THE KINGDOM OF SAUDI ARABIA IN ACCORDANCE WITH ARTICLE 4 OF THE INVESTMENT FUNDS REGULATIONS ISSUED ON DECEMBER 24, 2006 (THE "REGULATIONS"). ARTICLE 4(B)(4) OF THE REGULATIONS STATES THAT, IF INVESTMENT FUND UNITS ARE OFFERED TO NO MORE THAN 200 OFFEREEES IN THE KINGDOM OF SAUDI ARABIA AND THE MINIMUM AMOUNT PAYABLE PER OFFEREE IS NOT LESS THAN SAUDI RIYALS 1 MILLION OR AN EQUIVALENT AMOUNT IN ANOTHER CURRENCY, SUCH OFFER OF INVESTMENT FUND UNITS SHALL BE DEEMED A PRIVATE PLACEMENT FOR PURPOSES OF THE REGULATIONS. INVESTORS ARE INFORMED THAT ARTICLE 4(G) OF THE REGULATIONS PLACES RESTRICTIONS ON SECONDARY MARKET ACTIVITY WITH RESPECT TO THE PARTICIPATING SHARES.

SINGAPORE

THE OFFER OR INVITATION WHICH IS THE SUBJECT OF THIS MEMORANDUM IS ONLY ALLOWED TO BE MADE TO AN INSTITUTIONAL INVESTOR OR OTHER PERSON PURSUANT TO THE PROVISIONS OF SECTION 304 OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE ("**SFA**") OR A SOPHISTICATED INVESTOR PURSUANT TO THE PROVISIONS OF SECTION 305 OF THE SFA AND NOT THE RETAIL PUBLIC. MOREOVER, THIS MEMORANDUM IS NOT A PROSPECTUS AS DEFINED IN THE SFA. ACCORDINGLY, STATUTORY LIABILITY UNDER THE SFA IN RELATION TO THE CONTENT OF PROSPECTUSES WOULD NOT APPLY. PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY WHETHER THE INVESTMENT IS SUITABLE FOR THEM.

THIS MEMORANDUM HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THIS MEMORANDUM AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION

FOR SUBSCRIPTION OR PURCHASE, OF THE PARTICIPATING SHARES MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY THE PARTICIPATING SHARES BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO THE PUBLIC OF ANY MEMBER OF THE PUBLIC IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR OR OTHER PERSON, AND IN ACCORDANCE WITH THE CONDITIONS, SPECIFIED IN SECTION 304 OF THE SFA, (II) TO A SOPHISTICATED INVESTOR, AND IN ACCORDANCE WITH THE CONDITIONS, SPECIFIED IN SECTION 305 OF THE SFA OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA. THE PARTICIPATING SHARES SUBSCRIBED OR PURCHASED BY ANY SUCH PERSON IN SINGAPORE SHALL NOT BE TRANSFERABLE EXCEPT BY OPERATION OF LAW.

SPAIN

THE FUND HAS NOT BEEN AUTHORISED BY OR REGISTERED WITH THE SPANISH SECURITIES MARKET COMMISSION AS A FOREIGN COLLECTIVE INVESTMENT SCHEME IN ACCORDANCE WITH SECTION 15.2 OF LAW 35/2003 OF 4 NOVEMBER 2003 ON COLLECTIVE INVESTMENT SCHEMES. ACCORDINGLY, THE PARTICIPATING SHARES OF THE FUND MAY NOT BE OFFERED OR SOLD IN SPAIN BY MEANS OF ANY MARKETING ACTIVITIES AS DEFINED IN SECTION 2 OF LAW 35/2003, AS AMENDED BY LAW 25/2005, OF 24 NOVEMBER 2005.

SWEDEN

THIS MEMORANDUM HAS NOT BEEN APPROVED BY OR REGISTERED WITH THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY (FINANSINSPEKTIONEN) PURSUANT TO THE SWEDISH FINANCIAL INSTRUMENTS TRADING ACT (LAGEN 1991:980) OM HANDEL MED FINANSIELLA INSTRUMENT). ACCORDINGLY, THE PARTICIPATING SHARES MAY ONLY BE OFFERED IN SWEDEN IN CIRCUMSTANCES THAT WILL NOT RESULT IN A REQUIREMENT TO PREPARE A PROSPECTUS PURSUANT TO THE SWEDISH FINANCIAL INSTRUMENTS TRADING ACT. THE FUND IS NOT AN INVESTMENT FUND (FONDFÖRETAG) FOR THE PURPOSE OF THE SWEDISH INVESTMENT FUNDS ACT (LAG (2004:46) OM INVESTERINGSFONDER) AND HAS THEREFORE NOT BEEN, NOR WILL IT BE, APPROVED OR REGISTERED BY THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY PURSUANT TO THE SWEDISH INVESTMENT FUNDS ACT.

SWITZERLAND

THE FUND HAS NOT BEEN APPROVED BY THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY (FINMA) AS A FOREIGN COLLECTIVE INVESTMENT SCHEME PURSUANT TO ARTICLE 120 OF THE SWISS COLLECTIVE INVESTMENT SCHEMES ACT OF 23 JUNE 2006 (THE "CISA"). ACCORDINGLY, THE PARTICIPATING SHARES MAY NOT BE OFFERED TO THE PUBLIC IN OR FROM SWITZERLAND AND NEITHER THIS MEMORANDUM NOR ANY OTHER OFFERING MATERIALS RELATING TO THE PARTICIPATING SHARES MAY BE MADE AVAILABLE THROUGH A PUBLIC OFFERING IN OR FROM SWITZERLAND. THE PARTICIPATING SHARES MAY ONLY BE OFFERED AND THIS MEMORANDUM MAY ONLY BE DISTRIBUTED IN OR FROM SWITZERLAND BY WAY OF PRIVATE PLACEMENT TO "QUALIFIED INVESTORS" (AS DEFINED IN THE CISA AND ITS IMPLEMENTING ORDINANCE) AND / OR TO A LIMITED CIRCLE OF INVESTORS, WITHOUT ANY PUBLIC OFFERING.

TAIWAN

THE FUND HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE TAIWAN GOVERNMENT AUTHORITY. ANY SALE OF THE SHARES OF IN TAIWAN SHALL BE IN COMPLIANCE WITH THE LOCAL LEGAL REQUIREMENTS AND RESTRICTIONS. THE SHARES MAY NOT BE SOLD, ISSUED OR PUBLICLY OFFERED IN TAIWAN AND MAY ONLY BE MADE AVAILABLE TO PROSPECTIVE INVESTORS IN TAIWAN ON A PRIVATE PLACEMENT BASIS. NO

PERSON OR ENTITY IN TAIWAN HAS BEEN AUTHORISED TO OFFER, SELL, GIVE ADVICE REGARDING OR OTHERWISE INTERMEDIATE THE OFFERING AND SALE OF THE SHARES

UNITED ARAB EMIRATES

BY RECEIVING THIS MEMORANDUM, THE PERSON OR ENTITY TO WHOM IT HAS BEEN ISSUED UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT THIS MEMORANDUM HAS NOT BEEN APPROVED BY THE CENTRAL BANK OF THE UNITED ARAB EMIRATES ("U.A.E."), THE EMIRATES SECURITIES AND COMMODITIES AUTHORITY, THE U.A.E. MINISTRY OF ECONOMY AND PLANNING, THE DUBAI FINANCIAL SERVICES AUTHORITY ("DFSA") OR ANY OTHER AUTHORITY IN THE U.A.E., AND DO NOT CONSTITUTE A PUBLIC OFFER OF SECURITIES IN THE U.A.E. IN ACCORDANCE WITH THE FEDERAL LAW NO.8 OF 1984 CONCERNING COMMERCIAL COMPANIES (AS AMENDED), THE DUBAI INTERNATIONAL FINANCIAL CENTRE ("DIFC") MARKETS LAW 2004 OR OTHERWISE. FURTHERMORE, NO AUTHORISATION PERMIT OR LICENSE HAS BEEN RECEIVED FROM THE U.A.E. CENTRAL BANK, THE EMIRATES SECURITIES AND COMMODITIES AUTHORITY, THE U.A.E. MINISTRY OF ECONOMY AND PLANNING, DFSA OR ANY OTHER AUTHORITY IN THE U.A.E. TO MARKET, OFFER, PLACE OR SELL THE INTERESTS IN THE U.A.E.

THIS MEMORANDUM IS NOT INTENDED TO CONSTITUTE AN OFFER, SALE OR DELIVERY OF SHARES OR OTHER SECURITIES UNDER THE LAWS OF THE U.A.E. THE INTERESTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER FEDERAL LAW NO.4 OF 2000 CONCERNING THE EMIRATES SECURITIES AND COMMODITIES AUTHORITY WITH THE EMIRATES SECURITIES AND COMMODITY EXCHANGE, OR WITH THE CENTRAL BANK OF THE UNITED ARAB EMIRATES, THE DUBAI FINANCIAL MARKET, THE ABU DHABI SECURITIES MARKET, THE DUBAI INTERNATIONAL FINANCIAL EXCHANGE OR WITH ANY OTHER U.A.E. EXCHANGE. NO MARKETING OF ANY FINANCIAL PRODUCTS OR SERVICES HAS BEEN OR WILL BE MADE WITHIN THE U.A.E. AND NO SALE OR SUBSCRIPTION FOR ANY SECURITIES, PRODUCTS OR FINANCIAL SERVICES ANY OR WILL BE CONSUMMATED WITHIN THE U.A.E. THE ENTITY CONDUCTING THE PLACEMENT IN THE U.A.E IS NOT A LICENSED BROKER, DEALER OR INVESTMENT ADVISOR UNDER THE LAWS APPLICABLE IN THE U.A.E., AND IT DOES NOT ADVISE INDIVIDUALS RESIDENT IN THE U.A.E AS TO THE APPROPRIATENESS OF INVESTING IN OR PURCHASING OR SELLING SECURITIES OR OTHER FINANCIAL PRODUCTS. NOTHING CONTAINED IN THIS MEMORANDUM IS INTENDED TO CONSTITUTE U.A.E. INVESTMENT, LEGAL, TAX, ACCOUNTING OR OTHER PROFESSIONAL ADVICE. THIS MEMORANDUM IS FOR THE INFORMATION OF PROSPECTIVE INVESTORS ONLY AND NOTHING IN THIS MEMORANDUM IS INTENDED TO ENDORSE OR RECOMMEND A PARTICULAR COURSE OF ACTION. PROSPECTIVE INVESTORS SHOULD CONSULT WITH AN APPROPRIATE PROFESSIONAL FOR SPECIFIC ADVICE RENDERED ON THE BASIS OF THEIR SITUATION.

THIS MEMORANDUM AND ANY OTHER MATERIALS RELATING TO INTERESTS ARE STRICTLY CONFIDENTIAL AND MAY NOT BE DISTRIBUTED TO ANY PERSON OR ENTITY OTHER THAN ITS ORIGINAL RECIPIENTS, AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. THE INTERESTS MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY TO THE PUBLIC IN THE U.A.E.

UNITED KINGDOM

THE FUND IS A COLLECTIVE INVESTMENT SCHEME AS DEFINED IN THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA") OF THE UNITED KINGDOM. IT HAS NOT BEEN AUTHORISED, OR OTHERWISE RECOGNISED OR APPROVED BY THE FCA AND/OR THE PRA AND AS AN UNREGULATED COLLECTIVE INVESTMENT SCHEME CANNOT BE PROMOTED IN THE UNITED KINGDOM TO THE GENERAL PUBLIC. THE ISSUE OR DISTRIBUTION OF THIS MEMORANDUM IN THE UNITED KINGDOM IS BEING MADE ONLY TO, OR DIRECTED ONLY AT, PERSONS WHO ARE: (I) INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "FP ORDER") OR ARTICLE 14 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (PROMOTION OF COLLECTIVE INVESTMENT SCHEMES) (EXEMPTIONS) ORDER 2001

(THE "**PCISE ORDER**"); (II) HIGH NET WORTH COMPANIES AND CERTAIN OTHER ENTITIES FALLING WITHIN ARTICLE 49 OF THE FP ORDER OR ARTICLE 22 OF THE PCISE ORDER; OR (III) ANY OTHER PERSONS TO WHOM THE FUND MAY LAWFULLY BE PROMOTED IN ACCORDANCE WITH SECTION 4.12 OF THE FCA'S CONDUCT OF BUSINESS SOURCEBOOK (THE PERSONS IN (I), (II) AND (III) TOGETHER, THE "**RELEVANT PERSONS**").

THIS MEMORANDUM MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS MEMORANDUM RELATES, INCLUDING THE PARTICIPATING SHARES, IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. PRIOR TO ACCEPTING AN APPLICATION FROM ANY APPLICANT WHO CLAIMS TO FALL WITHIN ANY OF THE ABOVE CATEGORIES, VERIFIABLE EVIDENCE OF THE APPLICANT'S STATUS MAY BE REQUIRED.

POTENTIAL INVESTORS IN THE UNITED KINGDOM ARE ADVISED THAT ALL, OR MOST, OF THE PROTECTIONS AFFORDED BY THE UNITED KINGDOM REGULATORY SYSTEM WILL NOT APPLY TO AN INVESTMENT IN THE FUND AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UNITED KINGDOM FINANCIAL SERVICES COMPENSATION SCHEME.

UNITED STATES OF AMERICA

THE PARTICIPATING SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OR OTHER SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND WILL BE OFFERED AND SOLD FOR INVESTMENT ONLY TO QUALIFYING RECIPIENTS OF THIS MEMORANDUM PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT PROVIDED BY SECTION 4(3) OF THE SECURITIES ACT, REGULATION D OR REGULATION S PROMULGATED UNDER THE US SECURITIES ACT, AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF RELEVANT STATES OF THE UNITED STATES. THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE US COMPANY ACT. FURTHERMORE, NEITHER THE MANAGER NOR THE INVESTMENT ADVISER(S) (IF AND WHEN APPOINTED) ARE, OR INTEND TO BE, REGISTERED AS AN INVESTMENT ADVISER UNDER THE US ADVISERS ACT.

POTENTIAL INVESTORS MUST VERIFY THAT THEY ARE PERMITTED TO OWN PARTICIPATING SHARES AND TO ENSURE THAT THE PARTICIPATING SHARES HELD WILL AT NO TIME BE HELD FOR THE ACCOUNT OR BENEFIT OF ANY PERSON WHO IS NOT A PERMITTED US PERSON. SHAREHOLDERS ARE REQUIRED TO NOTIFY THE FUND IMMEDIATELY OF ANY CHANGE IN THEIR STATUS WITH RESPECT TO THE SUITABILITY REQUIREMENTS DESCRIBED IN THIS MEMORANDUM AND IN THEIR SUBSCRIPTION AGREEMENT.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE PARTICIPATING SHARES HAVE NOT BEEN RECOMMENDED OR APPROVED BY THE SEC OR ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

THE PARTICIPATING SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD WITHOUT THE CONSENT OF THE FUND AND COMPLIANCE WITH APPLICABLE SECURITIES LAWS, INCLUDING, IF RELEVANT, THE US SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF RELEVANT STATES OF THE UNITED STATES PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE PARTICIPATING SHARES FOR AN INDEFINITE PERIOD OF TIME. THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE

PARTICIPATING SHARES UNDER THE US SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

SPECIAL NOTICE TO FLORIDA INVESTORS ONLY

IF THE INVESTOR IS NOT A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY AS DEFINED IN THE US COMPANY ACT A PENSION OR PROFIT-SHARING TRUST OR A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE US SECURITIES ACT), THE INVESTOR ACKNOWLEDGES THAT ANY SALE OF PARTICIPATING SHARES TO THE INVESTOR IS VOIDABLE BY THE INVESTOR EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE INVESTOR TO THE FUND, OR AN AGENT OF THE FUND, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE INVESTOR, WHICHEVER OCCURS LATER.

APPENDIX C – CAYMAN PRIVACY NOTICE

Introduction

The purpose of this notice is to provide you with information on our use of your personal data in accordance with the Data Protection Act (As Revised) (the "**DPA**").

In this document, "we", "us" and "our" refers to the Fund, the Manager and its or their affiliates and/or delegates.

Investor Data

By virtue of making an investment in the Fund and your associated interactions with us (including any subscription (whether past, present or future), including the recording of electronic communications or phone calls where applicable) or by virtue of you otherwise providing us with personal information on individuals connected with you as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), you will provide us with certain personal information which constitutes personal data within the meaning of the DPA ("**Investor Data**"). We may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to you and/or any individuals connected with you as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to your investment activity.

In our use of Investor Data, the Fund will be characterised as a "data controller" for the purposes of the DPA. The Fund's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If you are a natural person, this will affect you directly. If you are a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides us with Investor Data on individuals connected to you for any reason in relation to your investment with us, this will be relevant for those individuals and you should transmit this document to such individuals or otherwise advise them of its content.

How We May Use Your Personal Data

The Fund, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

- (i) where this is necessary for the performance of our rights and obligations under the Subscription Agreement and/or the constitutional and operational documents of the Fund;
- (ii) where this is necessary for compliance with a legal and regulatory obligation to which the Fund is subject (such as compliance with anti-money laundering and FATCA/CRS requirements); and/or
- (iii) where this is necessary for the purposes of our legitimate interests and such interests are not overridden by your interests, fundamental rights or freedoms.

Additionally, Northern Trust Global Fund Services Cayman Limited (the "**Administrator**"), may use Investor Data, for example to provide its services to the Fund or to discharge the legal or regulatory requirements that apply directly to it or in respect of which the Fund relies upon the Administrator, but such use of Investor Data by the Administrator will always be compatible with at least one of the aforementioned purposes for which we process Investor Data.

Should we wish to use Investor Data for other specific purposes (including, if applicable, any purpose that

requires your consent), we will contact you.

Why We May Transfer Your Personal Data

In certain circumstances we and/or our authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to your interest in the Fund with the relevant regulatory authorities such as the Cayman Islands Monetary Authority or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

We anticipate disclosing Investor Data to parties who provide services to the Fund and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area). Such parties include the following who may either process personal data on our behalf or for their own lawful purposes in connection with services provided to the Fund.

- (i) the Administrator;
- (ii) the Investment Adviser;
- (iii) the Auditors;
- (iv) the Legal Advisers.

The Data Protection Measures We Take

Any transfer of Investor Data by us or our duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

We and our duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

We shall notify you of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either you or those data subjects to whom the relevant Investor Data relates.

Getting In Touch

Should you have any queries or wish to discuss your data protection rights with us, please contact the Manager.