

IMPORTANT

If you are in any doubt about the contents of this document, you should seek independent financial advice.

**NARD MULTI-STRATEGY SPC
("Fund")**

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

PRIVATE PLACING MEMORANDUM

Manager
Nard Capital Limited

September 2020

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PRELIMINARY

IMPORTANT - If you are in any doubt about the contents of this private placing memorandum (“**Placing Memorandum**”), you should seek independent financial advice.

NARD Multi-Strategy SPC (the “**Fund**”) is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands on 15 May 2020, for an unlimited duration.

This Placing Memorandum is provided on a confidential basis solely for the information of those persons to whom it is transmitted so that they may consider an investment in the participating shares of the segregated portfolio(s) of the Fund (each a “**Segregated Portfolio**”).

The Directors of the Fund, whose names appear under the section below headed “5. Management and Administration - Directors”, accept responsibility for the information contained in this Placing Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Placing Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information as at the date of this Placing Memorandum. The Directors may at their discretion supplement, update, revise, restate and/or amend this Placing Memorandum from time to time.

The Articles of the Fund give powers to the Directors to compulsorily redeem Shares (as defined below) held by any person at their option, at any time and in the complete and unfettered discretion of the Directors. Without limiting the generality of the foregoing, the Directors may require the redemption or transfer of Shares held by any person who is not a Qualified Holder or by any person in breach of any law or requirement of any jurisdiction or by any person or persons in circumstances which, in the opinion of the Directors, might result in the Fund, any Segregated Portfolio, the Manager or any other Service Provider to the Fund or any Segregated Portfolio, or any Shareholder of the Fund or any Segregated Portfolio (or any person connected with any of them) breaching any law or requirement of any jurisdiction, incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund, any Segregated Portfolio, the Manager or any other Service Provider to the Fund or any Segregated Portfolio, or any Shareholder of the Fund or any Segregated Portfolio (or any person connected with any of them) might not otherwise have incurred or suffered or which might result in the Fund, any Segregated Portfolio, the Manager or any other Service Provider to the Fund or any Segregated Portfolio, or any Shareholder of the Fund or any Segregated Portfolio (or any person connected with any of them) being required to comply with any registration, licensing, approval or filing requirements in any jurisdiction with which it would not otherwise be required to comply.

Any information given or representation made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as unauthorised and, accordingly, should not be relied upon. Neither the delivery of this Placing Memorandum nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information contained in this Placing Memorandum is correct as of any time subsequent to the date hereof.

Potential applicants of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, incorporation or domicile and which might be relevant to the subscription, holding, or disposal of Shares.

The Fund may be subject to anti-money laundering and other regulations in multiple jurisdictions. Under such regulations, the Fund may be required to implement an internal anti-money laundering compliance program; any information obtained as part of the Fund’s anti-money laundering or other compliance procedures (including records of the Fund) may be required to be disclosed to anti-money laundering or taxation authorities in such jurisdictions.

The Fund is regulated in the Cayman Islands and in no other jurisdiction whilst the Shares are not listed on any exchange.

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

FURTHERMORE, IN REGISTERING A FUND, THE MONETARY 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.

This Placing Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Shares described herein, and is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this Placing Memorandum). The offering contemplated in this Placing Memorandum is not, and shall not under any circumstances be construed as, a public offering of the Shares described herein.

No action has been taken to permit the distribution of this Placing Memorandum in any jurisdiction where action would be required for such purpose. Accordingly, no person receiving a copy of this Placing Memorandum and/or an Application Form in any territory may treat the same as constituting an invitation to him to purchase or subscribe for Shares nor should he in any event use such an Application Form unless in the relevant territory such an invitation could lawfully be made without compliance with any registration or other legal requirement.

It is the responsibility of any person in possession of this Placing Memorandum and any person wishing to apply for the Shares pursuant to this Placing Memorandum to inform themselves of, and to observe all applicable laws and regulations of any relevant jurisdiction.

In particular, potential investors should note the following:

Cayman Islands

No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands unless the Fund is listed on the Cayman Islands Stock Exchange. “Public” for these purposes shall have the same meaning as “public in the Islands”, as defined in the Mutual Funds Law (as amended). This Placing Memorandum does not constitute such an offer or invitation. Subject to such higher minimum as the Fund may determine, pursuant to section 4(3) of the Mutual Funds Law (as defined below) of the Cayman Islands the minimum aggregate equity interest purchasable by a prospective investor is eighty thousand Cayman Islands dollars (CI\$80,000) (or its equivalent in any other currency, being approximately US\$100,000).

China

No invitation to offer, or offer for, or sale of, the Shares will be made to the public in China (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan) or by any means that would be deemed public under the laws and regulations of China. The information relating to the Shares contained in this Placing Memorandum has not been submitted to or approved by the China Securities Regulatory Commission nor any other relevant governmental authority in China. The Shares may only be offered or sold to Chinese investors that are authorized to buy and sell securities denominated in foreign exchange. Potential investors resident in China are responsible for obtaining all relevant approvals from the Chinese government authorities, including but not limited to the State Administration of Foreign Exchange, before purchasing the Shares.

Hong Kong

WARNING

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

The Fund and the Segregated Portfolios are each a “complex product” for the purposes of the Code of Conduct for Persons Licensed By or Registered with the Securities and Futures Commission. Shares may not be offered or sold in Hong Kong by means of this Placing Memorandum or any other document other than to persons who are “professional investors” as defined in the Hong Kong Securities and Futures Ordinance (“SFO”) and rules made thereunder or in circumstances which do not constitute an offer to the public for the purposes of the SFO or any other applicable legislation in Hong Kong. This Placing Memorandum is distributed on a confidential basis and may not be reproduced in any form or transmitted to any person other than the person to whom it has been sent. No interest in the Fund will be issued to any person other than the person to whom this Placing Memorandum has been sent.

Unless otherwise stated in the relevant Appendix, an investment in a Segregated Portfolio is not guaranteed or principal protected. Past performance is not indicative of future performance.

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

Singapore

This Placing Memorandum has not been registered and will not be registered as a prospectus with the Monetary Authority of Singapore (“MAS”), and the Fund is not authorised or recognised by the MAS. Accordingly, this Placing Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered and sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore unless permitted under any applicable exemption. Moreover, this Placing Memorandum is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. Investors should consider carefully whether the investment is suitable in light of their own personal circumstances.

Taiwan

The Fund has not been registered with or authorised by the Securities and Futures Bureau of the Taiwan Financial Supervisory Commission (“FSC”) and accordingly may not be offered to the public in Taiwan. Accordingly, no general advertisement or public solicitation in respect of the Shares may take place in Taiwan. The Shares in the Fund may be offered or distributed by way of a private placement in Taiwan to certain qualified investors pursuant to the relevant provisions and requirements of the Securities Investment Trust and Consulting Law (“SITC Law”), Articles 52 to 54 of the Regulations Governing Offshore Funds (the “Regulations”) and by virtue of an order issued by the FSC pursuant to Article 11 of the SITC Law. Accordingly, any offer of Shares by way of private placement must comply fully with the applicable laws and regulations in Taiwan. Any recipient of this Placing Memorandum shall not distribute it or otherwise promote the Fund in Taiwan and no person in Taiwan other than the person to whom the copy of this Placing Memorandum has been addressed may treat the same as constituting an invitation to him to invest. In addition, the person who acquires Shares via private placement shall not transfer such Shares to Taiwanese persons except for certain permitted transferees.

AIFMD

Neither the Fund nor the Manager has complied with, or currently intends to comply with, the requirements of the Alternative Investment Fund Managers Directive (“**AIFMD**”) of the European Union. Accordingly, (i) no direct or indirect offering or placement by or on behalf of the Fund or the Manager (including by any intermediary, distribution agent, placement agent or other person) of Shares may be made to or with investors domiciled or with a registered office in member states of the European Union in breach of either the applicable requirements under the AIFMD or the applicable requirements under the private placement regime in each relevant member state and (ii) the Fund and the Manager will only accept subscriptions for Shares from investors domiciled or with a registered office in a member state of the European Union in accordance with the applicable laws and regulations of the European Union and the relevant member state. Notwithstanding the foregoing, the Fund and the Manager reserve the right to take such steps, including to make such amendments to this Placing Memorandum, as they reasonably deem to be appropriate in their sole discretion, in order to comply with any applicable requirements under the AIFMD or under the private placement regime in any relevant member state.

United States of America (“U.S.” or “US”)

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or any state or other securities laws, and may not be offered or sold in the United States of America or to US Persons other than distributors, unless the Shares are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Fund will not be registered under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”) in reliance on exemptions thereunder. Accordingly, the Shares are subject to further restrictions on transferability and resale and may not be transferred or resold to US Persons except as permitted under the Securities Act, the Investment Company Act and any other applicable federal, state or other securities laws, pursuant to registration or an exemption from them. There will be no public market for the Shares, and there is no obligation on the part of any person to register the Shares under the Securities Act or any state securities laws.

Other Jurisdictions

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

An investment in the Fund / the relevant Segregated Portfolio may be deemed speculative and is not intended as a complete investment program. It is designed only for experienced and sophisticated persons who are able to bear the risk of the substantial impairment or loss of their investment in the Fund / the relevant Segregated Portfolio. There will not be any public market for the Shares. This Placing Memorandum and the Articles together provide for restrictions on dealing with Shares.

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

Please note that this Placing Memorandum must be read together with the relevant Appendix to this Placing Memorandum which relates to a specific Segregated Portfolio of the Fund. The relevant Appendix sets out the details relating to the relevant Segregated Portfolio (which may include, without limitation, specific information on such Segregated Portfolio and additional and/or alternative terms, conditions and restrictions applicable to such Segregated Portfolio). Any of the contents of this Placing Memorandum may, in relation to a particular Segregated Portfolio, be varied by the relevant Appendix relating to such Segregated Portfolio. In the event of any inconsistency between the provisions of an Appendix in relation to a specific Segregated Portfolio and this Placing Memorandum, the provisions of the Appendix of that Segregated Portfolio shall apply.

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1. DEFINITIONS

“Accounting Date”

31 December in each year (or such other date as the Directors may from time to time determine in respect of a Segregated Portfolio and as disclosed in the relevant Appendix);

“Administration Agreement”

the agreement between the Fund for and on behalf of the relevant Segregated Portfolio(s) and the Administrator, pursuant to which the Fund for and on behalf of such Segregated Portfolio(s) has appointed the Administrator to provide certain administrative, transfer agent and registrar services to the Fund and the relevant Segregated Portfolio(s);

“Administrator”

unless otherwise specified in the relevant Appendix in relation to a particular Segregated Portfolio, BNP Paribas Securities Services, acting through its Hong Kong branch, or such other person, firm or corporation appointed to act and for the time being acting as administrator, transfer agent and registrar in respect of the Fund and the relevant Segregated Portfolio(s). References to the “Administrator” in this Placing Memorandum shall, where appropriate, be deemed to include any duly appointed agent or delegate of the Administrator;

“AEOI”

one or more of the following, as the context requires:

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 (“FATCA”), the Common Reporting Standard (“CRS”) issued by the Organisation for Economic Cooperation and Development and any associated guidance, 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 the US 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.

“Appendix”

the appendix containing specific information in relation to a Segregated Portfolio and/or such Classes or Series of Shares in relation thereto which is enclosed with this Placing Memorandum and which forms part of this Placing Memorandum;

“Application Form”

the application form or subscription agreement for the subscription of Shares in the relevant Segregated Portfolio or,

as the context may require, of a particular Class or Series relating to a Segregated Portfolio;

“Articles” the articles of association of the Fund as amended and/or restated from time to time;

“Auditors” Ernst & Young Ltd., or such other person, firm or corporation appointed to act and for the time being acting as auditors of the Fund to audit the accounts of the Fund and the relevant Segregated Portfolio(s);

“Base Currency” in relation to a Segregated Portfolio, the currency of account of the Segregated Portfolio as disclosed in the relevant Appendix;

“Business Day” unless otherwise specified in the relevant Appendix in relation to a particular Segregated Portfolio, any day (excluding Saturday and Sunday) on which banks are open for usual business in Hong Kong provided that where as a result of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Directors otherwise determine. For the avoidance of doubt, different Business Days may be determined in relation to each Segregated Portfolio and also in relation to different Classes of Shares of a Segregated Portfolio, as more particularly described in the relevant Appendix;

“Class” in relation to a Segregated Portfolio, a class of Shares in that Segregated Portfolio issued at the discretion of the Directors from time to time;

“Class Currency” in relation to a Class of Shares of a Segregated Portfolio, the Base Currency of such Segregated Portfolio or, if different, such other currency of account of the relevant Class as specified in the relevant Appendix;

“Closing Date” in relation to a Segregated Portfolio or a Class or Series of Shares in respect thereof, the date on which the Initial Offer Period closes, as more particularly described in the relevant Appendix;

“Companies Law” the Companies Law (as amended) of the Cayman Islands as consolidated, amended and revised from time to time;

“Custodian” such person, firm or corporation appointed as custodian in respect of the assets of the Fund and/or one or more Segregated Portfolio(s) other than assets held by any Prime Broker in relation to the Fund and/or such Segregated Portfolio(s);

“Directors” the directors of the Fund or any duly appointed committee thereof;

“Fund” NARD Multi-Strategy SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands;

“General Assets”	the assets of the Fund which are not Segregated Portfolio Assets;
“General Liabilities”	the liabilities due to any creditors of the Fund who are not creditors of any Segregated Portfolio;
“Hong Kong dollars” or “HKD” or “HK\$”	the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“IFRS”	International Financial Reporting Standards;
“Initial Offer Period”	in relation to a Segregated Portfolio or a Class or Series of Shares in respect thereof, the initial period during which the Shares of such Segregated Portfolio or such Class or Series are being offered to investors as more particularly described in the relevant Appendix;
“Initial Offer Price”	in relation to a Segregated Portfolio or a Class or Series of Shares in respect thereof, the price per Share of such Segregated Portfolio or such Class or Series during the applicable Initial Offer Period as disclosed in the relevant Appendix;
“Lock Up Period”	in relation to a Segregated Portfolio or a Class or Series of Shares in respect thereof, such period (if any) as may be determined by the Directors and as specified in the relevant Appendix, during which a Share of such Segregated Portfolio or such Class or Series of that Segregated Portfolio may not be redeemed without the consent of the Directors;
“Management Agreement”	the agreement entered into between the Fund for and on behalf of the relevant Segregated Portfolio(s) and the Manager, by which the Fund for and on behalf of the relevant Segregated Portfolio(s) has appointed the Manager as the manager of the relevant Segregated Portfolio(s) to provide certain investment management, administrative and other general supervisory services;
“Management Fee”	in relation to a Segregated Portfolio or a particular Class or Series of Shares of a Segregated Portfolio, means the management fee (if any) payable to the Manager in respect of that Segregated Portfolio or the Class or Series of Shares of that Segregated Portfolio pursuant to the Management Agreement as described more particularly in the relevant Appendix;
“Management Share”	a voting, non-participating management share having a nominal value of US\$1.00 each in the share capital of the Fund which is issued as such and having the rights and being subject to the restrictions provided by or in accordance with the Articles, this Placing Memorandum and the relevant Appendix;
“Management Shareholder”	the person(s) registered in the Fund’s register of members as a holder(s) of Management Shares;

“Manager”	unless otherwise specified in the relevant Appendix in relation to a particular Segregated Portfolio, Nard Capital Limited or such other person, firm or corporation appointed to act and for the time being acting as investment manager in respect of the Fund and the relevant Segregated Portfolio(s);
“Monetary Authority”	the Cayman Islands Monetary Authority;
“Mutual Funds Law”	the Mutual Funds Law (as amended) of the Cayman Islands, as consolidated, amended and revised from time to time;
“Net Asset Value”	the net asset value of the Fund or a Segregated Portfolio or, as the context may require, of a Share or a Share of a Class or of a Series of a Segregated Portfolio, calculated in accordance with the Articles and this Placing Memorandum or in such other manner as determined by the Directors and disclosed in the relevant Appendix;
“Payment Deadline”	in relation to a Segregated Portfolio, or a particular Class or Series in respect thereof, such time on such date prior to the time of issue of the relevant Shares as specified in the relevant Appendix or as the otherwise determined by the Directors in their discretion whether generally or in any particular case;
“Performance Fee”	in relation to a Segregated Portfolio or a Class or Series of Shares of a Segregated Portfolio, means the performance fee (if any) payable to the Manager in respect of such Segregated Portfolio or the Class or Series of Shares in respect thereof pursuant to the Management Agreement as more particularly described in the relevant Appendix;
“Performance Period”	in relation to a Segregated Portfolio, or a particular Class or Series in respect thereof, the period in respect of which Performance Fee (if any) will be paid by such Segregated Portfolio or such Class or Series of Shares and as disclosed in the relevant Appendix;
“PRC” or “China”	the People’s Republic of China;
“Prime Broker”	Such person, firm or corporation appointed as a prime broker of one or more of the Segregated Portfolio(s) as more particularly described in the relevant Appendix;
“Qualified Holder”	unless otherwise specified in the relevant Appendix in relation to a particular Segregated Portfolio, any person, corporation or entity other than (i) a US Person which is not a Qualified US Person, (ii) any person, corporation or entity which cannot acquire or hold Shares without violating law, regulation or requirement of any country or governmental or other competent authority, or (iii) a custodian, nominee, or trustee for any person described in (i), (ii) or (iii) above;

“Qualified US Person”	a US Person who has acquired Shares with the consent of the Directors (provided that the number or nature of Qualified US Persons shall not exceed such number or shall include such qualification as the Directors shall determine from time to time with a view to precluding the Fund from being required to register as an investment company under the Investment Company Act);
“Redemption Day”	in relation to a Segregated Portfolio, or, as the context may require, of a particular Class or Series relating to a Segregated Portfolio, such Business Day or Business Days or such other day or days as the Directors may from time to time determine for effecting any requests for redemption of Shares in the Segregated Portfolio or the relevant Class or Series in respect thereof and as disclosed in the relevant Appendix. For the avoidance of doubt, it may be determined that the Redemption Day for a Segregated Portfolio is different from the Redemption Day of another Segregated Portfolio and also in relation to different Classes or Series of Shares of a Segregated Portfolio, the Redemption Day of a Class or Series may be different from the Redemption Day of another Class or Classes or Series of such Segregated Portfolio, as disclosed in the relevant Appendix;
“Redemption Dealing Deadline”	in relation to the Redemption Day of a Segregated Portfolio, or, as the context may require, of a particular Class or Series relating to a Segregated Portfolio, such time on such day before the applicable Valuation Point by which a Redemption Notice must be received by the Administrator as the Directors may from time to time determine, whether generally or in any particular case and as disclosed in the relevant Appendix; For the avoidance of doubt, it may be determined that the Redemption Dealing Deadline of a Segregated Portfolio may be different from the Redemption Dealing Deadline of another Segregated Portfolio and also in relation to different Classes or Series of Shares of a Segregated Portfolio, the Redemption Dealing Deadline of a Class or Series may be different from the Redemption Dealing Deadline of another Class or Classes or Series of such Segregated Portfolio, as disclosed in the relevant Appendix;
“Redemption Notice”	the redemption notice for the redemption of Shares in the relevant Segregated Portfolio or, as the context may require, of a particular Class or Series relating to a Segregated Portfolio;
“Redemption Price”	the price at which a Share of the relevant Segregated Portfolio or a Class or Series thereof will be redeemed, calculated in accordance with the Articles and this Placing Memorandum or in such other manner as determined by the Directors and disclosed in the relevant Appendix;
“Renminbi” or “RMB”	the lawful currency of the PRC;

“Segregated Portfolio” or “Fund”	“Sub- a segregated portfolio (within the meaning of the Companies Law) of assets and liabilities of the Fund as may from time to time be created by the Fund in accordance with the Articles;
“Segregated Portfolio Assets”	the assets of the Fund held within or on behalf of the Segregated Portfolios of the Fund;
“Series”	a separate series of Shares (and includes any sub-series of any such series);
“Service Providers”	the Manager, the Administrator, the Custodian, the Prime Broker and other relevant service providers in relation to the Fund or a particular Segregated Portfolio and their respective delegates and agents, as the context may require;
“Share”	each non-voting participating redeemable share of a nominal or par value of US\$0.001 each in the share capital of the Fund which is issued as such and having the rights and being subject to the restrictions provided by or in accordance with the Articles, this Placing Memorandum and the relevant Appendix and includes any fraction of any such Share. Shares may be issued in different Classes, sub-Classes, Series or sub-Series at the discretion of the Directors in accordance with the Articles and the term “Share” shall, unless the context otherwise requires, include all Classes, sub-Classes, Series or sub-Series of Shares;
“Shareholders”	persons registered in the Fund’s register of members as holders of Shares;
“Subscription Day”	in relation to a Segregated Portfolio, or, as the context may require, of a particular Class or Series relating to a Segregated Portfolio, such Business Day or Business Days or such other day or days as the Directors may from time to time determine for effecting any requests for subscription of Shares in the Segregated Portfolio or the relevant Class or Series in respect thereof and as disclosed in the relevant Appendix; For the avoidance of doubt, it may be determined that the Subscription Day for a Segregated Portfolio is different from the Subscription Day of another Segregated Portfolio and also in relation to different Classes or Series of Shares of a Segregated Portfolio, the Subscription Day of a Class may be different from the Subscription Day of another Class or Classes or Series of such Segregated Portfolio as disclosed in the relevant Appendix;
“Subscription Dealing Deadline”	in relation to the Subscription Day of a Segregated Portfolio, or, as the context may require, of a particular Class or Series relating to a Segregated Portfolio, such time on such day before the applicable Valuation Point by which an Application Form must be received by the Administrator as the Directors may from time to time determine, whether generally or in any particular case and as disclosed in the relevant Appendix. For the avoidance of doubt, it may be determined that the Subscription Dealing Deadline of a Segregated Portfolio may be different from the Subscription Dealing Deadline of another

Segregated Portfolio and also in relation to different Classes or Series of Shares of a Segregated Portfolio, the Subscription Dealing Deadline of a Class or Series may be different from the Subscription Dealing Deadline of another Class or Classes or Series of such Segregated Portfolio, as disclosed in the relevant Appendix);

“Subscription Price”

the price at which a Share of the relevant Segregated Portfolio or a Class or Series thereof will be issued, calculated in accordance with the Articles and this Placing Memorandum or in such other manner as determined by the Directors and disclosed in the relevant Appendix;

“US dollars” or “USD” or “US\$”

the lawful currency of the United States of America;

“US Person”

a person so defined by Regulation S under the Securities Act of the United States of America, as amended;

“Valuation Day”

in relation to a Segregated Portfolio, the Business Day or Business Days or such other day or days on which the Net Asset Value of a Share or, as the context may require, a Class or Classes or Series relating to such Segregated Portfolio, falls to be calculated as the Directors may from time to time prescribe, and as more particularly described in the relevant Appendix; and

“Valuation Point”

in relation to a Segregated Portfolio, the close of business in the last relevant market to close on each Valuation Day or such other time on such day in addition thereto or in substitution therefor as the Directors may from time to time prescribe.

2. DIRECTORY

Directors:	Min SUN Jie WU
Registered Office:	c/o Campbells Corporate Services Limited Floor 4, Willow House Cricket Square Grand Cayman KY1-9010 Cayman Islands
Manager:	Nard Capital Limited Unit 601, Agricultural Bank of China Tower No. 50 Connaught Road Central Hong Kong
Administrator:	BNP Paribas Securities Services, acting through its Hong Kong branch 21 st Floor, PCCW Tower Taikoo Place 979 King's Road Quarry Bay, Hong Kong
Auditors:	Ernst & Young Ltd. Suite 6401 62 Forum Lane Camana Bay P.O. Box 510 Grand Cayman KY1-1106 Cayman Islands
Legal Advisers:	As to matters of Cayman Islands law:- Campbells Floor 4, Willow House Cricket Square Grand Cayman KY1-9010 Cayman Islands As to matters of Hong Kong law:- Deacons 5 th Floor, Alexandra House 18 Chater Road Central Hong Kong

3. STRUCTURE

Fund Structure

The Fund is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands on 15 May 2020 pursuant to the Companies Law.

The Fund is a single legal entity and none of the Segregated Portfolio(s) constitute legal entities separate from the Fund. Any references in this Placing Memorandum or the relevant Appendix to a Segregated Portfolio carrying out certain activities and entering into certain transactions, should be construed as the Fund doing so for the account of that relevant Segregated Portfolio.

As a segregated portfolio company, the Fund is permitted to create and issue Shares out of one or more Segregated Portfolio(s) in order to segregate the assets and liabilities of the Fund held within or on behalf of a Segregated Portfolio from the assets and liabilities of the Fund held within or on behalf of any other Segregated Portfolio and/or the General Assets and the General Liabilities. As a matter of Cayman Islands law, Segregated Portfolio Assets are only available and may only be used to meet liabilities to creditors in respect of a particular Segregated Portfolio and are not available to meet liabilities to creditors in respect of other Segregated Portfolio(s) or to general creditors of the Fund. The Fund may create a Segregated Portfolio in respect of each Class of Shares or aggregate several Classes, as specified in the relevant Appendices. The details of the Segregated Portfolio(s) and/or the new Class or Classes of Shares relating thereto in respect of which Shares are on offer are set out in the relevant Appendices to this Placing Memorandum.

In the case of any asset or liability of the Fund which the Directors do not consider is attributable to a particular Segregated Portfolio (including but not limited to the costs of incorporation/registering the Fund, the preparation and printing of this Placing Memorandum and related establishment costs), the Directors shall, subject to the Companies Law and the Articles, have the absolute discretion to determine the basis upon which any such asset or liability shall be allocated between or among the Segregated Portfolio(s) and the General Assets and General Liabilities and the Directors shall have power at any time and from time to time to vary such basis.

Each Segregated Portfolio is, in effect, a separate fund (albeit not a separate legal entity) issuing a separate Class or Classes of Shares. A Shareholder's interest is limited to the assets held in the Segregated Portfolio of the Fund associated with the Class in which the Shareholder holds Shares. Each Class and Series of a Segregated Portfolio will bear the expenses and liabilities directly attributable to that Class or Series and a portion of the Fund's general administrative expenses allocated on the basis of total net assets or another equitable method.

The Directors may create new Segregated Portfolios or issue a new Class or Classes of Shares from time to time without the consent of, or notification to existing Shareholders. Each Segregated Portfolio or a Class or Classes of Shares of a Segregated Portfolio may be issued in Series and in different currencies, may have different investment parameters, asset portfolios, fee structures, liquidity terms and other features.

Base Currency

The Base Currency of a Segregated Portfolio is set out in the relevant Appendix. Each Class of Shares within a Segregated Portfolio is denominated in the relevant Class Currency, which may be the Base Currency of the Segregated Portfolio to which such Class relates or such other currency of account of the relevant Class as disclosed in the relevant Appendix.

4. INVESTMENT CONSIDERATIONS

The investment objective of a Segregated Portfolio, the investment strategy, policy and restrictions, the borrowing policy and any additional risk factors applicable to such Segregated Portfolio, as well as other important details are set forth in the relevant Appendix relating to such Segregated Portfolio.

Soft Wind-Down

If the Directors, in consultation with the Manager, decide that the investment objectives and strategy of a Segregated Portfolio are no longer viable they may resolve that the Segregated Portfolio be managed with the objective of realising assets in an orderly manner and distributing the proceeds to Shareholders in such Segregated Portfolio in such manner as they determine to be in the best interests of the Segregated Portfolio, in accordance with the terms of the Articles (a “**Soft Wind-Down**”), including, without limitation, compulsorily redeeming Shares in that Segregated Portfolio, paying any redemption proceeds in specie and/or declaring a suspension while assets are being realised. This process is integral to the business of the Fund and the relevant Segregated Portfolio and may, at the discretion of the Directors, in consultation with the Manager, be carried out without termination of the relevant Segregated Portfolio or recourse to a formal liquidation of the Fund under the Companies Law or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of Management Shareholder to place the Fund into liquidation.

Changes to Investment Objective, Strategy or Restrictions

Unless otherwise provided in the relevant Appendix, any material changes to the investment objective and strategy, investment restrictions, borrowing and leverage limits and other investment policies of a Segregated Portfolio may be made by the Directors at any time on giving such prior written notice to the Shareholders of that Segregated Portfolio as the Directors consider reasonable to provide Shareholders of such Segregated Portfolio with the opportunity to redeem on a Redemption Day of such Segregated Portfolio (including any additional Redemption Day of such Segregated Portfolio declared by the Directors) prior to the effective date of any such material changes. Any changes to the investment objective and strategy, investment restrictions, borrowing and leverage limits and/or other investment policies of a Segregated Portfolio which are considered immaterial by the Directors will be notified to Shareholders of that Segregated Portfolio as soon as reasonably practicable.

Risk Management Policy

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

Liquidity Risk Management Policy

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

A summary of the liquidity risk management policy of the Manager will be provided separately by the Manager.

5. MANAGEMENT AND ADMINISTRATION

DIRECTORS

The Directors are responsible for the overall management of the Fund, including but not limited to the investment of the assets of each of its Segregated Portfolio(s).

The Directors have delegated the day-to-day operation of the Fund as applicable to the Service Providers, including the Manager and the Administrator. In performing their duties, the Directors are entitled to rely upon, and generally rely upon the work performed by and information received from such Service Providers.

Amongst their other regulatory responsibilities, the Directors must observe the guidance issued by the Monetary Authority on the minimum expectations for the sound and prudent governance of a regulated mutual fund. The guidance is set out in the “Statement of Guidance for Regulated Mutual Funds – Corporate Governance” (the “SoG”) published by the Monetary Authority in December 2013. The SoG sets out the key corporate governance principles pertaining to the Directors as a whole and to each individual Director. Whilst the SoG is stated to be a non-prescriptive and non-exhaustive guide to the Monetary Authority’s expectations with regard to the governance of a regulated mutual fund such as the Fund, the Directors and each individual member thereof are committed to complying with the governance principles and standards of conduct set out in the SoG where applicable.

As at the date of this Placing Memorandum, the Directors of the Fund are Min SUN and Jie WU and their profiles are set out below. The Directors’ addresses are the same as the Manager.

Min SUN

Ms. Sun possesses over 20 years of relevant experience in the financial industry.

Prior to joining the Manager, she worked at GF International Investment Management Limited (CE No.: AXL121) (“GF”) as the Chief Investment Officer from January 2016. She was licensed as SFC type 4 and type 9 Licensed Representative from May 2016 to March 2017 and later become the type 4 and type 9 Responsible Officer since March 2017.

During Ms. Sun’s tenure at GF, she was responsible for managing one Hong Kong fixed income mutual fund (investing in Greater China market), two Luxemburg Part 2 funds, and eight Cayman funds, which are long-short and/or long-only equity funds and fixed income funds that mainly investing in Greater China, with trading authority and investment discretion. She also managed an investment account for institutional professional investors with trading authority and investment discretion. She adopted different investment strategies for the portfolios including investment grade fixed income strategy, high yield fixed income strategy, global macro strategy, long-only equity strategy and bottom-up focus strategy with macro overlay in Hong Kong, China A-Share and Chinese Depository Receipt. The total asset under management (“AUM”) of the investment portfolios she managed at GF reached around HKD 8 billion.

Ms. Sun was responsible for formulating the overall investment strategy of GF, and she led the whole investment team on managing investment portfolios and the investment committee on determining the overall investment strategy of the team, which included macro allocation strategy, company picking, and market timing. Before Ms. Sun joined GF, she worked at People’s Bank of China (“PBOC”) in mainland China from November 2004 to December 2015. She had been the Head of Credit of PBOC from April 2011 to December 2015.

During Ms. Sun’s tenure at PBOC from April 2011 to December 2015, she was responsible for managing global credit portfolios including a USD denominated discretionary account with AUM of hundreds of billions focusing on corporate bonds in developed market and hard currency corporate bond in major emerging countries, and a EURO denominated discretionary account investing in corporate bonds in euro area and yankee issuers.

She also supervised and managed the Mortgage-Backed Securities (“MBS”) and Commercial Mortgage-Backed Securities (“CMBS”) portfolio. She participated in supervising the formulations of agency pass-throughs investment strategies on coupon stacks and duration based on modelling prepayment risk and valuation analysis on mortgage basis in different coupons and agencies; and CMBS investment strategies based on loan level and capital structurer analysis, as well as cashflow modeling. Ms. Sun was also responsible for supervising and managing the USD and EURO agency portfolio, invested with a focus on United States and European quasi-sovereign agencies and supranational agencies. She supervised the formulation of portfolio investment strategies on country allocation, duration and agency name picking. She was one of the members of the investment committee for asset allocation, reporting to the committee views in the economic outlook and credit market, overall corporate earnings and leverage trend, changes in the fundamentals of different industries, and changes in the valuation of credit spreads.

Ms. Sun obtained her Bachelor of Economics from Renmin University of China in 1996. She later obtained her Master Degree in Public Affairs from Sciences Po in Paris in 2007.

Jie WU

Mr. Wu joined the Manager as the Chief Operating Officer in May 2020. Prior to joining the Manager, Mr. Wu worked at WIM Asset Management (HK) Limited from March 2017. Mr. Wu worked at Value Partners Limited as Senior Director for China Business Development from September 2011. Mr. Wu worked at Franklin Templeton Sealand Fund Management Co., Ltd as General Manager of its Shanghai office from October 2010. Mr. Wu worked at China International Fund Management Co., Ltd as Deputy Director of Intermediary Sales from April 2004. Mr. Wu obtained a Master of Business Administration in Shanghai JiaoTong University & Euromed Marseille.

The remuneration (if any) payable to the Directors is set out in the section headed “*11. Charges and Expenses - General Expenses*”. The Directors may fix the emoluments of Directors with respect to services to be rendered in any capacity to the Fund and the Segregated Portfolios.

Pursuant to the Articles, the Fund shall indemnify and hold harmless each of the Directors from and against any liability incurred by them (out of the assets of the relevant Segregated Portfolio if incurred in respect of a particular Segregated Portfolio, and otherwise out of the General Assets of the Fund) as a result of any act or failure to act in carrying out such Director’s functions other than such liability (if any) that such Director may incur by reason of such Director’s own Gross Negligence (as defined in the Articles), wilful default, dishonesty or fraud. Subject to the Articles, the indemnity obligations of the Fund in respect of any Director may be varied from time to time by the terms of any director’s service agreement entered into by the Fund in relation to the appointment of such Director.

The Fund may also take out, and pay for, insurance policies for the benefit of the Directors against any liability, including those which by any rule of law would attach to such Director in respect of any negligence, default, breach of duty or breach of trust of which such Director may be guilty in relation to the Fund.

MANAGER

The Manager is Nard Capital Limited. The Manager is a limited liability company incorporated in Hong Kong on 1 August 2019 and is responsible for managing the investment, sale and reinvestment of the Fund’s and the Segregated Portfolio(s)’ assets, subject to the terms of the Management Agreement, full discretionary investment management authority in respect thereof subject to the overall control and supervision of the Directors.. In addition, the Manager shall assist the Fund and the Segregated Portfolios in the selection, appointment and ongoing monitoring of the Auditors and other Service Providers.

It has been licensed by the Securities and Futures Commission for type 9 (asset management) regulated activity subject to the following conditions:

- The licensee shall only provide services to professional investors. The term “professional investor” is as defined in the Securities and Futures Ordinance and its subsidiary legislation.

- The licensee shall not hold client assets. The terms “hold” and “client assets” are as defined under the Securities and Futures Ordinance.

The Manager holds all 100 Management Shares issued in the capital of the Fund.

Pursuant to the Management Agreement, the Directors have delegated to the Manager the investment management powers and functions in respect of the Fund and the Segregated Portfolios as set out in this Placing Memorandum and the relevant Appendices subject to the overall supervision of the Directors. In addition, the Directors shall have the discretion to delegate to the Manager any other powers and functions of the Directors as they deem fit, including the power to exercise any of the discretions otherwise specified in this Placing Memorandum and the relevant Appendices as being exercisable by the Directors.

The Management Agreement provides that the Fund shall out of the assets of the relevant Segregated Portfolio (or where determined by the Directors, the General Assets) indemnify the Manager against all actions, proceedings, claims, costs demands and expenses which may be brought against, suffered or incurred by the Manager by reason of its performance or non-performance of its obligations or functions under the terms of the Management Agreement, except as shall arise from fraud, bad faith, wilful default or negligence in the performance or non-performance of such obligations or functions by the Manager.

The Management Agreement authorises the Manager to delegate responsibilities to others on such terms and conditions as the Manager thinks fit, including to appoint one or more investment advisers to manage, and/or provide investment advice relating to the management of the assets and investments of one or more Segregated Portfolios.

Subject to the Management Agreement, the appointment of the Manager shall continue until terminated by, inter alia, either the Fund or the Manager by not less than three months' written notice. In addition, the Management Agreement may be terminated in such other circumstances as specified in the Management Agreement either generally or in respect of a particular Segregated Portfolio.

The Manager is entitled to the fees mentioned below in the section headed “*11. Charges and Expenses – Manager’s Fees*”.

As at the date of this Placing Memorandum, the directors of the Manager are Hao CHEN, Jie WU and Min SUN. With the exception of Min SUN and Jie WU, whose profiles are set out in the section headed “Directors” above, the profile of Hao CHEN is set out below. The addresses of the directors of the Manager are the same as the Manager.

Hao CHEN

Mr. Chen is currently working at Gortune Limited as Chief Investment Officer from May 2017. Mr. Chen worked at GF International Group as Chief Investment Officer from February 2016. Mr. Chen worked at Value Partners Group as Senior Portfolio Manager from March 2015. Mr. Chen worked at China Life Franklin Asset Management Company, Ltd as Senior Portfolio Manager from March 2010. Mr. Chen worked at Baillie Gifford Investment Management as associate Portfolio Manager from September 2009. Mr. Chen worked at China Life Asset Management Company as associate Portfolio Manager from June 2006. Mr. Chen obtained a Master in Finance & Investment with distinction from the University of Exeter, United Kingdom.

ADMINISTRATOR

The Fund has appointed the Administrator to provide certain administration (including calculating the Net Asset Value of the Fund), accounting, transfer agency and registrar services for the Fund pursuant to the Administration Agreement.

The Administrator is the Hong Kong branch of BNP Paribas Securities Services, Société en Commandite par Actions (a partnership limited by shares incorporated under the laws of France), authorised and

supervised by the ACPR (Autorité de Contrôle Prudentiel et de Résolution) and the AMF (Autorité des Marchés Financiers).

Pursuant to the Administration Agreement, the original register of Shareholders of the Fund will be kept outside of Hong Kong.

The Fund agrees to hold harmless and indemnify the Administrator on its own behalf and its delegates, against all actions, proceedings and claims, costs, demands and expenses (including legal and professional fees on a full indemnity basis) of any kind or nature whatsoever (other than those resulting from the negligence, fraud or wilful default on the part of the Administrator or any of its servants, agents or Affiliates (as defined in the Administration Agreement)), which may be brought against, suffered, imposed on, incurred by or asserted against the Administrator, or its permitted delegates: (a) in the performance or exercise of its duties or powers under the Administration Agreement; (b) for acting on Proper Instructions (as defined in the Administration Agreement); and/or (c) for payment of taxes on profits or gains of the Fund which may be assessed upon or become payable by the Administrator or its delegates.

In calculating the Net Asset Value and the value of securities, (a) the Administrator may rely upon such automatic pricing services as it shall determine and shall not be liable for any Loss (as defined in the Administration Agreement) suffered by the Shareholders, or the Fund or any other person by reason of any error in the calculation of the Net Asset Value and/or value of securities resulting from any inaccuracy in the information provided by any such pricing service; and (b) where the Administrator is directed by the Fund to use its or any of its connected person's pricing information or other particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Shareholders, the Fund or any other person by reason of any error in the calculation of the Net Asset Value and/or value of securities resulting from any inaccuracy in the information provided by any such person or pricing services.

In discharging the functions specified in the Administration Agreement, the Administrator is entitled to rely absolutely and without enquiry upon all information supplied to it by the Fund or any persons appointed by the Fund. The Administrator does not verify the accuracy, currency, validity, authenticity and/or completeness of such information received by it.

Under no circumstances will the Administrator be liable to the Fund or any other person in contract, tort (including negligence) or otherwise for any incidental, consequential, indirect, special or exemplary damages of any kind or nature whatsoever or for any loss of interest or revenues, loss of profits (whether actual or anticipated), loss of business, loss of opportunity, loss of goodwill, remedial costs, loss of anticipated savings, loss of data, equipment or property, economic loss, loss associated with regulatory fines or penalties imposed in relation to the Administrator's services or losses arising from any special circumstances of the Fund.

The Administrator's appointment may be terminated by either the Fund or the Administrator on giving not less than 90 days' written notice to the other. The Administration Agreement may also be terminated upon the occurrence of certain events as specified in the Administration Agreement.

The Administrator is a service provider to the Fund and, as such, bears no responsibility to any Shareholder. The Administrator's obligations are owed only to the Fund and are limited to those set out in the Administration Agreement.

The Administrator and other entities in the BNP Paribas Group (collectively, "**BNP**") (i) have not independently verified the information contained in this Placing Memorandum, (ii) have not been involved in the preparation of this Placing Memorandum except consenting to the disclosure relating to the Administrator or the Custodian (if any), and (iii) have not caused or otherwise authorised the issue of this Placing Memorandum. Neither BNP nor their employees or officers, accept any responsibility or liability arising in any way for errors or omissions in this Placing Memorandum. BNP is not involved in the management of the Fund and do not guarantee the success or the performance of the Fund and its Sub-Funds nor the repayment of capital or any particular rate of capital or income return.

CUSTODIANS

The Fund may in respect of a Segregated Portfolio, appoint from time to time, one or more custodians (in relation to its Segregated Portfolio Assets), details of which will be set out in the relevant Appendix.

PRIME BROKERS

The Fund may in respect of a Segregated Portfolio, appoint from time to time, a prime broker or prime brokers (in relation to its Segregated Portfolio Assets), details of which will be set out in the relevant Appendix.

AUDITORS

Ernst & Young Ltd. has been appointed as the auditors for the Fund and the Segregated Portfolios (the “**Auditors**”).

The engagement letter entered into between 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 to an amount equal to three times the fees paid except to the extent finally determined to have resulted from the wilful or intentional neglect or misconduct or fraudulent behaviour 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 Fund, its directors, employees or agents. The engagement letter also requires that any claim arising in connection with the engagement be brought against Ernst & Young Ltd. within one year of the Fund becoming aware of the facts which give rise to the alleged liability of Ernst & Young Ltd. and in any event within three years after the completion of the audit service giving rise to the claim or the earlier termination of Ernst & Young Ltd.’s appointment.

6. INVESTING IN THE FUND

Shares of each Segregated Portfolio will be offered to Qualified Holders on the terms described in this Placing Memorandum and the relevant Appendix. The Directors may establish from time to time new Segregated Portfolios and/or issue a Class or Classes and Series of Shares in relation thereto.

The Directors, in respect of any Segregated Portfolio, reserve the right to establish and issue additional and/or alternative Classes of Shares from time to time without the consent of, or notification to, existing Shareholders. Each such Class may be issued in different currencies, with different investment parameters, fee structures, liquidity terms and other features.

THE INITIAL ISSUE OF SHARES

Unless otherwise provided for in an Appendix, Shares of a Class or Classes or Series of a Segregated Portfolio will be offered for the first time to investors during the Initial Offer Period at the Initial Offer Price as set forth in the relevant Appendix.

Except as otherwise provided in the Appendix, in respect of applications (including the Application Form together with the application moneys in cleared funds) which are received prior to 5:00 p.m. (Hong Kong time) on the Closing Date or such other time or day as the Directors may determine and provided in the relevant Appendix, Shares will be issued on the Business Day immediately following the Closing Date or such other day as provided for in the relevant Appendix. If Application Forms and/or application moneys in cleared funds are received after the aforementioned times, the relevant applications shall, unless otherwise determined by the Directors be carried forward to the first Subscription Day following the Closing Date and shall be dealt with at the Subscription Price applicable on that day.

All moneys received from investors prior to the close of the Initial Offer Period will not be invested in securities until after the close of the Initial Offer Period. All interest earned, on these moneys, if any, will accrue for the benefit of the relevant Segregated Portfolio. Although Shares will not be issued until the Business Day immediately following the Closing Date, paid moneys will be immediately deposited into the Fund's bank account for the account of the relevant Segregated Portfolio. Prior to the issuance of Shares, the Administrator may, at the direction of the Directors and subject to the clearance of anti-money laundering checks, release funds from the account of the Segregated Portfolio to investment intermediaries (if any) of the Segregated Portfolio to ensure that investments by the Segregated Portfolio can be effected on the issuing day of the Shares.

MINIMUM INITIAL FUND SIZE

Where stated in the relevant Appendix relating to a Segregated Portfolio, the offering of Shares of a Segregated Portfolio may be subject to a targeted minimum total subscription amount (the "**Minimum Initial Fund Size**") as set out in the Appendix relating to such Segregated Portfolio being received on or before the close of the Initial Offer Period for such Segregated Portfolio. In the event that the targeted Minimum Initial Fund Size is not received or the Directors are of the opinion that it is not in the commercial interest of investors or not feasible, as a result of adverse market conditions or otherwise, to proceed with the launch of the relevant Segregated Portfolio, the Directors shall have the sole discretion to determine whether: (A) to extend the Initial Offer Period of the Segregated Portfolio, (B) not to proceed with the launch of such Segregated Portfolio or (C) to proceed with the launch of the Segregated Portfolio notwithstanding that the Minimum Initial Fund Size has not been received. In the event that the Directors determine not to proceed with the launch of the relevant Segregated Portfolio, all application moneys will be returned without interest by telegraphic transfer at the risk and expense of the applicants.

SUBSEQUENT ISSUES

Following the close of the Initial Offer Period, Shares of such Class or Classes or Series may be issued on any Subscription Day applicable to such Segregated Portfolio or any Class or Classes or Series of such Segregated Portfolio in respect of duly completed applications which are received prior to the Subscription

Dealing Deadline (provided that application moneys in cleared funds shall be received before the Payment Deadline).

The price at which Shares will be issued on any particular Subscription Day for applications will be the Subscription Price, calculated in the manner provided in the Articles and/or as described in the section below headed “8. *Valuation and Prices - Subscription and Redemption Prices of Shares*” or in such other manner determined by the Directors and disclosed in the relevant Appendix.

Applications will generally be accepted only if the completed Application Forms have been received by the Administrator on or prior to the Subscription Dealing Deadline (provided that application moneys in cleared funds shall be received before the Payment Deadline) Applications received after the Subscription Dealing Deadline in relation to a Subscription Day will be held over until the next Subscription Day and Shares will be issued at the Subscription Price applicable on that day. However, the Directors have the discretion to accept late applications received after the Subscription Dealing Deadline provided they are received prior to the Valuation Point relating to the relevant Subscription Day.

Interest earned, on these application moneys, if any, will accrue for the benefit of the relevant Segregated Portfolio.

SUBSCRIPTION PROCEDURES

All applications for Shares must be made by way of properly completed Application Forms. The Application Form for the subscription of Shares in the relevant Segregated Portfolio may be obtained from the Manager.

Applications should be sent in the manner outlined in the Application Forms to the Administrator. Unless otherwise specified in the relevant Appendix, applications may be sent to the Administrator by facsimile or e-mail. If the applicant does not receive an official acknowledgement from the Administrator within three (3) Business Days, or receives an acknowledgement which contains information that differs from the subscription intended by the applicant, it must contact the Administrator immediately. It is the applicant's sole responsibility to contact the Administrator. In the event that the applicant does not contact the Administrator, any unacknowledged Application Form may not be valid and any acknowledgement which differs from the Application Form submitted may be final and conclusive. Investors should note that while the original Application Form is not required to be sent to the Administrator, investors should send to the Administrator all the original know-your-client and/or anti-money laundering documents required by the Directors and/or the Administrator. Investors should note that none of the Fund, the relevant Segregated Portfolio, or any of the Service Providers accepts any responsibility for any loss caused as a result of non-receipt, mis-delivery or illegibility of any application sent by facsimile or e-mail otherwise or for any loss caused in respect of any action taken as a consequence of such facsimile or e-mail instructions believed in good faith to have originated from properly authorised persons or for any loss caused as a result of Application Form being considered improperly or inadequately completed. This is notwithstanding the fact that a facsimile transmission report or e-mail record produced by the originator of such transmission and e-mail discloses that such transmission or e-mail was sent.

The Directors, the Manager and the Administrator reserve the right to require an applicant to submit the originals of any documents previously sent by facsimile or email if there are any doubts about the authenticity of an instruction and to require additional information and certification to comply with anti-money laundering regulations. The Directors reserve the right to reject subscriptions in whole or in part for any reason, in which event any application moneys made shall be refunded to the bank account originally debited (after deduction of the Manager's administrative expenses) at the applicant's risk and expenses, without interest.

SUBSCRIPTION FEE

A subscription fee may be imposed in connection with a subscription of Shares, details of which are set out in the relevant Appendix.

Unless otherwise specified in the relevant Appendix, such subscription fee (if any) shall be payable by investors in addition to the Initial Offer Price or the Subscription Price, as the case may be. The subscription fee may be deducted from the application moneys paid by an applicant before investment in the Shares.

MINIMUM SUBSCRIPTIONS

The minimum initial investment for Shares of a Segregated Portfolio or a Class or Classes of Shares in relation thereto per investor will be such number of Shares or value as set out in the relevant Appendix (the “**Minimum Initial Subscription Amount**”).

Additional subscriptions for Shares may be made in increments equal to or greater than such number of Shares or value as set out in the relevant Appendix or such other number or value as the Directors may in their discretion agree from time to time, whether generally or in a particular case (the “**Minimum Subsequent Subscription Amount**”).

The Directors may in their discretion agree to accept such other amount of Minimum Initial Subscription Amount or Minimum Subsequent Subscription Amount from time to time, whether generally or in a particular case provided always that the Minimum Initial Subscription Amount shall not, at any time, be less than the minimum amount required under applicable regulatory requirements of the Cayman Islands for a regulated mutual fund registered under section 4(3) of the Mutual Funds Law.

SUBSCRIPTION PAYMENT PROCEDURES

No Shares in a Segregated Portfolio will be issued unless and until the relevant application moneys have been received in cleared funds by or on behalf of the Segregated Portfolio. Unless the applicant has made arrangements with the Directors to make payment in any other currency acceptable to the Directors (the “**Other Payment Currency**”) or by some other method, payment net of any bank charges must be made in the Class Currency of the relevant Shares by telegraphic transfer to the bank account(s) specified in the Application Form.

All application moneys must originate from an account held in the name of the applicant. No payment will be accepted from any person other than the relevant applicant. The applicants bear the responsibilities of providing any payment proof in the name of the applicants.

Application moneys in the Other Payment Currency will be converted into the Class Currency (or the Base Currency) and all bank charges and other conversion costs will be deducted from the application moneys prior to investment in Shares. The currency conversion into the relevant Class Currency (or the Base Currency, as the case may be) shall be effected by the Administrator under the authorised instruction of the Directors at the applicant’s risk at market rates and expenses. None of the Fund, the relevant Segregated Portfolio, the Manager or the Administrator will be liable to any Shareholder for any loss suffered by such Shareholder arising from the said currency conversion.

Although Shares will not be issued until the applicable Subscription Day, paid moneys are immediately deposited into the account in the name of the Fund and kept for the relevant Segregated Portfolio in custodial status without interest. The Administrator shall not be liable to any applicants for any loss or damage howsoever arising out of or in relation to the payment and deposit of application moneys prior to the issuance of Shares. Prior to the issuance of Shares, the Administrator may, at the direction of the Directors and subject to the clearance of anti-money laundering checks, release funds from the account of the Segregated Portfolio to investment intermediaries (if any) of the Segregated Portfolio to ensure that investments by the Segregated Portfolio can be effected on the Subscription Day.

No Shares will be issued unless and until the relevant application moneys have been received in cleared funds by or on behalf of the Segregated Portfolio. Where a subscription for Shares is accepted, the Shares will be treated as having been issued with effect from the relevant Subscription Day notwithstanding that the subscriber for those Shares may not be entered in the Fund’s register of members until after the relevant

Subscription Day. The application moneys paid by a subscriber for Shares will accordingly be subject to investment risk in the Fund from the relevant Subscription Day, if not earlier, as described elsewhere in this Placing Memorandum, the relevant Appendix and/or the Application Form.

SUBSCRIPTION IN SPECIE

Unless otherwise specified in the relevant Appendix, the Directors may in their absolute discretion agree to accept payment for Shares in a Segregated Portfolio in specie instead of in cash. In such circumstances, the assets to be transferred to the relevant Segregated Portfolio will be valued in such manner as the Directors may determine (subject to such valuation not exceeding the maximum value that would apply if those assets were valued in accordance with the valuation rules described below in the section headed “8. *Valuation and Prices - Calculation of Net Asset Value*”), and the relevant investor will be issued Shares in the relevant Segregated Portfolio having an equivalent value to such assets, after allowing for payment of the subscription fee (if any) in respect of the subscription of Shares. Shares will only be issued on vesting of the assets in or for the account of the relevant Segregated Portfolio. Any costs of transferring the assets to or for the account of the relevant Segregated Portfolio will be borne by the relevant investor and, accordingly, will be deducted from the value of such assets in determining the number of Shares in the relevant Segregated Portfolio to be issued to such investor.

GENERAL

Fractions of not less than one-thousandth of a Share will be issued unless otherwise determined by the Directors and disclosed in the relevant Appendix. Application moneys representing a smaller fraction of a Share will be retained for the benefit of the relevant Segregated Portfolio.

Shares will be in registered form and certificates will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application and receipt in cleared funds of their application moneys.

Shares may not be issued during the period of any suspension of the determination of the Net Asset Value of the relevant Segregated Portfolio and/or of the issue of Shares (for details see the section below headed “8. *Valuation and Prices – Suspension*”). Once completed applications have been received by the Administrator, they are irrevocable except in the event of such suspension or when otherwise approved by the Directors.

RESTRICTIONS ON ISSUE

The Directors reserve the right to accept or reject any application for Shares in whole or in part for any reason. If any application is rejected in whole or in part, the entire application moneys, or where an application is accepted in part only the balance thereof, will be returned (without interest) in the Class Currency of the relevant Class of Shares (or, if applicable, in the Other Payment Currency or such other currency agreed between the Directors and the applicant) to the bank account from which the moneys were originally debited by telegraphic transfer at the expense and risk of the applicant.

Each investor must represent and warrant to the Fund (on behalf of the relevant Segregated Portfolio) that, among other things, the investor is able to acquire Shares without violating applicable laws. The Fund (on behalf of the relevant Segregated Portfolio) will not knowingly, offer or sell Shares to any investor to whom such offer or sale would be unlawful. In particular, Shares may not be offered or sold to any person other than a Qualified Holder. The Fund reserves the right to compulsorily order the transfer of or to redeem any Shares held by a person who is not a Qualified Holder.

NEW ISSUES

In the event that the Manager decides, in its sole discretion, that a Segregated Portfolio of the Fund will invest in public offerings of securities that would be deemed “new issues” under any applicable rule of the United States Financial Industry Regulatory Authority (the “**New Issue Rule**”), the Directors reserve the right to restructure any existing Class of Shares of such Segregated Portfolio to facilitate such investment,

including by restructuring such existing Class into two Classes. The first Class of Shares in that Segregated Portfolio would be held by Shareholders subject to the New Issue Rule, which would have no economic participation in “new issues” assets so that no profits associated with “new issues” are allocated to such Class of Shares in that Segregated Portfolio. The second Class of Shares in that Segregated Portfolio would be held by Shareholders not subject to the New Issue Rule, which would have full economic participation in “new issues” assets.

The Directors have discretion to determine, among other things: (i) the manner in which “new issues” are purchased, held, transferred and sold by a Segregated Portfolio and any adjustments (including interest) with respect thereto; and (ii) the time at which “new issues” are no longer considered as such under the New Issue Rule. The Directors have the discretion to determine (i) the Shareholders of a Segregated Portfolio who are eligible and ineligible to participate in new issues; and (ii) the method by which profits and losses from “new issues” are to be allocated among such persons in a manner that is permitted under the New Issue Rule (including whether the Segregated Portfolio will avail itself of the “de minimis” exemption or any other exemption).

ANTI-MONEY LAUNDERING REGULATIONS

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable), and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

As part of the responsibility of the Fund and the Service Providers to prevent money laundering, they may require detailed verification of an investor’s identity, an investor’s source of wealth and the source of the payment of application moneys. The Fund, and the Administrator on the Fund’s behalf, reserve the right to request such information as is necessary to verify the identity of a Shareholder (i.e. a subscriber or a transferee), the source of wealth of an applicant, the source of payment and the identity of their beneficial owners/controllers (where applicable). Where the circumstances permit, the Fund, or the Administrator on the Fund’s behalf, may be satisfied that full due diligence may not be required at subscription where an exemption applies under the Anti-Money Laundering Regulations (as revised) of the Cayman Islands, as amended and revised from time to time or any other applicable law. However, detailed verification information may be required prior to the payment of any proceeds from or any transfer of an interest in Shares.

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Fund, or the Administrator on the Fund’s behalf, may refuse to accept the application, or if the application has already occurred, may suspend or redeem the interest, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Fund, and the Administrator on the Fund’s behalf, also reserve the right to refuse to make any redemption or dividend payment to a Shareholder if the Directors or the Administrator 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 Administrator with any applicable laws or regulations.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority (“FRA”) of the Cayman Islands, pursuant to the Proceeds of Crime Law (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 Law (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.

The Monetary 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.

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

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

Where the subscriber or a Designated Person is or becomes a Sanctions Subject, the Fund may be required immediately and without notice to the subscriber to inform the Cayman Islands’ FRA, freeze the subscriber’s accounts, monies, or economic resources, and to cease any further dealings with the subscriber and/or the subscriber’s interest in the Fund until the subscriber 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 and the Manager shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Fund subsequently become subject to applicable sanctions, the Fund may immediately and without notice to the subscriber inform the Cayman Islands’ and 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.

SERIES SHARES AND CONSOLIDATION OF SHARES

The Directors shall have the discretion to determine that a Class of Shares will be issued in Series for any reason. Without limitation to the generality of the foregoing, the Directors may determine that a Class of Shares of a Segregated Portfolio will be issued in Series in order to ensure, so far as reasonably practicable, that Shareholders bear any Performance Fee payable to the Manager according to the actual performance of their Shares. If a Class of Shares will be issued in Series for such purposes, a new Series of Shares of such Class may be issued on each relevant Subscription Day in respect of which subscription applications are received. Shares of each Series of a Class will carry identical rights save that the proportion of a Segregated Portfolio represented by Shares of each Series of a Class will differ. This system has been adopted to, *inter alia*, facilitate the calculation and allocation of the Performance Fee by reference to the performance of the relevant Shares, having regard to the different times and/or prices at which such Shares were acquired.

The Fund may cause two or more Series of Shares of any Class to be consolidated, provided that the total value of the relevant Shareholder's investment will not change due to the consolidation. It should be noted that the number of Shares held by a Shareholder may change following such consolidation.

In order to simplify the administration of the Segregated Portfolio(s), upon the crystallization of a Performance Fee in respect of any two or more Series of Shares of a Class at the last Valuation Point of the relevant Performance Period, the Fund will normally consolidate all of such Series of the Class of such Segregated Portfolio by compulsorily redeeming all Shares in such Series of Shares (except the consolidated Series) and applying the proceeds of such compulsory redemption to fund the issue of Shares of the consolidated Series to such redeemed investors. The consolidated Series will generally be the oldest Series of Shares of the Class to have borne a Performance Fee in respect of the relevant performance period. Such compulsory redemption and re-issue shall be effected based on the Net Asset Values of the consolidated Shares.

In addition to the above, the Directors may determine that a Class of Shares of a Segregated Portfolio will be issued in Series for such other purposes and in such manner as specified in the Appendix relating to the relevant Segregated Portfolio.

REDEMPTIONS

Shareholders may, subject to the Articles, this Placing Memorandum and the relevant Appendix, redeem their Shares of a Segregated Portfolio on the relevant Redemption Day by submitting a completed Redemption Notice to the Administrator.

Redemption Notices must be received no later than the Redemption Dealing Deadline in relation to the relevant Redemption Day for redemptions. Subject to the Directors' discretion to accept late Redemption Notices prior to the Valuation Point relating to the relevant Redemption Day in respect of a Segregated Portfolio, any Redemption Notice received after the Redemption Dealing Deadline will be held over until the Redemption Day next following the relevant Redemption Day and Shares will then be redeemed at the Redemption Price applicable on that day to Shares of the relevant Class or Classes or Series.

Redemption Notices must be in writing and may be sent to the Administrator by facsimile or e-mail, must state the redemption amount or number and where applicable the relevant Class and/or Series of Shares to be redeemed, the relevant Series of Shares (if any) and give payment instructions for the redemption proceeds. If the Shareholder does not receive an official acknowledgement from the Administrator within three (3) Business Days, or receives an official acknowledgement note which contains information that differs from the instruction intended by the Shareholder, they must contact the Administrator immediately. It is the Shareholder's sole responsibility to contact the Administrator. In the event that the Shareholder does not contact the Administrator, any unacknowledged Redemption Notice may not be valid and any acknowledgement which differs from the Redemption Notice submitted may be final and conclusive.

Investors should note that none of the Fund, the relevant Segregated Portfolio, or any of the Service Providers or their respective agents and/or delegates accept any responsibility for any loss caused as a result of non-receipt, mis-delivery or illegibility of any Redemption Notice sent by facsimile or e-mail or otherwise or for any loss caused in respect of any action taken as a consequence of such facsimile or e-mail instructions believed in good faith to have originated from properly authorised persons or for any loss caused as a result of Redemption Notices being considered improperly or inadequately completed. This is notwithstanding the fact that a facsimile transmission report or e-mail record produced by the originator of such transmission or e-mail record discloses that such transmission or e-mail was sent.

REDEMPTION PRICE

The price at which Shares will be redeemed on any particular Redemption Day for redemptions will be the Redemption Price, calculated in the manner provided in the Articles and as described in the section below headed "*8. Valuation and Prices - Subscription and Redemption Prices of Shares*" or in such other manner as determined by the Directors and disclosed in the relevant Appendix.

REDEMPTION CHARGE

A redemption charge may be imposed in connection with a redemption of Shares, details of which are set out in the relevant Appendix.

For the purpose of calculating the redemption charge payable on a partial redemption of a Shareholder's holding of Shares, Shares subscribed earlier in time will, unless otherwise agreed by the Directors and relevant Shareholder, be deemed to be redeemed prior to Shares subscribed later in time unless otherwise specified.

MINIMUM REDEMPTION AMOUNT AND MINIMUM HOLDING AMOUNT

Partial redemptions of holdings of Shares of a Class of a Segregated Portfolio may be effected in respect of Shares having such minimum number or value as may from time to time be specified by the Directors and described in the relevant Appendix (or such other number or value as the Directors may in their discretion agree from time to time, whether generally or in a particular case) (the "**Minimum Redemption Amount**").

In relation to a Segregated Portfolio, in the event that a Redemption Notice is received to realise Shares of a Class which would result in the applicant holding less than such minimum number or value of Shares of the relevant Class as specified in the relevant Appendix (or such other number or value as the Directors may in their discretion agree from time to time, whether generally or in a particular case) (the "**Minimum Holding Amount**"), the Directors may deem such Redemption Notice to have been made in respect of all the Shares of the relevant Class held by such applicant.

Notwithstanding the aforesaid, the Directors, in respect of a Segregated Portfolio, have the discretion to waive the requirement for the Minimum Redemption Amount or the Minimum Holding Amount (in whole or in part) from time to time, whether generally or in a particular case.

REDEMPTION PAYMENT PROCEDURES

Unless otherwise specified in the relevant Appendix, and subject to fulfilment of applicable anti-money laundering requirements, redemption proceeds will be paid as soon as practicable (and in any event, subject to suspension of redemptions in the manner described below in the section headed "*8. Valuation and Prices - Subscription and Redemption Prices of Shares*"), generally within one month of the relevant Redemption Day for redemption (or if later, following receipt of any outstanding identification and/or verification documents by the Administrator), at the risk and expense of the redeeming Shareholder by telegraphic transfer to his pre-designated bank account. Costs of effecting the telegraphic transfer may be deducted from the redemption proceeds. Where redemption proceeds are to be paid to a bank account other than that notified to the Administrator at the time of subscription, the Fund and/or the Administrator may require the signature of the Shareholder on the relevant Redemption Notice to be independently verified to their satisfaction. The Fund and/or the Administrator may also require additional information and/or documentation to comply with anti-money laundering regulations. No redemption proceeds will be paid to third parties.

Each of the Fund (on behalf of any Segregated Portfolio), the Manager and the Administrator reserves the right in its sole discretion to require a Shareholder to submit the originals of any documents previously sent by facsimile or email if there are any doubts about the authenticity of an instruction.

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

soon as practicable. The Fund, the Directors, the Manager and any other Service Providers of the Fund and their respective affiliates shall not be liable to Shareholders for any loss suffered by them as a result of any delay in payment of proceeds on the redemption of Shares.

Unless a Shareholder has made other arrangements with the Directors, redemption proceeds will ordinarily be paid by telegraphic transfer in the Class Currency of the relevant Shares to the pre-designated bank account of the Shareholder (at the Shareholder's risk and expense). However, the Directors have the absolute discretion, whether generally or in any particular case, to cause all or part of the redemption proceeds relating to Shares of a Class of a Segregated Portfolio to be paid out in a currency other than the Class Currency of the relevant Class (the "**Alternative Redemption Currency**"). In such a case, all applicable bank charges and other conversion costs will be deducted from the redemption proceeds. The Directors may exercise their discretion to pay redemption proceeds denominated in the Alternative Redemption Currency under certain circumstances, such as, but not limited to where, for any reason, insufficient Class Currency is available to the relevant Segregated Portfolio to pay the redemption proceeds or where due to the direction of any competent authority or as a result of any legal or regulatory requirement applicable to the Fund, the relevant Segregated Portfolio and/or the relevant Shareholder, it is not permitted and/or practicable for the redemption proceeds to be paid in the Class Currency.

If a Segregated Portfolio is required by the laws of any relevant jurisdiction to make a withholding from any redemption proceeds payable to the Shareholder the amount of such withholding shall be deducted from the redemption proceeds otherwise payable to such person. Further, the Directors may withhold the whole or any part of any redemption payment to any Shareholder and set it off against any unpaid amounts due from that Shareholder to the relevant Segregated Portfolio or the Manager.

If for any time during the period from the time as at which the Redemption Price is calculated and the time at which redemption moneys are converted out of any currency into the relevant Class Currency or the Alternative Redemption Currency to meet a redemption request, there is an officially announced devaluation of that currency, the amount payable to any relevant redeeming Shareholder may be reduced as the Directors consider appropriate to take into account the effect of that devaluation.

RESTRICTIONS ON REDEMPTIONS

No Shares of a Segregated Portfolio may be redeemed during any Lock Up Period for such Shares except at the discretion or with the consent of the Directors, whether generally or in a particular case. Where the Directors consent to an investor redeeming any Shares during the applicable Lock Up Period for such Shares, an additional redemption charge may be levied for the benefit of the relevant Segregated Portfolio or the Manager (as more particularly described in the Appendix).

For the avoidance of doubt, if no Lock Up Period is specified in the relevant Appendix of a Segregated Portfolio, then the Shares of such Segregated Portfolio are not subject to any Lock Up Period. Where a Shareholder has been issued Shares of a Segregated Portfolio at different times and subsequently makes a partial redemption, the Shares shall unless otherwise agreed by the Directors and relevant Shareholder, be redeemed on a "first issued, first redeemed" basis. That is Shares subscribed earlier in time will be redeemed prior to Shares subscribed later in time unless otherwise agreed by the Directors and relevant Shareholder.

Unless otherwise specified in the relevant Appendix, the Fund's obligation to redeem Shares in any Segregated Portfolio may be subject to postponement if requests are received in respect of any one Redemption Day for redemptions of a Class or Classes of Shares aggregating more than such percentage of the number or value of Shares of the relevant Class or Classes of the relevant Segregated Portfolio in issue as may be specified in the Appendix of the relevant Segregated Portfolio (the "**Redemption Gate**"), such limitation to be applied pro rata to Shareholders of the relevant Class or Classes of the relevant Segregated Portfolio who have requested for redemption on such Redemption Day. In such case, the Directors may reduce all but not some of such requests pro rata so that they cover no more than the relevant percentage of the number or value of Shares of such Class or Classes of such Segregated Portfolio issued (or such higher percentage as the Directors may determine in their sole discretion). Unless a relevant

Appendix provides otherwise, any part of a Redemption Notice to which effect is not given by reason of the exercise of this power by the Directors will be treated as if the request had been made without priority in respect of the next Redemption Day for redemption in respect of such Segregated Portfolio and all following Redemption Days for redemption (in relation to which the Directors have the same power) according to the length of time for which they have been carried forward until the original request has been satisfied in full. If after the initial Redemption Day for redemptions, a redeeming Shareholder wishes to cancel his request for redemption for any remaining Shares, the Shareholder must provide notice of such cancellation no less than such number of Business Days as disclosed in the relevant Appendix before the relevant Redemption Day for redemptions (unless a different period of prior notice is specified in the Appendix of the relevant Segregated Portfolio as determined by the Directors).

The right of any Shareholder of a Segregated Portfolio to request the redemption of Shares will be suspended during any period when the calculation of the Net Asset Value of the Segregated Portfolio and/or the redemption of Shares is suspended by the Fund. Any part of a Redemption Notice to which effect is not given by reason of such suspension will be treated as if the request had been made without priority (unless the Directors otherwise determine generally or in a particular case) in respect of the next Redemption Day and all following Redemption Days until the original request has been satisfied in full. Once completed Redemption Notices have been received by the Administrator, they are irrevocable except in the event of such suspension or when otherwise approved by the Directors.

Further, the Fund reserves the right to refuse to make any redemption payment to a Shareholder if the Fund and/or the relevant Service Providers suspect or are advised that the payment of any redemption proceeds to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund and/or the relevant Service Providers with any such laws or regulations in any relevant jurisdiction.

Subject to any rights provided for under the applicable laws, Shares shall be treated as having been redeemed with effect from the relevant Redemption Day irrespective of whether or not a Shareholder has been removed from the register of Shareholders or the Redemption Price has been determined or remitted. Accordingly, on and from the relevant Redemption Day, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Articles with respect to Shares being redeemed (including any right to receive notice of, attend, speak or vote at any meeting of the Fund) save the right to receive the Redemption Price and any dividend which has been declared prior to the relevant Redemption Day but not yet paid (in each case with respect to the Shares being redeemed). In an insolvent liquidation, redeemed Shareholders will rank behind ordinary creditors but ahead of Shareholders.

REDEMPTION IN SPECIE

Unless otherwise specified in the relevant Appendix, the Directors may in their absolute discretion from time to time effect a redemption payment to any or all redeeming Shareholders in specie or in kind rather than in cash. The circumstances in which the Directors envisage exercising this discretion include, without prejudice to the generality of the foregoing, a situation where substantial redemption requests are received in respect of a Segregated Portfolio which will make it impracticable or prejudicial to continuing Shareholders of the relevant Segregated Portfolio to realise such Segregated Portfolio's investments in order to fund redemption payments; or when there is a devaluation of any foreign currency in which a material proportion of a Segregated Portfolio's investments are denominated during the period between the time as at which the relevant Redemption Price is calculated and the time when redemption moneys are to be converted out of such other currency into the currency in which redemption proceeds are to be paid. In making redemption payments in specie or in kind, the relevant assets to be transferred or assigned or otherwise made available to the redeeming Shareholders of the relevant Segregated Portfolio shall be transferred at the same values attributed to them on the Redemption Day of the relevant Segregated Portfolio as at which the Redemption Price of the relevant Shares to be redeemed was calculated. Any charges, levies or stamp duties incurred in transferring the assets to the redeeming Shareholders of the relevant Segregated Portfolio shall be at the expense of such Shareholders themselves. The Directors may

make in-kind distributions to certain (but not all) Shareholders and may distribute different property in different proportions to different redeeming Shareholders.

If the Directors determine to distribute assets in kind, such assets may be distributed directly to the redeeming Shareholder. Such redemption proceeds in kind will be paid to the redeeming relevant Shareholder as soon as practicable. Alternatively, such assets may be distributed into a liquidating trust or liquidating account and sold by the Fund on behalf of the relevant Segregated Portfolio for the benefit of the redeeming Shareholder, in which case (a) payment to such Shareholder of that portion of his redemption attributable to such assets will be delayed until such time as such assets can be liquidated and (b) the amount otherwise due to such Shareholder will be increased or decreased to reflect the performance of such assets through the date on which the liquidation of such assets is effected.

The risk of a decline in the value of such assets in the period from the relevant Redemption Day to the date upon which such assets are distributed to the redeeming Shareholder, and the risk of any loss or delay in liquidating such assets, will be borne by the redeeming Shareholder.

COMPULSORY REDEMPTIONS AND TRANSFERS

The Articles give the Directors power to compulsorily redeem the Shares held by a Shareholder, or to require such Shares to be transferred to a Qualified Holder, at any time for any reason or for no reason. Any person upon becoming aware that he is (i) directly or beneficially holding Shares in breach of the law or requirements of any jurisdiction or (ii) directly or beneficially holding Shares in any circumstances which in the sole opinion of the Directors might result in the Fund or any Segregated Portfolio, the Manager or any other Service Provider to the Fund or any Segregated Portfolio of the Fund, or any Shareholder (or any person connected with any of them) breaching any law or requirement of any jurisdiction, incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund, any Segregated Portfolio, the Manager or any other Service Provider to the Fund or any Segregated Portfolio of the Fund, or any Shareholder (or any person connected with any of them) might not otherwise have incurred or suffered or which might result in the Fund, any Segregated Portfolio, the Manager or any other Service Provider to the Fund or any Segregated Portfolio of the Fund, or any Shareholder of the Fund or any Segregated Portfolio of the Fund (or any person connected with any of them), to comply with any registration, licensing, approval or filing requirements in any jurisdiction with which it would not otherwise be required to comply or (iii) not a Qualified Holder, shall immediately inform the Fund in writing. The Directors may give notice to such Shareholder requiring him to either transfer his Shares to a person who would not thereby be in contravention of any such restrictions as aforesaid or may compulsorily redeem such Shares in the manner provided for in the Articles. The Directors may deduct from the Redemption Price any charges, fees, or expenses incurred by the Fund or any relevant Segregated Portfolio in connection with such compulsory redemption.

The Directors may also compulsorily redeem Shares of a Segregated Portfolio held by any Shareholder in circumstances where such Shares have a value of less than the Minimum Holding Amount. The Directors also have power to compulsorily redeem a Shareholder's Shares for any reason whatsoever, including to settle any amount due from the Shares to the relevant Segregated Portfolio or any Service Provider to the Segregated Portfolio. In addition, the Directors may compulsorily redeem Shares in order to apply any equalisation adjustments in respect of the Shares of any one or more Segregated Portfolios.

Further, if the Net Asset Value of a Segregated Portfolio is at any time below such amount as specified in the relevant Appendix of such Segregated Portfolio and if the Directors at such time so determine, all Shares of that Segregated Portfolio shall become compulsorily redeemable.

The Directors may also compulsorily redeem Shares of a Segregated Portfolio under any of the other circumstances specified in this Placing Memorandum and/or the Appendix relating to a particular Segregated Portfolio under which it is envisaged that the Directors may compulsorily redeem the Shares of any Shareholder.

SWITCHING OF SHARES

If provided for in the relevant Appendix, Shareholders of Segregated Portfolio(s) have the right, following the expiry of any applicable Lock Up Period (unless such Lock Up Period is waived by the Directors) and subject always to the Directors' approval, to switch all or part of their Shares of a Class (the "**Initial Class**") into Shares of another Class in the same Segregated Portfolio or into Shares of another Segregated Portfolio (the "**Subsequent Class**") by submitting a completed notice for switching in the prescribed form (a "**Switching Notice**") to the Administrator by no later than such Redemption Dealing Deadline of the Initial Class. Any Switching Notice received after such Redemption Dealing Deadline will be held over and dealt with on the next Redemption Day of the Initial Class. The provisions on redemption for the Initial Class and subscription for the Subsequent Class shall apply unless otherwise determined by the Directors and/or provided for in the relevant Appendix.

Switching Notices must be in writing sent by facsimile or e-mail. The Administrator will send an official acknowledgement of receipt of a Switching Notice by fax or e-mail, as the case may be, back to the Shareholder. If the Shareholder does not receive such acknowledgement within three (3) Business Days, or receives an official acknowledgement note which contains information that differs from the instruction intended by the Shareholder, they must contact the Administrator immediately. It is the Shareholder's sole responsibility to contact the Administrator. In the event that the Shareholder does not contact the Administrator, any unacknowledged Switching Notice may not be valid and any acknowledgement which differs from the Switching Notice submitted may be final and conclusive. Investors should note that none of the Fund, the Directors, the Manager, the Service Providers or their respective agents and/or delegates accept any responsibility for any loss caused as a result of non-receipt, mis-delivery or illegibility of any Switching Notice sent by facsimile or e-mail or otherwise or for any loss caused in respect of any action taken as a consequence of such facsimile or e-mail instructions believed in good faith to have originated from properly authorised persons, or for any loss caused as a result of such Switching Notice being considered improperly or inadequately completed. This is notwithstanding the fact that a facsimile transmission report or e-mail record produced by the originator of such transmission or e-mail discloses that such transmission or e-mail was sent. For avoidance of doubt, the Performance Fee will be crystallized and paid out when switching from Initial Class to Subsequent Class. Each of the Fund (on behalf of each Segregated Portfolio), the Manager and the Administrator reserves the right in its sole discretion to require an investor to submit the originals of any documents previously sent by facsimile or email if there are any doubts about the authenticity of an instruction.

To effect a switching of Shares, Shares in the Initial Class will be redeemed at the prevailing Redemption Price per Share of the Initial Class as at the relevant Redemption Day on which the Shares are to be switched and Shares in the Subsequent Class will be issued to the Shareholders at the applicable Subscription Price per Share of the Subsequent Class in respect of the relevant Subscription Day.

The switching of Shares shall be determined in accordance with the following formula:

$$N = \frac{E \times R \times F}{S}$$

Where:

N is the number of Shares of the Subsequent Class to be issued.

E is the number of Shares of the Initial Class to be switched pursuant to the Switching Notice.

R is the Redemption Price per Share of the Initial Class on the Redemption Day on which the switching is to take effect.

F is the currency conversion factor determined by the Directors in their sole and absolute discretion as representing the effective rate of exchange between the Class Currency of Shares of the Initial Class and the Class Currency of Shares of the Subsequent Class.

S is the Subscription Price per Share of the Subsequent Class on the Subscription Day of the Subsequent Class coincident with or next following the Redemption Day of the Initial Class on which redemption is to take effect plus such amount if any as the Directors may determine to add thereto by way of switching charge (as described below).

Unless otherwise provided in the relevant Appendix, no redemption charges or subscription fees will be applied to the redemption or subscription of Shares for switching purposes. The Directors have the power to levy a switching charge in respect of the Shares of the Subsequent Class to be issued upon a switch, in which case the number of Shares of the Subsequent Class to be issued may be reduced to take into account such switching charge. The switching charge (if any) as more particularly described in the relevant Appendix or Switching Notice, shall be payable to and retained for the benefit of the relevant Segregated Portfolio(s) or the Manager as the case may be. The Directors have discretion to waive such switching charges in whole or in part, whether generally or in a particular case.

Partial switching must not result in the balance holding of the applicant in the Initial Class being less than the Minimum Holding Amount of the Shares of the Initial Class as may from time to time be specified (either generally or in any particular case or cases) by the Directors. If as a result of partial switching, the applicant would hold Shares in the Initial Class of less than the prescribed Minimum Holding Amount, the switching request will be deemed to be in respect of the applicant's entire holding in the Initial Class (unless the Directors otherwise determines generally or in any particular case). Unless otherwise agreed by the Directors, no switching will be permitted if as a result of a switching request, the applicant will be issued Shares in the Subsequent Class with an aggregate value of less than the Minimum Initial Subscription Amount (where the applicant does not hold any Shares in the Subsequent Class at the time of switching) or the Minimum Subsequent Subscription Amount (where the applicant holds Shares in the Subsequent Class at the time of switching) of the Subsequent Class.

Switching of Shares will be suspended during any period when the calculation of the Net Asset Value of the relevant Segregated Portfolio and/or subscription or redemption of Shares of the relevant Segregated Portfolio is suspended. For details, please see the section below headed "*8. Valuation and Prices – Suspension*". Applicant shall not without the consent of the Directors be entitled to withdraw a Switching Notice except in the event of a suspension.

7. RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

RISK FACTORS

Prospective investors should be aware that investments in Segregated Portfolio(s) are subject to risk. Investors are advised to examine and carefully consider the relevant risk factors relating to the Fund in general (set out below) and those applicable to the relevant Segregated Portfolio(s) (set out in the relevant Appendix) when contemplating whether or not to invest in a Segregated Portfolio.

An investment in a Segregated Portfolio entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of the Segregated Portfolio and bearing the risks that an investment in the Segregated Portfolio represents. The following list and the list of risk factors set out in the relevant Appendix in relation to a Segregated Portfolio are not a complete list of all risks involved in connection with an investment in a Segregated Portfolio. There can be no assurance that a Segregated Portfolio will be able to achieve its investment objective or that any Shareholder will receive a return on his capital and investment results may vary substantially on a monthly, quarterly or annual basis. Investors should consult their own independent professional advisor before investing in a Segregated Portfolio.

General Risks

There is no guarantee that in any time period, particularly in the short term, a Segregated Portfolio's portfolio will achieve appreciation in terms of capital growth. A Segregated Portfolio's portfolio may be subject to market fluctuations and to all the risks inherent in all investments and markets. As a result, the price of Shares may go down as well as up.

Investment in the Segregated Portfolio(s) involves risks. Whilst it is the intention of the Manager to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in a Segregated Portfolio. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Segregated Portfolio.

Availability of Investment Opportunities

The Segregated Portfolios compete in a highly competitive market for investment opportunities. The success of a Segregated Portfolio depends, in large part, on the ability to acquire target assets at attractive prices. In acquiring target assets, a Segregated Portfolio competes with a variety of institutional investors, public and private funds, commercial and investment banks, insurance companies and other financial institutions. Many of the competitors of a Segregated Portfolio may be substantially larger and have considerably greater financial, technical, marketing and other resources than the Segregated Portfolio. Some competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments. Competition for investments in the target assets of a Segregated Portfolio may lead to the price of such assets increasing, which may further limit the ability of the Segregated Portfolio to generate desired returns. These factors could have a material adverse impact on a Segregated Portfolio's portfolio. As a result of this competition, desirable investments in the target assets of a Segregated Portfolio may be limited and the Segregated Portfolio may not be able to take advantage of attractive investment opportunities from time to time. There can be no assurance that a Segregated Portfolio will be able to identify and make investments that are consistent with its investment objectives.

Volatility Risk

Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, climate, changes in interest rates, and the inherent volatility of the market place. Volatility may

also be due to the fluctuations in the exchange rate of currencies. Therefore, it is a probability measure of the negative impact that an exchange rate movement poses to an investor's portfolio in a foreign currency. During periods of uncertain market conditions the combination of price volatility and the less liquid nature of securities markets may, in certain cases, affect a Segregated Portfolio's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Segregated Portfolio.

Leverage Risk

A Segregated Portfolio may be leveraged by borrowing and may also engage in investment strategies that constitute leverage should the Manager consider this necessary or desirable. Such strategies may include the borrowing and short selling of securities and the acquisition and disposal of certain types of derivative securities and instruments such as swaps, futures and options.

While leveraging creates an opportunity for greater total returns, it also exposes the Segregated Portfolio to a greater risk of loss arising from adverse price changes. For a further explanation of the risks involved in entering into certain leveraged transactions, see the paragraph below headed "Derivatives Risk".

Borrowing also involves an increased degree of financial risk and may increase the exposure of the Segregated Portfolio to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that the Segregated Portfolio will be able to borrow on favourable terms, or that the Segregated Portfolio's indebtedness will be accessible or be able to be refinanced by the Segregated Portfolio at any time.

Repurchase Agreements Risk

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

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

Reverse Repurchase Agreements Risk

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

Securities Lending Risk

The principal risk when lending securities is that the borrower might become insolvent or refuse to honour its obligations to return the securities. In this event, the Segregated Portfolio could experience delays in

recovering its securities and may possibly incur a capital loss. The Segregated Portfolio may also incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received from a securities lending counterparty. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Segregated Portfolio to the securities lending counterparty at the conclusion of the securities lending contract. The Segregated Portfolio would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Segregated Portfolio.

Stock Borrowing Risk

The Manager may borrow securities for the account of a Segregated Portfolio on terms that such securities may be recalled by the lender at short notice. If the securities are recalled, the Manager may be required to unwind a strategy early, which may result in losses. The Manager will endeavour to borrow non-recallable stock where possible.

Short Selling Risk

The Manager, on behalf of a Segregated Portfolio may short sell securities of an issuer. Short sales, which involve a sale of a security which the Segregated Portfolio does not own, can result in profits when the prices of the securities sold short decline, and losses, which are theoretically unlimited, when such prices increase.

If the price of the issuer's securities declines the Manager may then cover the short position with securities purchased in the market. The profit realized on a short sale will be the difference between the price received in the sale and the cost of the securities purchased to cover the sale.

The possible losses from selling short securities differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by the various national and regional securities exchanges, which restrictions could limit the investment activities of the Manager.

Exchange Limitations on Trading

For all securities or futures contracts listed on a securities or futures exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and may make it impossible for the Manager to liquidate positions. As a result, a Segregated Portfolio may be exposed to potential losses.

Reliance on Publicly Available Information

The Manager may select investments for a Segregated Portfolio, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Manager by the issuers or through sources other than the issuers. Although the Manager will generally evaluate all such information and data and, when the Manager considers it is appropriate and when it is reasonably available, seek independent corroboration, the Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available. Investments may not perform as expected if such information is inaccurate.

Reliance on Service Providers

The Fund has retained the Service Providers and may retain additional service providers at any time and from time to time. As the Fund has no employees and the Directors have all been appointed on a non-executive basis, the Fund is reliant on the performance of the Service Providers. Each Shareholder's

relationship in respect of its Shares is with the Fund in respect of the relevant Segregated Portfolio only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no Shareholder will have any contractual claim against any Service Provider for any reason related to the Service Provider's services to the Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant Service Provider is, *prima facie*, the Fund.

Liquidity Risk

The market for some securities in which the Segregated Portfolio(s) may invest may be relatively illiquid and the liquidity of certain of the markets generally has fluctuated substantially over time. Liquidity relates to the ability of a Segregated Portfolio to sell an investment in a timely manner. The market for relatively illiquid securities tends to be more volatile than the market for more liquid securities. Investment of a Segregated Portfolio's assets in relatively illiquid securities may restrict the ability of the Segregated Portfolio to dispose of its investments at a price and time that it wishes to do so. The risk of illiquidity also arises in the case of over-the-counter transactions. Where any Segregated Portfolio acquires securities on over-the-counter markets, investors should be aware that there is no guarantee that the Segregated Portfolio will be able to redeem the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility. There is no regulated market in such contracts, and the bid and offer prices will be established solely by dealers in these contracts.

Equity Securities

A Segregated Portfolio may invest in equity securities, which may offer a higher rate of return than those in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value.

Derivatives Risk

The Segregated Portfolio(s) may have exposure to derivatives including instruments and contracts which value is linked to one or more underlying securities, interest rates, foreign exchange rates, financial benchmarks or indices. Derivatives allow an investor to hedge or take a view on the price movements of a particular security, financial benchmark or index at a fraction of the cost of investing in the underlying asset.

Therefore, the value of a derivative depends largely upon price movements in the underlying asset. Many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, because of the leveraging effect, an investor only needs to place a small amount to gain market exposure to the underlying asset. Should there be any adverse market movement that affects the underlying asset price, the investor's loss will exceed the original amount invested.

Swaps, derivatives, and certain options and other custom derivative or synthetic instruments are subject to the risk of non-performance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. If one or more of the Segregated Portfolio's counterparties were to become insolvent, there is a risk that the recovery of the Segregated Portfolio's securities and other assets from such counterparty will be delayed or be a value less than the value of the securities or assets originally entrusted to such counterparty.

In addition, the Fund for and on behalf of a Segregated Portfolio may use counterparties located in various jurisdictions around the world. Such local counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. Because of the large number of entities and jurisdictions and the range of possible factual scenarios that may be involved in the insolvency of a counterparty, it is impossible to generalise about the effect of a counterparty's insolvency on the Fund and/or the Segregated Portfolio and their assets.

Over-The-Counter Market Risk

Where a Segregated Portfolio acquires securities on over-the-counter markets, there is no guarantee that the Segregated Portfolio will be able to realise the fair value of such securities due to the tendency of over-the-counter markets to have limited liquidity and comparatively high price volatility. There is no regulated market in such contracts, and the bid and offer prices will be established solely by dealers in these contracts.

Counterparty Risk

The Fund on behalf of a Segregated Portfolio may enter into transactions in over-the-counter markets, which will expose the Segregated Portfolio to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Fund on behalf of a Segregated Portfolio may enter into repurchase agreements, forward contracts, options and swap arrangements or other derivative techniques, each of which expose the Segregated Portfolio to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Segregated Portfolio could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred. Derivative contracts such as swap contracts entered into by the Fund on behalf of a Segregated Portfolio on the advice of the Manager involve credit risk that could result in a loss of the Segregated Portfolio's entire investment as the Segregated Portfolio may be fully exposed to the credit worthiness of a single approved counterparty where such an exposure will be collateralised.

Risk of Trading in Options and Futures

Futures prices may be volatile. This volatility may lead to substantial risks and returns, possibly much larger than in the case of equity or fixed income investments. A Segregated Portfolio may trade futures on a leveraged basis. As a result, a relatively small price movement in a futures contract may result in immediate and substantial gains or losses for the Segregated Portfolio.

Futures trading may be illiquid. Certain exchanges do not permit trading particular futures at prices that represent a fluctuation in price during a single day's trading beyond certain set limits, which could prevent the Segregated Portfolio from promptly liquidating unfavourable positions, subjecting the Segregated Portfolio to substantial losses. Exchanges and regulatory authorities in some jurisdictions impose speculative position limits on the number of futures positions a person or group may hold or control in particular futures. For the purposes of complying with speculative position limits, the Segregated Portfolio's outright futures positions may be required to be aggregated with any futures positions owned or controlled by the Manager or any agent of the Manager. As a result, the Segregated Portfolio may be unable to take positions in particular futures or may be forced to liquidate positions in particular futures.

Some exchanges are "principals' markets" in which no common clearing facility exists and a trader may look only to the broker for performance of the contract. In addition, unless the Segregated Portfolio hedges against fluctuations in the exchange rate between the Base Currency and other currencies in which trading is done on certain exchanges, any profits that the Segregated Portfolio realises in trading could be reduced or eliminated by adverse changes in the exchange rate, or the Segregated Portfolio could incur losses as a result of those changes.

Hedging Transactions May Increase Risk of Capital Losses

The Manager may utilize a variety of financial instruments, such as options, futures, swaps and forwards, for risk management purposes. The Manager may not anticipate a particular risk so as to hedge against it or may anticipate a risk and choose not to hedge it. While the Manager may enter into hedging transactions

to seek to reduce risk, such transactions may amplify loss and result in a worse overall performance for the Segregated Portfolio(s). Hedging against a decline in the Segregated Portfolio(s)' portfolio does not eliminate fluctuations in the value of the Segregated Portfolio's positions or prevent losses if the value of such positions declines, but establishes other positions designed to gain from those same developments. Hedging is intended to mitigate the decline in the value of an investment in the Segregated Portfolio(s). Such hedging transactions also limit the opportunity for gain in the event that the value of the Segregated Portfolio(s)' positions increases.

In addition, the portfolio is always exposed to certain risks that cannot be hedged, such as credit risk, relating both to particular securities and counterparties.

Risks Relating to Changing Market, Economic and Political Conditions

Changing market and economic conditions and other factors, such as changes in tax laws, securities laws, bankruptcy laws or accounting standards, may make the business of the Fund and the Segregated Portfolio(s) less profitable or unprofitable.

The economies of individual countries in which the Segregated Portfolio(s) may invest may differ favourably or unfavourably from the economies of more developed countries in such respects as growth of gross domestic product, rate of inflation, deflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position.

The economic and political risks described above may also adversely impact the value of derivative instruments and securities that are linked to the performance of emerging markets.

Emerging Markets Risk

With respect to any emerging country, there is the possibility of nationalisation, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments and war which could affect adversely the economies of such countries or the value of a Segregated Portfolio's investments in such countries. In addition, it may be difficult to obtain and enforce a judgement in a court in an emerging country.

Emerging markets can be significantly more volatile than developed markets, so that the value of investments may be subject to large fluctuations. Generally, emerging market securities are subject to greater risk than securities of developed markets in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with emerging market securities, the prices of such securities may tend to fluctuate more than those of developed markets. The market for emerging market securities is less liquid and less active than that for securities of developed markets, which can adversely affect the prices at which securities are sold. In addition, bad publicity and investor perception about emerging market securities, whether or not based on fact, may contribute to a decrease in the value and liquidity of such securities.

Inability to Transact as a Result of Exposure to Material Non-Public Information

From time to time, the Manager, and/or its affiliates may receive material non-public information with respect to an issuer of publicly-traded securities. In such circumstances, Segregated Portfolio may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer. That could result in substantial risk of loss or loss of opportunity if the Segregated Portfolio is not able to purchase or sell such security.

Settlement Risk

A Segregated Portfolio will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in the emerging markets in relation to the settlement of securities

transactions and custody of assets will provide increased risk. Although the emerging markets have grown rapidly over the last few years, the clearing, settlement and registration systems available to effect trades on such markets are significantly less developed than those in more mature world markets. This can result in delays and other material difficulties in settling trades and in registering transfers of securities, thereby affecting the Net Asset Value and liquidity of a Segregated Portfolio.

Custody Risk

Assets held as collateral by the Prime Broker (if any) in relation to facilities offered to a Segregated Portfolio, assets held as collateral by counterparties to derivative transactions with a Segregated Portfolio and assets deposited as margin with either the Prime Broker, counterparties or with executing brokers might not be segregated from the assets of the Prime Broker, counterparties or such executing brokers. Such assets might therefore be available to the creditors of such persons in the event of their insolvency. In addition, no independent custodian has, as at the date of this Placing Memorandum, been appointed to hold the cash or other assets of a Segregated Portfolio. Bank accounts in which the cash of a Segregated Portfolio are held are generally operated by the Manager and/or the Administrator under authority from the Fund on behalf of a Segregated Portfolio.

Similarly, cash held or received for a Segregated Portfolio by or on behalf of the Prime Broker will not normally be treated as client money and will not be subject to the client money protections under applicable laws. Accordingly a Segregated Portfolio's cash will also be collateral and will not be segregated from the cash of the Prime Broker. As a consequence such cash may be used by the Prime Broker in the course of its business and a Segregated Portfolio will rank as a general creditor of the Prime Broker in the event of the Prime Broker's insolvency. This may also result in an adverse effect on the Net Asset Value of a Segregated Portfolio.

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

Foreign Currency Markets Risk

A Segregated Portfolio will have exposure to fluctuations in currency exchange rates where the Segregated Portfolio invests directly or indirectly in securities denominated in currencies other than the Base Currency of the Segregated Portfolio or the Class Currency of the relevant Class of Shares. The Segregated Portfolio may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. However, investors should be aware that the abovementioned hedging transactions may not necessarily succeed in protecting investors against exchange rate risks that the Segregated Portfolio is exposed to. Further, the markets in which foreign exchange transactions are effected may be highly volatile, highly specialized and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Debentures and Debt Securities Risks

1) Interest Rates Risk

Changes in market interest rates will affect the value of debt securities held by a Segregated Portfolio. Generally, the market value of debt securities moves in the opposite direction from interest rates; the market

value decreases when interest rates rise and increases when interest rates fall. A Segregated Portfolio's Net Asset Value per Share generally moves in the same direction as the market value of the debt securities in the Segregated Portfolio. Therefore, if interest rates rise, investors should expect the Segregated Portfolio's Net Asset Value per Share to fall, and if interest rates fall, investors should expect the Segregated Portfolio's Net Asset Value to rise. Long-term debt securities are generally more sensitive to changes in interest rates and, therefore, are subject to a greater degree of market price volatility. To the extent a Segregated Portfolio holds long-term debt securities, its Net Asset Value will be subject to a greater degree of fluctuation than if it held debt securities of a shorter duration.

2) Credit and Default Risks

When the Manager invests the assets of a Segregated Portfolio in debentures or other debt securities, the Segregated Portfolio may be exposed to the credit or default risk of an issuer of such debentures or other debt securities, particularly bonds and private debt securities. The issuers of such instruments may incur difficulties in making full and timely repayments of principal and interest, which may lead to a default and, ultimately, a fall in the value of the Segregated Portfolio.

In addition, a Segregated Portfolio is exposed to the possibility of default in parties which it trades or chooses to place deposits or excess cash with.

Credit Rating Risk

Investment grade securities may be subject to the risk of being downgraded to below investment grade securities. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, a Segregated Portfolio's investment value in such security may be adversely affected. The Manager may or may not dispose of the securities, subject to the investment objectives of the relevant Segregated Portfolio.

In the event of investment grade securities being downgraded to below investment grade securities or when a Segregated Portfolio invests in securities which are below investment grade or which are non-rated, such securities would generally be considered to have a higher credit risk and a greater possibility of default than more highly rated securities. If the issuer of securities defaults, or such securities cannot be redeemed, or perform badly, investors may suffer substantial losses. The market for these securities may be less active, making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the relevant Segregated Portfolio's prices may be more volatile.

In particular, the value of lower-rated or unrated corporate bonds is affected by investors' perceptions. When economic conditions appear to be deteriorating, lower rated or unrated corporate bonds may decline in market value due to investors' heightened concerns and perceptions over credit quality.

Risks Relating to Investments in Underlying Funds

A Segregated Portfolio may invest in other investment funds which may subject the Segregated Portfolio to the risks relating to the investments, management and liquidity of such investment funds.

Concentration Risk

The investment of a Segregated Portfolio may be concentrated in a particular company, sector, market or country. A concentrated investment strategy may be subject to a greater degree of volatility and risk than a diversified investment strategy. To the extent a Segregated Portfolio concentrates its investment in a particular company, sector, market or country, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the return on investments by investors in a Segregated Portfolio that adopts a concentrated investment strategy may be adversely affected by the unfavourable developments in the markets or countries in which the relevant Segregated Portfolio invests.

Registration Risk

There is generally a limited choice of service providers in emerging or developing economies or markets who can act as share registrars. Furthermore, such share registrars may not be subject to effective government supervision. As such, it is possible for a Segregated Portfolio investing in emerging or developing economies or markets to lose its registration of underlying investments through default, fraud, negligence, or mere oversight on the part of such registrars. Such registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate an affected Segregated Portfolio as a result thereof. Whilst such registrar and the relevant investee company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that the relevant Segregated Portfolio would be able to successfully bring a claim against either of them as a result of such loss.

Furthermore, registrars of the underlying investments or the relevant investee company may wilfully refuse to recognise the Fund on behalf of a Segregated Portfolio as a registered holder of Shares previously purchased by the Segregated Portfolio due to the destruction of the Fund's register. In addition, confirmations of investments delivered by local registrars which are sometimes used to evidence investments may not always be subject to effective oversight.

Investors should be aware that the Segregated Portfolio(s) could be exposed to a loss arising from the above problems or other problems relating to the registration of underlying investments.

Cyber Crime and Security Breaches

With the increasing use of the Internet and technology in connection with the Fund's operations, the Fund is susceptible to greater operational and information security risks through breaches in cyber security. Cyber security breaches include, without limitation, infection by computer viruses and gaining unauthorised access to the Fund's systems through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operations to be disrupted. Cyber security breaches may also occur in a manner that does not require gaining unauthorised access, such as denial-of-service attacks or situations where authorised individuals intentionally or unintentionally release confidential information stored on the Fund's systems. A cyber security breach may cause disruptions and impact the Fund's business operations, which could potentially result in financial losses, the inability to determine the Net Asset Value of the relevant Segregated Portfolios, violation of applicable law, regulatory penalties and/or fines, compliance and other costs. The Fund and its Shareholders could be negatively impacted as a result. In addition, because the Fund works closely with third-party service providers (e.g. Custodians, transfer agents, Administrator and distributor (if any)), indirect cyber security breaches at such third-party service providers may subject the Fund and its Shareholders to the same risks associated with direct cyber security breaches. Further, indirect cyber security breaches at an issuer of securities in which the Fund invests may similarly negatively impact the Fund and its Shareholders. While the Fund has established risk management systems designed to reduce the risks associated with cyber security breaches, there can be no assurances that such measures will be successful.

Performance Fee

Performance Fee may be payable in respect of certain Segregated Portfolio(s). The Performance Fee payable to the Manager may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a Performance Fee. Prospective investors should note that the Management Fee and Performance Fee payable to the Manager in relation to a Segregated Portfolio may be based in part upon unrealised gains (as well as unrealised losses), and that such unrealised gains and losses may never be realised by the relevant Segregated Portfolio.

Risks relating to Dependence on the Manager

The success of the Segregated Portfolio(s) depends upon the ability of the Manager to develop and implement investment strategies that achieve each Segregated Portfolio's respective investment objectives.

Moreover, subjective decisions made by the Manager may cause a Segregated Portfolio to incur losses or to miss profit opportunities on which it would otherwise have capitalized.

Furthermore, a Segregated Portfolio's performance is largely dependent on the continuation of an agreement with the Manager and the services and skills of its delegates and their respective officers and employees. The loss of the services of the Manager or of its delegates (or of any of their respective key personnel) could materially and negatively impact the value of a Segregated Portfolio.

Principals of the Manager Not Full Time

Although the principals of the Manager will devote as much time to the Segregated Portfolio(s) as they believe is necessary to assist the Segregated Portfolio(s) in achieving their respective investment objectives and to administer their respective operations, none of them devotes substantially all of his or her working time to the affairs of the Segregated Portfolio(s), as they must devote a portion of their time to other investments. The principals of the Manager may not have employment agreements and the loss of the services of one or more of the principals of the Manager may have a material adverse effect on the Segregated Portfolio(s).

Risks Relating to the Lack of Management Control by Investor

Shareholders of a Segregated Portfolio have no right or power to take part in the management or control of the business of the Segregated Portfolio. The Segregated Portfolio is managed solely by the Manager. Shareholders must rely solely on the judgment of the Manager in selecting investments and should not invest in the Segregated Portfolio unless willing to entrust all aspects of the portfolio management of the Segregated Portfolio to the Manager.

Effect of Substantial Redemptions of a Segregated Portfolio

Substantial redemptions by Shareholders within a short period of time could require a Segregated Portfolio to liquidate securities and other positions more rapidly than would otherwise be desirable, possibly reducing the value of its assets and/or disrupting its investment strategy. Further, it may be impossible to liquidate a sufficient amount of securities to meet redemptions because a significant part of the portfolio at any given time may be invested in securities for which the market is or becomes illiquid. Reduction in the size of a Segregated Portfolio could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Segregated Portfolio's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Risk of Termination of Segregated Portfolio

In the event of the early termination of a Segregated Portfolio, the Segregated Portfolio would have to distribute to the Shareholders their pro rata interest in the assets of the Segregated Portfolio. It is possible that at the time of such sale or distribution, certain investments held by the Segregated Portfolio may be worth less than the initial cost of such investments, resulting in a substantial loss to the Shareholders. Moreover, any organizational expenses with regard to the Shares that had not yet become fully amortized would be debited against the Segregated Portfolio's capital at that time.

Risks Relating to the Creation of New Segregated Portfolios or New Classes of Shares

Additional Segregated Portfolios and/or Classes which may have different terms of investment may be established in the future without the consent of, or notification to existing Shareholders. In particular, additional Classes which may be established in the future may have preferential terms with regard to, inter alia, redemption or liquidity, which may allow Shareholders invested in such Classes to redeem in priority to Shareholders invested in other Classes.

Risks Relating to Segregated Portfolio Companies - Status

The Fund is established as a segregated portfolio company under Cayman Islands law. As a matter of Cayman Islands law only, the assets of one Segregated Portfolio are not available to meet the liabilities of another. However, the Fund is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and, in such circumstances, there is a risk that the assets of a Segregated Portfolio may be applied to meet the liabilities of another Segregated Portfolio whose assets are exhausted.

Risks Relating to Segregated Portfolio Companies - Cross Liability

Where more than one Class or Series of Shares is issued in respect of a particular Segregated Portfolio of the Fund and the liabilities referable to one Class or Series are in excess of the assets referable to such Class or Series; or such Class or Series is unable to meet all liabilities attributed to it, the assets of the Segregated Portfolio attributable to the other Classes or Series of Shares may be applied to cover the liability excess incurred in respect of such Classes or Series of such Segregated Portfolio. Accordingly, there is a risk that liabilities of one Class or Series within a particular Segregated Portfolio may not be limited to that particular Class or Series and may be required to be paid out of one or more other Classes or Series of that particular Segregated Portfolio.

Application Moneys

Where a subscription for Shares is accepted, the Shares will be treated as having been issued with effect from the Business Day immediately following the Closing Date or the relevant Subscription Day notwithstanding that the applicant for those Shares may not be entered in the Fund's register of members until after the relevant Subscription Day. The application moneys paid by an applicant for Shares will accordingly be subject to investment risk in the Fund from the relevant Subscription Day.

Amendment of Redemption Rights

Pursuant to the terms of the Articles, Shareholders that are entitled to vote and have the requisite majority of votes required to pass a special resolution and, if applicable, the necessary Class of a Segregated Portfolio consents, may approve any amendment to the Articles that would restrict the redemption rights of all Shareholders holding Shares of such Class relating to that Segregated Portfolio. Accordingly, the redemption rights of any Shareholder as described in this Placing Memorandum and as set forth in the Articles are subject to change at any time. Redemption rights that may be affected include, without limitation, the notice period for redemptions, the frequency of redemptions and the time and mechanism that the Segregated Portfolio may require to pay redemptions proceeds.

Distributions In Specie

There is no assurance that the Directors will only distribute cash to the Shareholders in satisfaction of redemptions. If significant redemptions are requested, the Segregated Portfolio may be unable to liquidate the investments at the time such redemptions are requested or may be able to do so only at prices that the Directors believe do not reflect the true value of such investments and which would adversely affect the continuing Shareholders. It may also be impracticable for the Directors to liquidate a material proportion of the Segregated Portfolio's investments which are denominated in foreign currency when there is a major devaluation of such foreign currency. Under the above circumstances, or whenever the Directors deem appropriate, the Directors may in their discretion effect a redemption payment in specie or in kind rather than in cash. Investors may be unable to liquidate such securities in a timely manner, may incur brokerage or other transaction costs in liquidating such securities, and may receive a lower price upon liquidation of such securities than the value assigned to them by the Segregated Portfolio at the time of distribution.

Potential Clawback of Redemption Proceeds of Shares

Under certain circumstances, the proceeds of redemption of Shares paid to a Shareholder can be lawfully recalled by a liquidator or other authorised person of the Fund. If a Shareholder acts as and holds Shares as nominee or otherwise does not retain the redemption proceeds received from the Fund, the Shareholder

may be compelled to repay the Fund, even if the Shareholder has distributed redemption proceeds to beneficiaries.

Withholding Tax Risk

Investors should note that proceeds from the sale of the Fund's investments in some markets or the receipt of dividends, distributions or other payments in respect of such investments may be or may become subject to tax, levies, duties or other fees or charges imposed by the authorities of the relevant markets, including taxation levied by withholding at source.

FATCA generally imposes a 30% withholding on certain US sourced or other payments. If the Fund fails to comply with the relevant FATCA related requirements or obligations, the Fund could be subject to withholding tax on payments received by the Fund, which would reduce the Net Asset Value, and adversely affect the value of the Shares. Although the Fund will attempt to satisfy any obligations imposed on the Fund to avoid the imposition of the FATCA withholding tax, there is no guarantee that the Fund will be able to satisfy these obligations. The Fund may not be able to allocate the relevant withholding tax to the investor that caused or contributed to the imposition of the withholding tax. The administrative expenses arising from compliance with FATCA may also result in an increase in the operating expenses of the Fund.

No Operating History

The Fund has no operating history. Accordingly, an investment in a Segregated Portfolio entails a high degree of risk. There can be no assurance that any Segregated Portfolio will achieve its investment objective and program or that the Manager will be able to succeed in achieving any Segregated Portfolio's investment objective and program. There exists a possibility that an investor could suffer a substantial loss as a result of an investment in any Segregated Portfolio.

Conflicts of Interest

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

Valuation and Accounting

Each Segregated Portfolio may adopt IFRS in drawing up the annual accounts of the Segregated Portfolio. However, investors should note that the calculation of the Net Asset Value in the manner described below in the section headed "*8. Valuation and Prices - Calculation of Net Asset Value*" (which the Segregated Portfolio(s) intend to adopt for the purpose of determining Subscription and Redemption Prices of Shares and for the purpose of the calculation of various fees as described in this Placing Memorandum) may not necessarily be in compliance with IFRS. Accordingly, investors should note that the Net Asset Value as described in this Placing Memorandum may not necessarily be the same as the Net Asset Value to be reported in the annual accounts as the Directors upon consultation with the Manager may make necessary adjustments in the annual accounts to comply with IFRS.

Legal Counsel to the Fund

Deacons has been engaged by the Manager to represent them as Hong Kong counsel in connection with the organisation of the Fund, the Segregated Portfolios and the offering of Shares. Deacons has also been appointed as Hong Kong counsel to the Fund in connection with these and other matters. Campbells has been engaged as Cayman Islands legal counsel to the Fund and the Manager. Deacons and Campbells are referred to below as "**Legal Counsel**"). Other counsel may also be retained where the Fund or the Manager (each on its own behalf) determines that to be appropriate.

In connection with each Segregated Portfolio's offering of Shares and subsequent advice to the Fund and the Segregated Portfolios, the Legal Counsel will not be representing Shareholders. No independent legal

counsel has been retained to represent the Shareholders. Each Legal Counsel's representation of the Fund and the Segregated Portfolios is limited to specific matters as to which it has been consulted by the Fund and the Segregated Portfolios. There may exist other matters that could have a bearing on the Fund and/or the Segregated Portfolios as to which the Legal Counsel have not been consulted. In addition, the Legal Counsel do not undertake to monitor compliance by the Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor do the Legal Counsel monitor ongoing compliance with applicable laws. In connection with the preparation of this Placing Memorandum, each Legal Counsel's responsibility is limited to matters of Hong Kong law or Cayman Islands law (as the case may be) and it does not accept responsibility in relation to any other matters referred to or disclosed in this Placing Memorandum or any Appendix. In the course of advising the Fund and the Segregated Portfolios, there are times when the interests of Shareholders may differ from those of the Fund and the Segregated Portfolios. The Legal Counsel do not represent the Shareholders' interests in resolving these issues. In reviewing this Placing Memorandum and each Appendix, the Legal Counsel have relied upon information furnished to them by the Fund and have not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund and the Segregated Portfolios.

There may be situations in which there is a "conflict" between the interests of the Manager and those of the Fund. In these situations, the Manager and the Fund will determine the appropriate resolution of such conflict, and may seek advice from Deacons in connection with such determinations. The Manager and the Fund have consented to Deacons' concurrent representation of such parties in such circumstances.

Risk of Force Majeure and Accidents

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

Electronic delivery of information risk

Information relating to a Shareholder's investment in the Fund or a Segregated Portfolio may be delivered electronically. There are risks associated with such electronic delivery including, but not limited to, that e-mail messages are not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient.

Broad Indemnification of Directors, Manager and Service Providers

The Articles contain provisions that may provide a broader indemnification of the Directors against claims or lawsuits arising out of the Segregated Portfolio's activities than would apply in the absence of such provisions. The Directors are indemnified out of the assets of the Fund against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own fraud, wilful default, dishonesty or Gross Negligence (as defined in the Articles). In addition, under their agreements with the Fund, the Manager and other service providers are entitled to broader indemnification rights than might otherwise apply. If the Fund in respect of a Segregated Portfolio were called upon to perform under its indemnification obligations, then the portion of its assets expended in such fashion would reduce the amount otherwise available for Segregated Portfolio operations.

Investors will also be required to indemnify the Fund, the relevant Segregated Portfolio and the Manager against any form of taxation liability of the Cayman Islands, Hong Kong, the People's Republic of China or of any other part of the world.

Side Letters

Subject to the Articles and all applicable laws, any of the Fund, for the account of a Segregated Portfolio, and/or the Manager or its associates, may, without the consent of any other person, enter into side letters or similar arrangements with investors granting an investor preferred economic and/or other terms as compared to other Shareholders. Such terms may include, but are not limited to, rebates of fees and/or charges payable to the Manager or its associates, the reservation of capacity in the Segregated Portfolios, preferential rights of redemption, and the provision of additional liquidity, co-investment opportunities or additional information to the investor or binding the Fund, for the account of a Segregated Portfolio, in respect of side letters that contain any terms the effect of which provide an investor with more favourable treatment than other Shareholders of the same Class of Shares, enhancing that investor's ability either (i) to redeem Shares of that Class or (ii) to make a determination as to whether to redeem Shares of that Class, and which in either case might reasonably be expected to put other Shareholders of Shares of that Class who are in the same position at a material disadvantage in connection with the exercise of their redemption rights. The Manager or its associates may also agree to consult with or obtain prior approval from particular investors before taking certain actions. Where the Fund, for the account of a Segregated Portfolio, and/or the Manager or its associates has granted preferential rights of redemption, the material terms relating to such preferential rights will be made available on request.

As a result, should the Fund experience a decline in performance over a period of time, a Shareholder who is party to a side letter that permits less notice and/or different redemption times may be able to redeem Shares prior to other Shareholders.

The Directors may enter into such side letters with any party as the Directors may determine in their sole and absolute discretion at any time. Except as described in this Placing Memorandum or as required by law, regulation or the Articles, in general, neither the Fund nor the Manager will be required to notify any or all of the other Shareholders of any such side letter arrangements or any of the rights and/or terms or provisions thereof, nor will the Fund or the Manager be required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders. The other Shareholders will have no recourse against the Fund, the Manager and/or any of their affiliates in the event that certain Shareholders receive additional and/or different rights and/or terms as a result of such side letters.

Handling of Mail

Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Fund to be dealt with. None of the Fund, its Directors, officers, advisors or service providers will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address.

Taxation Risk

An investment in the Fund involves complex tax considerations which may differ for each investor. Each investor is advised to consult his/her own tax advisers. Tax rules and their interpretation in relation to interests in the Fund may change during the life of the Fund which may have an adverse effect on the Fund, the investors and the Fund's investments and investment opportunities. There can be no assurance that any tax authority or court will agree with any particular interpretation of the relevant laws. Any relevant tax authority may conduct tax reviews on the transactions conducted by the Fund and impose additional taxes in respect of previous periods. If the Fund makes investments in a jurisdiction, the Fund or the investors may be subject to income or other tax in that jurisdiction. Additionally, withholding taxes may be imposed on earnings of the Fund from investments in such jurisdiction.

The Data Protection Law Risk

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

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

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Segregated Portfolio(s). Prospective investors should read this entire Placing Memorandum (including the relevant Appendices hereto) and consult their professional advisers before deciding to invest in any Segregated Portfolio of the Fund.

POTENTIAL CONFLICTS OF INTEREST

The Directors, the Manager and other Service Providers may from time to time act as directors, administrator, registrar, secretary, manager, custodian, broker, prime broker, investment manager or investment adviser or carry out other functions as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of the Fund and/or the Segregated Portfolios. It is, therefore, possible that any of them may, in the course of business, have actual or potential conflicts of interest with the Fund and/or the Segregated Portfolios. Each will, at all times, have regard in such event to its obligations to the Fund and the relevant Segregated Portfolios and will endeavour to ensure that such conflicts are managed and minimised so far as reasonably practicable and that measures are adopted that seek to ensure such conflicts are resolved fairly, taking into account the interests of Shareholders of the Fund and/or the Segregated Portfolios as a whole. By acquiring Shares, each Shareholder will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts.

The Manager or the investment adviser (if any) may also act as the investment manager or investment adviser of other funds, client accounts and proprietary accounts whose investment objectives, investment approach and investment restrictions are similar to those of the Fund or the relevant Segregated Portfolios. The Manager, the investment adviser (if any) or any of their affiliates may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund or the relevant Segregated Portfolios. Neither the Manager, the investment adviser (if any) nor any of their affiliates is under any obligation to offer investment opportunities of which any of them become aware to the Fund or the relevant Segregated Portfolios or to account to the Fund or the relevant Segregated Portfolios in respect of (or share with the Fund or the relevant Segregated Portfolios or to inform the Fund or the relevant Segregated Portfolios of) any such transactions or any benefit received by any of them from any such transaction, but will allocate appropriate investment opportunities on a fair and equitable basis between the Fund or the relevant Segregated Portfolios and other clients over time. Such opportunities will generally be allocated among those accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations (a) whether the risk-return profile of the proposed investment is consistent with the account's objectives; (b) the potential for the proposed investment to create an imbalance in the account's portfolio; (c) liquidity requirements; (d) potentially adverse tax consequences; (e) regulatory restrictions that would or could limit an account's ability to participate in a proposed investment; and (f) the need to re-size risk in the account's portfolio. Such considerations may result in allocations among one or more accounts on other than a *pari passu* basis. In certain circumstances, investment opportunities may be allocated solely to the client, fund or account with respect to which the opportunity has been generated.

The Manager and/or its affiliates may come into possession of material, non-public information, and such information may limit the ability of the Fund and/or a Segregated Portfolio to buy and sell investments, even if such information was obtained in the context of the investment activities of other funds, client accounts or proprietary accounts. The Fund and/or Segregated Portfolio will not be free to act upon any such information and, as a result, may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Each of the Manager, the investment adviser (if any) and their affiliates reserve the right to co-invest on its own account or for other funds and/or other clients with the Fund or the relevant Segregated Portfolios, although any such co-investment must be made on terms no better than those in which the Fund or the relevant Segregated Portfolio is investing. The Manager and its affiliates may earn management fees or performance-based compensation (which may or may not be different than the fees and/or compensation charged with respect to the Fund and/or the Segregated Portfolios) in respect of such co-investments. The Manager and its affiliates may, from time to time, offer one or more Shareholders the opportunity to co-invest with the Fund and/or a Segregated Portfolio(s) in particular investments, but are not obligated to arrange co-investment opportunities, and no Shareholder will be obligated to participate in such an opportunity. The Manager or its affiliate will have sole discretion as to the amount (if any) of a co-investment opportunity that will be allocated

to a particular Shareholder. Each of the Manager, the investment adviser and their affiliates may hold and deal in Shares or in investments held by the Fund or the relevant Segregated Portfolios either for their own account or for the account of their clients.

In addition, subject to the paragraphs below relating to the Manager and the investment adviser (if any), any of the foregoing may deal, as principal or agent, with the Fund or the relevant Segregated Portfolios provided that such dealings are carried out in good faith and as if effected on normal commercial terms negotiated on an arm's length basis, and in accordance with any applicable regulatory requirements.

The Manager and the investment adviser (if any) may enter into trades for the account of the Fund or the relevant Segregated Portfolio with the accounts of other clients of the Manager, the investment adviser (if any) or their affiliates ("**cross trades**"). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both clients, the cross trades are executed on arm's length terms at current market value, and the reasons for such cross trades are documented prior to execution.

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

The Manager and its associates or delegates will not (a) deal with the Fund or any Segregated Portfolio as beneficial owner on the sale or purchase to or from the Fund or any Segregated Portfolio (except on a basis approved by the Directors from time to time), or (b) without the consent of the Directors otherwise deal with the Fund or any Segregated Portfolio as principal.

The Manager may share with any other person (including, but not limited to, any investor or any person introducing investors) any fees and other benefits to which it may be entitled from a Segregated Portfolio. The Manager and any person connected with it, including any employee of the Manager or its associated companies, may invest in a Segregated Portfolio, and the Manager may allow to any such person a reduction in the subscription fee (if any) and / or rebate of any fees to which the Manager may be entitled from the Segregated Portfolio.

The Fund and/or the Manager may, in response to questions and requests and in connection with due diligence meetings and other communications, provide additional information to certain investors and prospective investors that is not distributed to other investors and prospective investors in the Fund and/or the Segregated Portfolios. Such information may affect a prospective investor's decision to invest in the Fund and/or the Segregated Portfolios or an existing investor's decision to stay invested in the Fund and/or the Segregated Portfolios.

8. VALUATION AND PRICES

CALCULATION OF NET ASSET VALUE

In accordance with the requirements of the Monetary Authority's Rule on Calculation of Asset Values: - Regulated Mutual Funds ("NAV Rule"), the Fund has established the following Net Asset Value calculation policy ("NAV Policy"), which addresses the pricing and valuation practices, policies, and procedures, required to be established and maintained in accordance with the NAV Rule.

Unless otherwise specified in the relevant Appendix, the Net Asset Value of a Segregated Portfolio will be determined as at the Valuation Point on the relevant Valuation Day of the Segregated Portfolio and on such other occasions as the Directors may from time to time determine or require by calculating the assets of the Segregated Portfolio and deducting the liabilities attributable to such Segregated Portfolio in accordance with this Placing Memorandum.

The Net Asset Value per Share of a particular Class or Series relating to a Segregated Portfolio shall be the Net Asset Value of the relevant Class or Series divided by the number of Shares of such Class or Series in issue as at the Valuation Point on the relevant Valuation Day.

Unless otherwise specified in the relevant Appendix, the value of the assets comprised in a Segregated Portfolio shall be calculated by the Administrator in accordance with the following policies:-

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

- (v) for the purposes of ascertaining quoted, listed, traded or market dealing prices, the Directors, the Administrator, or their agents shall be entitled to use and rely upon mechanised and/or electronic systems of valuation dissemination with regard to valuation of investments of the Segregated Portfolio and the prices provided by any such system shall be deemed to be the last traded prices for the purposes of paragraph (ii) above;
- (vi) interest-bearing securities which are not quoted, listed, traded or dealt in on any stock exchange, commodities exchange, futures exchange or over-the-counter market shall be valued at cost plus accrued interest; and
- (vii) any value (whether of a security or cash) otherwise than in the Base Currency of the Segregated Portfolio shall be converted into the Base Currency at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, *inter alia*, to any premium or discount which they consider may be relevant and to costs of exchange.

The Directors may, in their sole discretion, provide reserves or holdbacks for estimated accrued expenses, liabilities or contingencies, including general reserves or holdbacks for unspecified contingencies, even if such reserves or holdbacks are not in accordance with IFRS.

Notwithstanding the abovementioned provisions, the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value of any asset.

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

The NAV Policy requires the identification of price sources for each instrument type and a practical escalation of resolution procedure for the management of exceptions.

The NAV Policy requires the Fund values the securities within its portfolio(s) by giving priority to unadjusted market prices, and for hard-to-value securities, priority be given to valuation inputs that are directly observable (i.e. those derived from market data, including publicly available information about events and transactions or reflective of assumptions that market participants would use) with the lowest priority being given to inputs that are unobservable (i.e. where market data is not available regarding the assumptions that market participants would use).

To the extent pricing models are used to determine a fair value for hard-to-value securities, the Company may use such to determine a fair value for hard-to-value securities, taking into account all information which is reasonably available at the Valuation Day that would be considered by a market participant in the application of such model but need not undertake exhaustive efforts to obtain that information.

There are inherent limitations of the NAV Policy caused by system error, oversight, breakdowns in processes, a lack of information, exchanges communicating incorrect information, rapidly evolving changes to particular industries, regulatory changes and tax and accounting policies.

A Segregated Portfolio will prepare its annual accounts in accordance with IFRS. Investors should note that the above valuation policies may not necessarily comply with IFRS. Under IFRS, investments should be valued at fair value. If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value. Under the valuation basis described above, listed investments are expected to be valued at the last traded price. While IFRS does not preclude the use of the last traded price, this does need to be within a bid-ask spread to be compliant with IFRS. To the extent that the valuation basis adopted by the Fund deviates from IFRS, the Directors may be required to make adjustments in the annual accounts of the

Fund in order to comply with IFRS, and if relevant will include a reconciliation note in the annual accounts of the Fund to reconcile values shown in the annual accounts determined under IFRS to those arrived at by applying the Fund's valuation rules. Otherwise, non-compliance with IFRS may result in the auditors issuing a qualified or an adverse opinion on the annual accounts depending on the nature and level of materiality of the non-compliance.

The Manager may be involved in the in the pricing of the assets of the Segregated Portfolio.

The Directors and the Manager (to the extent not contrary to any laws and regulations applicable to the Manager) may calculate or assist in the calculation of the Net Asset Value, as such are best placed to provide that information given their knowledge and skills in assessing values of the relevant assets and liabilities. There is a conflict of interest in the involvement of the Directors and the Manager in their role in so doing.

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

Generally, in calculating Net Asset Value per Share, the Administrator may rely, without further inquiry, upon information and communications received by the Administrator in good faith from any source, including (without limitation) the Fund, the Manager, the Custodian, the Prime Broker, any pricing agent, any automatic pricing services or any other person, firm or corporation whatsoever, and the Administrator shall not (in the absence of negligence, fraud, wilful default or bad faith on the part of the Administrator) be liable for any loss suffered by the Fund, any Segregated Portfolio or any Shareholder by reason of any error in such calculations by the Administrator resulting from any inaccuracy in any such information or the failure by such persons to provide any information relevant to the calculation of the Net Asset Value per Share.

SUSPENSION

The Articles provide that the Directors may, at any time and from time to time, in their absolute discretion and for any reason, suspend the determination of the Net Asset Value of any Segregated Portfolio, the Net Asset Value of any Class of Shares, the Net Asset Value per Share of any Class and/or the issue, switching, the redemption of Shares of any Class and/or the payment of the Redemption Price). This may include the whole or any part of a period during which the Shares of any Class may not be either valued or sold in a prudent and orderly manner or at a reasonable price and, without limitation, in any of the following circumstances:-

- (a) during which any stock exchange, commodities exchange, futures exchange or over-the-counter market on which any significant portion of the investments of that Segregated Portfolio is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended;
- (b) when circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable for the Fund on behalf of that Segregated Portfolio to dispose of investments or as a result of which any such disposal would be materially prejudicial to Shareholders of that Segregated Portfolio;
- (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments or the Net Asset Value of that Segregated Portfolio or the Subscription Price or Redemption Price per Share of that Segregated Portfolio or when for any other reason the value of any of the investments or other assets of that Segregated Portfolio or the Net Asset Value of that Segregated Portfolio or the Net Asset Value per Share of that Segregated Portfolio cannot reasonably or fairly be ascertained or cannot, in the opinion of the Directors, be ascertained in a prompt and accurate manner;

- (d) during which the Fund on behalf of that Segregated Portfolio is unable to repatriate funds for the purpose of making payments on the redemption of Shares of that Segregated Portfolio or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Shares of that Segregated Portfolio cannot, in the opinion of the Directors, be effected promptly at normal rates of exchange;
- (e) when in the opinion of the Directors such suspension, delay or extension is required by law or applicable legal process or the issue, redemption or transfer of Shares would result in the violation of any applicable law;
- (f) where the Segregated Portfolio is invested in one or more managed funds, and the redemption of interests in a relevant managed fund is suspended or restricted;
- (g) during which the business operations of the Manager, the Administrator or their delegates in relation to the operations of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God; or
- (h) where the Fund has issued or is expected by the Directors to issue within the next 60 days a notice to convene an extraordinary general meeting of the Fund and/or any Segregated Portfolios or any meetings for the variation of share Rights (defined below) of any Class; or
- (i) during any Soft Wind-Down as described under the section, “*4. Investment Considerations*”.

During such a period of suspension –

- (A) where the suspension is in respect of the determination of the Net Asset Value of a Segregated Portfolio, there shall be no determination of the Net Asset Value of that Segregated Portfolio (although an estimated Net Asset Value may be calculated and published) and any application for issue or request for switching or redemption of Shares of such Segregated Portfolio shall be similarly suspended;
- (B) where the suspension is in respect of the allotment or issue of Shares, the switching of Shares and/or the redemption of Shares of a Segregated Portfolio, there shall be no allotment, issue, switching and/or redemption of Shares of that Segregated Portfolio. For the avoidance of doubt, the allotment, issue, switching or redemption of Shares of any Segregated Portfolio may be suspended without suspending the determination of the Net Asset Value of the relevant Segregated Portfolio.

Any such suspension shall take effect at such time as the Directors shall declare but not later than the close of business on the Business Day next following the declaration, and shall remain in effect until the Directors shall declare the suspension to be at an end, except that such suspension shall terminate in any event on the first Business Day on which both the condition giving rise to the suspension shall have ceased to exist, and no other condition under which suspension is authorised shall exist.

All affected Shareholders will be notified of any such suspension and the ending of such suspension in such manner as the Directors determine.

All reasonable steps will be taken to bring any period of suspension to an end as soon as possible. Any period of suspension effected under paragraph (h) above will be lifted after the holding of the relevant extraordinary general meeting (or any adjourned extraordinary general meeting, if applicable).

In the event that there is a delay in receipt by the Fund of the proceeds of realisation of its investments to meet redemption requests, the Directors may delay the payment of the relevant portion of the amount due on the redemption of Shares.

SUBSCRIPTION AND REDEMPTION PRICES OF SHARES

The Subscription Price and Redemption Price of each Share of a Segregated Portfolio or a Class or Classes in relation thereto shall be calculated in the manner provided in the Articles and as per below unless otherwise specified in the relevant Appendix.

The Subscription Price or Redemption Price of each Share of a particular Class for any relevant Subscription Day or Redemption Day, as the case may be, will, subject as provided below, be determined by dividing the Net Asset Value of the Class account of such Class as at the Valuation Point relating to that Subscription Day or Redemption Day, as the case may be, by the number of Shares of the relevant Class then in issue, the resulting amount being rounded to the nearest cent (0.5 of a cent being rounded up). Notwithstanding the foregoing, where Shares are issued in Series, the Subscription Price of a Share on any relevant Subscription Day shall be US\$1,000 (or such other price as may be determined by the Directors from time to time) while the Redemption Price of a Share of a Series shall be the Net Asset Value of the Series account of such Series as at the Valuation Point on the Valuation Day relating to that Redemption Day, by the number of Shares of the relevant Series then in issue, the resulting amount being rounded to the nearest cent (0.5 of a cent being rounded up).

The Directors have the power, in determining the Subscription Price of a Class or Series of Share, to add to the Net Asset Value per Share of the relevant Class or Series (before making any rounding adjustment) an amount, for the account of the relevant Segregated Portfolio which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the relevant Segregated Portfolio and the latest available asked price of such investments, (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the relevant Segregated Portfolio in investing an amount equal to that Net Asset Value per Share of the relevant Class or Series, and (c) an amount calculated in such manner as may be determined from time to time by the Directors to provide for adjustments relating to any Performance Fee (if applicable).

Similarly, the Directors may, when determining the Redemption Price of a Class of Share, deduct for the account of the relevant Segregated Portfolio from the Net Asset Value per Share of the relevant Class (before making any rounding adjustment) an amount which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the relevant Segregated Portfolio and the latest available bid price of such investments, and (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the relevant Segregated Portfolio in realising assets or closing out positions to provide funds to meet any redemption request. In addition, Shareholders may, upon their redemption, be entitled to receive additional redemption moneys calculated in such manner as may be determined from time to time by the Directors to provide for adjustments relating to any accrued Performance Fee (if applicable).

Further, the Directors may arrange for a revaluation of Shares if they consider that the Subscription Price or Redemption Price calculated in relation to any Subscription Day or Redemption Day, as the case may be, does not accurately reflect the true value of the Shares.

9. ACCOUNTS AND INFORMATION

The assets and liabilities of each Segregated Portfolio will be presented in the audited financial statements of the relevant Segregated Portfolio in accordance with IFRS or such other accounting standards as may be specified in the relevant Appendix. The Accounting Date in respect of each Segregated Portfolio is 31 December of each year or such other date as the Directors may from time to time determine in respect of a Segregated Portfolio and disclose in the relevant Appendix.

Copies of the annual reports and audited accounts of each Segregated Portfolio will be sent to Shareholders of the relevant Segregated Portfolio within six months from the end of the period to which they relate. The annual reports and audited accounts of the Fund and the Segregated Portfolio will also be made available to investors free of charge upon request from the offices of the Manager.

Such financial statements are required to be filed with the Monetary Authority, together with a 'Fund Annual Return' (incorporating general, operating and financial information of the Fund) as required pursuant to the Mutual Funds (Annual Returns) Regulations, 2006 of the Cayman Islands, as amended and revised from time to time, within six months of each financial year end.

To the extent that the valuation basis adopted by a Segregated Portfolio deviates from IFRS, the Directors may take necessary adjustments in the annual accounts to comply with the IFRS and include a reconciliation note in the annual accounts of the Segregated Portfolio to reconcile values arrived at by applying the Segregated Portfolio's valuation rules.

The Net Asset Value per Share can be obtained by Shareholders on request by e-mail, by post or by facsimile to the Manager or by such other means as the Directors may determine.

The Fund, or the Administrator on behalf of the Fund, is required to deliver to the Shareholders of the Fund certain notices and documents from time to time, such as net asset value statements, notices of meetings and annual audited financial statements, regulatory communications and other information, documents, data and records regarding the Shareholder's investment in the Fund ("Investor Communications"). The Fund, or the Administrator on behalf of the Fund, may in the future elect to deliver Investor Communications by e-mail to the Shareholder's address in the Fund's records or by posting them on a password protected website. When delivering Investor Communications by e-mail, the Fund will generally distribute them as attachments to e-mails in Adobe's Portable Document Format (PDF) (Adobe Acrobat Reader software is available free of charge from Adobe's web site at www.adobe.com and the Reader software must correctly be installed on the investor's system before the investor will be able to view documents in PDF format). Shareholders who do not wish to receive Investor Communications electronically, or who wish to change the method of notice, should elect to do so by notifying the Administrator in writing.

The Fund, the Manager and the Administrator will not be liable for any interception of Investor Communications. Shareholders should note that they may incur charges from its Internet service provider or other Internet access provider. In addition, there are risks, such as systems outages, that are associated with electronic delivery.

10. DIVIDEND POLICY

Subject to applicable laws, distributions may be made to Shareholders of a Segregated Portfolio on such basis as may be determined in the sole and absolute discretion of the Directors and as described in the relevant Appendix. It is not generally expected that a Segregated Portfolio will make distributions, unless the relevant Appendix expressly provides for such. Subject to the Articles and applicable laws, dividends may be payable out of income or capital of the relevant Segregated Portfolio, as determined in the sole and absolute discretion of the Directors.

The Directors may amend the dividend policy with respect to payment of distributions and/or fees and charges out of capital by giving not less than one month's prior notice to Shareholders or such other period of prior notice as specified in the relevant Appendix.

Distributions (if any) will be declared and paid in the Class Currency of the relevant Class of Shares. However, the Directors have the absolute discretion, whether generally or in any particular case, to cause all or part of the distributions of a Class of a Segregated Portfolio to be paid out in a currency other than the Class Currency of the relevant Class (the "**Alternative Distribution Currency**"). In such a case, all applicable bank charges and other conversion costs will be deducted from the distributions. The Directors may exercise their discretion to pay distributions denominated in the Alternative Distribution Currency under certain circumstances, such as, but not limited to where, for any reason, insufficient Class Currency is available to the Fund to pay the distributions or where due to the direction of any competent authority or as a result of any legal or regulatory requirement applicable to the Fund and/or the relevant Shareholder, it is not permitted and/or practicable for the distributions to be paid in the Class Currency.

Except where otherwise specifically provided for in the relevant Appendix, any distributions payable will be paid in cash, as soon as practicable following the applicable distribution declaration.

Unless otherwise provided for in the relevant Appendix, a Shareholder may elect the option of automatically reinvesting any given distribution by notifying the Manager at the time of subscription of Shares (or thereafter provided that sufficient notice has been given to the Manager). In the event a Shareholder makes such an election, the distributed amount will be used to purchase additional Shares of the relevant Class on the scheduled distribution payment date or the Subscription Day next following the scheduled distribution payment date (or on such other day as provided for in the relevant Appendix) rather than be paid to such Shareholder in cash.

11. CHARGES AND EXPENSES

MANAGER'S FEES

The Manager may be entitled to receive a Management Fee and/or a Performance Fee with respect to any Segregated Portfolio, as set out in the relevant Appendix. The rate and calculation methodology of such fees shall be set out in the relevant Appendix. The Manager may, in its sole discretion, reduce or waive or rebate the Management Fee and/or the Performance Fee whether in part or in whole and whether generally or in respect to a particular Shareholder.

The Manager may also be entitled to receive a subscription fee payable on the issue of Shares, a redemption charge upon the redemption of Shares and/or a switching charge on the switching of Shares, as may be specified in the relevant Appendix.

The Manager may, in its sole discretion, reduce or waive or rebate the Management Fee or the Performance Fee whether in part or in whole and whether generally or in respect to a particular Shareholder.

ADMINISTRATOR'S FEES

The Administrator shall be entitled to receive fees for providing administrative services to the Fund and the Segregated Portfolio(s). Such fees are charged at rates agreed between the Fund on behalf of the relevant Segregated Portfolio and the Administrator from time to time.

The Administrator shall not be required to incur on its own account and shall be reimbursed by the Fund on behalf of the relevant Segregated Portfolio for any costs or expenses of an exceptional nature as well as any costs or expenses of an out of pocket nature incurred by it in the performance of its duties, including but not limited to printing reports, notices and proxy materials for Shareholders.

CUSTODIAN'S FEES

The Custodian shall be entitled to receive fees for providing custodian services to the Fund and the Segregated Portfolio(s). Such fees may be agreed between the Custodian and the Fund from time to time. The Custodian will also be entitled to be reimbursed by the relevant Segregated Portfolio(s) for all out of pocket expenses incurred in the course of its duties.

PRIME BROKER'S FEES

Where a prime broker or prime brokers are appointed in respect of a Segregated Portfolio, the prime broker will be entitled, in its capacity as the prime broker to the relevant Segregated Portfolio, to transaction fees for clearing and settlement and interest on any advances which it makes to the relevant Segregated Portfolio and such other fees as may be agreed with the Fund with respect to the relevant Segregated Portfolio from time to time in relation to any other facilities the prime broker provides to the relevant Segregated Portfolio. The Prime Broker may charge additional fees for acting as custodian of the assets that it holds as prime broker or sub-custodian of the relevant Segregated Portfolio.

GENERAL EXPENSES

The preliminary expenses of the Fund (including fees in connection with the incorporation of the Fund and registration of the Fund and/or the Directors in the Cayman Islands (to the extent attributable to their directorship of the Fund) with the Monetary Authority), together with the costs incurred in connection with the establishment of the initial Segregated Portfolio (i.e. NARD Global Long Short Equity SP) (the “**Initial Segregated Portfolio**”), are estimated to be US\$60,000, will be borne by the Fund out of the assets of the Initial Segregated Portfolio and amortised over the first three financial years of the Fund commencing on the first day following the close of the Initial Offer Period of the Initial Segregated Portfolio.

Where additional Segregated Portfolio(s) are established in the future, the Directors may in their discretion determine that the unamortized costs to the extent relating to the Fund or a part thereof may be re-allocated to such future Segregated Portfolio(s).

The costs of establishment of each subsequent Segregated Portfolio may be borne by the relevant Segregated Portfolio and amortised over such period as the Directors may determine and disclosed in the relevant Appendix. If any Segregated Portfolio is terminated prior to the expenses being fully amortised, such unamortised amount will be borne by the relevant Segregated Portfolio before its termination.

It should be noted that the proposed treatment of amortising the preliminary expenses of the Fund and the relevant Segregated Portfolio(s) (if applicable) is not in accordance with the requirements of IFRS under which the preliminary expenses and the costs of establishment of the Fund and the relevant Segregated Portfolio(s) should be expensed at the respective time of commencement of the operations of the Fund and such Segregated Portfolio. However, the Directors believe that such treatment is fairer and more equitable to the initial investors than expensing the entire amount at the time when they are incurred. The Directors are of the view that such deviation from the requirements of IFRS is unlikely to become material for the Fund and/or the relevant Segregated Portfolio's financial statements. However, if the amounts involved are material to the audit of the Fund and its Segregated Portfolio's financial statements, the Directors may be required to make adjustments in the annual financial statements of the Fund and the relevant Segregated Portfolio(s) in order to comply with IFRS. If relevant, a reconciliation note may be included in the annual financial statements of the Fund and/or the relevant Segregated Portfolio(s) to reconcile the amounts as shown in the annual financial statements prepared in accordance with IFRS to those derived by applying the amortisation basis to the preliminary expenses of the Fund and its Segregated Portfolio(s). If a Shareholder redeems all or a portion of the Shareholder's Shares relating to a Segregated Portfolio prior to the end of the amortisation period, the Fund may, but is not required to, accelerate a proportionate share of the unamortised organisational expenses attributable to such Segregated Portfolio based upon amounts being redeemed and reduce the redemption proceeds payable to the relevant Shareholder by the amount of such accelerated expenses.

The Fund will bear its own running costs, including, but not limited to, the Fund's and the Director's registration fees payable in the Cayman Islands, the annual fee payable to the Monetary Authority in connection with the registration of the Fund as a "regulated mutual fund" under the Cayman Islands Mutual Funds Law, any applicable taxes, Directors' fees (if applicable) the reasonable travel and per diem expenses of the Directors, other costs and expenses of the Fund, such as the fees and expenses of the auditors, legal advisers, tax advisers, investment advisers and other service providers to the Fund, the cost of any liability insurance taken out by the Fund in respect of the Directors and officers, the cost of printing and distributing the annual and interim (if applicable) reports and statements and all other operating and administrative expenses. The Directors have currently waived their entitlement to be paid Directors' fees, although Directors' fees may be paid by the Fund in the future. These expenses are anticipated to be allocated between all Segregated Portfolio(s) in proportion, not only to the respective Net Asset Value of the Segregated Portfolio(s), but also on the basis of the length of time each such Segregated Portfolio(s) has been in existence.

All brokerage (if any) payable on the purchase or sale of investments for a Segregated Portfolio, expenses relating to short sales, clearing and settlement charges, custodial and depositary fees, bank service fees, interest on borrowings of a Segregated Portfolio and fees in respect thereof, custodial fees, bank service fees, audit fees and other expenses related to the purchase, sale or transmittal of a Segregated Portfolio's assets, will be borne by the relevant Segregated Portfolio.

Changes to Fees

The fees and charges payable by the Fund, any Segregated Portfolio and/or investors as currently disclosed in this Placing Memorandum and/or an Appendix may be increased by the Manager without the consent of Shareholders on giving prior written notice to affected Shareholders, provided that such Shareholders shall be provided with the opportunity to redeem on or before a Redemption Day (including any additional

Redemption Day(s) as declared by the Directors) prior to the effective date of any increase in the Management Fee or Performance Fee applicable to them.

BEST EXECUTION, COMMISSION REBATES AND SOFT COMMISSIONS

Portfolio transactions for the Fund and the Segregated Portfolios will be allocated to brokers and dealers in accordance with the best execution policy of the Manager on the basis of numerous factors and not necessarily lowest pricing. Such factors may include price, costs, speed, likelihood of execution and settlement, size, nature or other considerations relevant to the execution of a particular transaction.

The Manager and/or any company associated with it may enter into portfolio transactions for or with the Fund / relevant Segregated Portfolio, either as agent in which case they may receive and retain customary brokerage commission and/or cash commission rebates, or with the approval of the Directors, deal as a principal with the Fund / relevant Segregated Portfolio in accordance with normal market practice, provided that commissions charged to the Fund / relevant Segregated Portfolio in these circumstances do not exceed customary full service brokerage rates.

The Manager and/or any company associated with it (“**the first party**”) reserves the right to effect transactions by or through the agency of another party (“**the second party**”) with whom the first party has an arrangement under which the second party will from time to time provide to or procure for the first party goods, services or other benefits (such as research and advisory services, and computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the relevant Segregated Portfolio as a whole and may contribute to an improvement in the performance of the relevant Segregated Portfolio or of the first party in providing services in relation to the relevant Segregated Portfolio and for which no direct payment is made but instead the first party undertakes to place business with the second party. For the avoidance of doubt, such goods, services or other benefits do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments to the Manager and/or any company associated with it.

The Directors, with respect to each Segregated Portfolio, reserve the right, in their sole discretion, to change its brokerage and custodial arrangements without further notice to Shareholders.

TRADE ERRORS

The Manager will seek to detect trade errors prior to settlement and promptly correct and mitigate any trade error losses. The Manager will evaluate each trade error. Any losses arising from the trade errors will generally be for the account of the relevant Segregated Portfolio. However, to the extent it is determined by the Manager that any losses have arisen from a trade error caused by the fraud, bad faith, wilful default or negligence of the Manager, the Segregated Portfolio will be reimbursed by the Manager. To the extent that a trade error is caused by a counterparty of the Fund or Segregated Portfolio, such as a broker or agent, the Manager will use commercially reasonable efforts to seek to recover any related trade error losses from such counterparty on behalf of the Fund or Segregated Portfolio. The Manager in its sole discretion may offset any trade error income with trade error losses.

12. TAXATION

The information set out below is for general reference only and is not intended to constitute tax advice. Investors should consult their professional advisers on the potential tax or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, domicile, incorporation, establishment, residence or ordinary residence.

Investors are not to construe the contents of this Placing Memorandum or any prior or subsequent communications from the Fund, the Manager or any other Service Provider or any of their respective directors, officers or agents as legal or tax advice.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in a Segregated Portfolio is made will endure indefinitely. The following are summaries based on the law and practice currently in force in the Cayman Islands and Hong Kong which are subject to change or may be subject to different interpretations, possibly with retroactive effect. Other legislation could be enacted that would subject the Fund, a Segregated Portfolio and/or investors to additional or other taxes.

In view of the number of different jurisdictions where local laws may apply to Shareholders, the discussion below may not address the tax consequences to prospective investors of the purchase, ownership, and disposition of Shares. Prospective investors are urged to consult their own tax advisors in determining the possible tax consequences to them under the laws of the jurisdictions of which they are citizens, residents or domiciliaries, jurisdictions in which they conduct business and jurisdictions in which they hold Shares. This discussion does not constitute tax advice.

Additional tax disclosures in respect of a particular Segregated Portfolio or a Class or Classes related thereto may be set out in the relevant Appendix.

CAYMAN ISLANDS

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

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

Cayman Islands – Automatic Exchange of Financial Account Information

The Cayman Islands has signed two FATCA inter-governmental agreements to improve international tax compliance and the exchange of information - one with the United States and one with the United Kingdom (the “**US IGA**” and the “**UK IGA**”, respectively and together the “**IGA’s**”). 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 (the “**CRS**” and together with the IGA’s, “**AEOI**”).

Cayman Islands regulations were issued on 4 July 2014 to give effect to the IGA's, and on 16 October 2015 to give effect to the 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 IGA's and CRS. The UK IGA, related regulations and relevant provisions of the guidance notes have been phased out and replaced with CRS.

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

The AEOI Regulations require the Fund to, amongst other things (i) register with the United States Internal Revenue Service ("IRS") to obtain a Global Intermediary Identification Number (GIIN) (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", and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (i.e. the IRS in the case of a US Reportable Account, HM Revenue & Customs ("HMRC") in the case of a UK Reportable Account, etc.) annually on an automatic basis.

By investing in the a Segregated Portfolio and/or continuing to invest in a Segregated Portfolio, 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 the IRS, HMRC or other overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned and the reduction and/or hold back from any withdrawal proceeds, dividend payments or any other distribution any costs caused (directly or indirectly) by the relevant investor.

HONG KONG

The Fund

The Fund has not registered, and do not intend to register, a branch in Hong Kong pursuant to Part 16 of the Companies Ordinance (Cap. 622) of Hong Kong. It is not intended that the Fund will have any place of business in Hong Kong although the Fund may be considered to carry on a trade or business in Hong Kong by virtue of the activities of the Manager. As such no assurance can be given that the Fund, notwithstanding being incorporated outside Hong Kong, will not be considered by the Hong Kong Inland Revenue Department to be subject to Hong Kong profits tax. It is intended that the affairs of the Fund will be conducted and managed in a manner which seeks to minimise the Fund's potential liability to Hong Kong profits tax.

Hong Kong imposes a two-tiered profits tax on incorporated persons, such as the Fund, on profits which arise in or are derived from Hong Kong, from the carrying on of a trade, business or profession in Hong Kong and which are not capital in nature. Under such two-tiered profits tax regime, the tax rate is 8.25 per cent on assessable profits up to HK\$2,000,000, and 16.5 per cent on any part of assessable profits over HK\$2,000,000. Whether a gain is regarded as being capital or revenue in nature is a question of fact.

Notwithstanding the above general rules, pursuant to the Revenue (Profits Tax Exemption for Offshore Funds) Ordinance 2006, as amended by the Inland Revenue (Amendment) (No. 2) Ordinance 2015 and the Inland Revenue (Profits Tax Exemption for Funds) (Amendment) Ordinance 2019 ("**Offshore Funds Ordinance**"), profits earned by fund will be exempt from profits tax if certain conditions can be satisfied.

The conditions, as they pertain to the Fund, are:

- the activities of the Fund are restricted to “specified transactions” (as defined in the Offshore Funds Ordinance) and transactions incidental thereto. “Specified transactions” is defined in the Inland Revenue Ordinance (“IRO”) to include “a transaction in securities”, “a transaction in futures contracts”, “a transaction in foreign exchange contracts”, “a transaction consisting in the making of a deposit other than by way of a money lending business”, “a transaction in foreign currencies”, and “a transaction in exchange-traded commodities”. “Securities” is widely defined but excludes shares or debentures (or rights, options or interests in, or in respect of, such shares or debentures) of a private company which is not a “special purpose vehicle” (“SPV”) or an “excepted private company” (“EPC”);
- either the “specified transactions” are carried out through or arranged by a “specified person” i.e., an authorised financial institution registered with the Securities and Futures Commission (“SFC”) in Hong Kong or a corporation holding any of the Type 1 to 10 licenses issued by the SFC under Part 1 of Schedule 5 of the Securities and Futures Ordinance; or the Fund is a “qualifying fund” (as defined in the Offshore Funds Ordinance); and
- income arising from transactions incidental to the “specified transactions” does not exceed 5% of the total trading receipts from the “specified transactions” and incidental transactions of the Fund.

A SPV means a corporation, partnership, trustee of a trust estate or any other entity that—

- (a) is wholly or partially owned by a non-resident person;
- (b) is established solely for the purpose of holding, directly or indirectly, and administering one or more excepted private companies;
- (c) is incorporated, registered or appointed in or outside Hong Kong;
- (d) does not carry on any trade or activities except for the purpose of holding, directly or indirectly, and administering one or more excepted private companies; and
- (e) is not itself an excepted private company.

An EPC is defined as a private company incorporated outside Hong Kong which satisfies the following conditions at all times within a period of 3 years before the transaction which gives rise to the relevant profits is carried out: -

- (a) did not carry on any business through or from a permanent establishment in Hong Kong;
- (b) falls within either of the following descriptions—
 - (i) it did not hold (whether directly or indirectly) share capital (however described) in one or more private companies carrying on any business through or from a permanent establishment in Hong Kong;
 - (ii) it held such share capital, but the aggregate value of the holding of the capital is equivalent to not more than 10% of the value of its own assets; and
- (c) falls within either of the following descriptions—
 - (i) it neither held immovable property in Hong Kong, nor held (whether directly or indirectly) share capital (however described) in one or more private companies with direct or indirect holding of immovable property in Hong Kong;

- (ii) it held such immovable property or share capital (or both), but the aggregate value of the holding of the property and capital is equivalent to not more than 10% of the value of its own assets;

Profits made by a SPV from the disposal of an EPC or another SPV (i.e. an interposed SPV) holding an EPC will also be exempt from profits tax in Hong Kong to the extent the SPV is owned by a fund exempted under the Offshore Funds Ordinance. There is no Hong Kong withholding tax on dividend and interest payments. In addition, there is no general turnover, sales or value added tax imposed in Hong Kong.

If the Fund acquires or disposes of any “Hong Kong stock” (as defined under the Hong Kong Stamp Duty Ordinance (“SDO”)), stamp duty will be imposed at the current rate of 0.1% on the stated consideration or fair market value, whichever is higher. The transferor and transferee will each be liable for the Hong Kong stamp duty upon such transfer (i.e. 0.2 % in total).

The Shareholders

For the Shareholders where the interests in the Fund represent capital assets to them for Hong Kong profits tax purposes, gains arising from the sale or other disposal of the interest in the Fund should be capital in nature and not taxable. For the Shareholders carrying on a trade or business in Hong Kong and who also invest in securities for trading purposes (e.g. dealers in securities, financial institutions, insurance companies), such gains may be considered to be part of the Shareholders’ normal business profits and in such circumstances may be subject to Hong Kong profits tax (which is currently charged at the rate of up to 16.5% for corporations, and 15% for others) if the gains in question arise in or are derived from Hong Kong.

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

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

There should be no charge to Hong Kong stamp duty on the disposal of Shares or withdrawal of any interests in the Fund. This is on the basis that the share register of the Fund will be maintained outside Hong Kong and the Shares in the Fund should therefore not constitute “Hong Kong stock” for the purposes of the SDO.

This Hong Kong tax disclosure is general in nature and does not purport to cover all Hong Kong tax consequences of investing in the Fund.

Prospective Shareholders should independently consult their own professional advisers on the potential taxation consequences of their subscribing for, buying, holding, transferring, selling, withdrawing or otherwise disposal of the Shares in the Fund.

Other Jurisdictions

It is possible that certain dividends, interest and other income received by the Fund from sources within certain countries will be subject to withholding taxes imposed by such countries. In addition, the Fund may

also be subject to capital gains taxes or other taxes in some of the countries where it purchases and sells securities or otherwise conducts business. It is impossible to predict the rate of tax that the Fund will pay in advance since the amount of the Fund's assets to be invested in various countries is not known.

13. GENERAL INFORMATION

1. Material Contracts

A number of material documents govern the operation of the Fund and the Segregated Portfolios. The Directors may make these documents (in relation to the relevant Segregated Portfolio) available to Shareholders on request at the offices of the Manager. These include, without limitation (each as amended, novated or supplemented from time to time):

- (a) the Memorandum and Articles of Association of the Fund;
- (b) this Placing Memorandum and the relevant Appendices;
- (c) the material agreements relating to the appointment of the Manager and the Fund's or the Segregated Portfolios' other key service providers (as the case may be).

Certain of the abovementioned material agreements may be subject to confidentiality provisions and the contracting parties of such agreements may have the absolute discretion to withhold information which is in their opinion confidential to their business or otherwise not appropriate to disclose. In such circumstances, the Directors may be prevented from making such agreements available to Shareholders on request.

2. Memorandum of Association

The Memorandum of Association of the Fund provides that the Fund's objects are unrestricted and the Fund shall have full power and authority to carry out any object not prohibited by the Companies Law or any other laws of the Cayman Islands.

3. Articles of Association

The Articles provide, *inter alia*, as follows.

The Articles have been drafted in broad and flexible terms to allow the Directors the authority to, in their discretion, determine a number of issues including, where applicable, the period of notice to be given for subscriptions and redemptions and whether or not to impose subscription fees or redemption charges, generally or in any particular case. In approving the offering of Shares on the terms set out in this Placing Memorandum (including the Appendices), the Directors have exercised a number of these discretions in accordance with the Articles.

3.1 *Winding Up of the Fund*

The Fund may be wound up by a special resolution of holders of the Management Shares. The Directors may also present a winding up petition on behalf of the Fund without the prior sanction of a resolution of the holders of the Management Shares or the Shareholders passed at general meeting. On a winding-up, the Management Shares carry the right to a return of the nominal amount paid up thereon. Shares in respect of a Segregated Portfolio carry an exclusive right to share, *pari passu inter se*, in surplus assets remaining in the said Segregated Portfolio. As a matter of Cayman Islands law, the assets and liabilities of one Segregated Portfolio will not be available to meet the liabilities of another Segregated Portfolio or the General Liabilities.

3.2 *Termination of Segregated Portfolio(s)*

The Directors may cause one or more Segregated Portfolio(s) or a Class or Classes in relation thereto (as the case may be) to be terminated by compulsorily redeeming all Shares in the relevant Segregated Portfolio or Class upon prior notice in writing to the relevant Shareholders

if they consider such action to be in the best interest of such Shareholders and, in particular, if any of the following events shall occur:

- (i) in respect of a Segregated Portfolio or in respect of a Class or Classes in relation thereto, the aggregate Net Asset Value of the outstanding Shares of the Segregated Portfolio (or, as the case may be, the Net Asset Value of the relevant Class) falls below such amount as disclosed in the relevant Appendix; or
- (ii) any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue a Segregated Portfolio or a Class or Classes in relation thereto; or
- (iii) the Directors are of the opinion, in their sole and absolute discretion, that it is impracticable or inadvisable to continue a Segregated Portfolio or a Class or Classes in relation thereto (including without limitation, where a significant redemption or redemptions from a Shareholder or Shareholders in a Segregated Portfolio or a Class or Classes in relation thereto take place); or
- (iv) in respect of a Segregated Portfolio which is established for a fixed term, upon the expiry of such term; or
- (v) the relevant Segregated Portfolio has disposed all or substantially all of its investments; or
- (vi) in such other circumstances as set out in the relevant Appendix.

On such termination, the Net Asset Value of the relevant Segregated Portfolio or the relevant Class or Classes of a Segregated Portfolio (as the case may be) shall be calculated in accordance with the Articles and this Placing Memorandum.

The Directors may, simultaneously with the issuance of the prior written notice above immediately declare the suspension of the determination of the Net Asset Value of the Segregated Portfolio or the relevant Class or Classes of a Segregated Portfolio, as the case may be (and accordingly suspend all dealings of such Segregated Portfolio or Class or Classes, as the case may be) so as to facilitate an orderly liquidation of the Segregated Portfolio or Class or Classes of Segregated Portfolio.

3.3 *Quorum; Voting rights*

The holder of a Management Share will (in respect of such Management Share) have the right to receive notice of, attend at, speak or vote at any general meeting of the Fund. The holder of a Share will not (in respect of such Share) have the right to receive notice of, attend at, speak or vote as a Member at any general meeting of the Fund but may vote at a separate meeting of the holders of Shares of any Class or Series convened in accordance with the Articles.

The quorum and voting requirements and procedures are set out in the Articles.

Subject to the Companies Law and the Articles, the Articles may be altered or added to by special resolution which must be passed by holders of the Management Shares.

3.4 *Variation of Share Rights*

The Articles provide that, subject to the Companies Law and the Articles, all or any of the class rights or other terms of offer whether set out in this Placing Memorandum, any Application Form or otherwise (including any representations, warranties or other disclosure relating to the offer or holding of Shares) (collectively referred to as "**Share Rights**") for the

time being applicable to any Class or Series of Shares in issue (unless otherwise provided by the terms of issue of those Shares) may (whether or not the Fund is being wound up) be varied without the consent of the holders of the issued Shares of that Class or Series where such variation is considered by the Directors, not to have a material adverse effect upon such holders' Share Rights; otherwise, any such variation shall be made only with the prior consent in writing of the holders of not less than two-thirds by par value of such Shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Shares. To any such meeting all the provisions of the Articles as to general meetings shall mutatis mutandis apply but so that the quorum for any such meeting shall be the Shareholders holding not less than 20 per cent. by par value of the issued Shares of the relevant Class or Series; where there is only one Shareholder who is entitled to vote, that one Shareholder shall be a quorum.

For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of such Shares. Each subscriber for Shares will be required to agree that the terms of offer set out in the applicable Application Form and the rights attaching to the Shares can be varied in accordance with the provisions of the Articles.

The Articles provide that, in relation to any Class or Series consent of which is required pursuant to the Article mentioned above, the Directors in their discretion may invoke the following procedure (the "**Negative Consent Procedure**"). The Directors shall provide written notice in respect of the proposed variation (the "**Proposal**") to the Shareholders of the affected Class or Series (the "**Affected Shares**") and shall specify a deadline (the "**Redemption Request Date**"), which shall be no earlier than 30 days after the date of giving such notice, by which date such Shareholders may submit a written request for redemption of some or all of their Affected Shares on the Redemption Day (the "**Specified Redemption Date**") specified by the Directors in such notice. The terms of the Proposal shall be such that its specified effective date (the "**Effective Date**") shall not be on or prior to the Specified Redemption Date. Such notice shall further provide that the holders of any of the Affected Shares in respect of which a request for redemption has not been received by the Redemption Request Date shall, in the absence of express written refusal to consent, be deemed to have consented in writing to the Proposal (such Affected Shares being the "**Negative Consent Shares**"). In the event that the Negative Consent Procedure is followed, only the Affected Shares in issue after the Specified Redemption Date shall be considered for the purposes of determining whether the written consent majority has been obtained under the relevant Article with the holders of the Negative Consent Shares being deemed to have submitted a written consent in favour of the Proposal on the Effective Date.

For the avoidance of doubt, any changes to any of the following terms or features of the Fund and/or any Segregated Portfolio shall not constitute a variation of Share Rights:

- (A) changes (including any increases) to the Management Fee, the Performance Fee, or any other fees or charges payable by or on behalf of any Segregated Portfolio or Shareholder, provided that for the purposes of the foregoing, any increases to the Management Fee and/or Performance Fee shall have been effected in accordance with the requirements set out in this Placing Memorandum and/or the relevant Appendix;
- (B) changes to the dividend policy of any Segregated Portfolio, Class or Series;
- (C) changes to investment objective, policy and restrictions made in accordance with this Placing Memorandum and/or the relevant Appendix; and
- (D) changes to the Subscription Day, Redemption Day, Valuation Day, Subscription Dealing Deadline and Redemption Dealing Deadline made in accordance with this Placing Memorandum and/or the relevant Appendix.

The holders of the Management Shares by way of ordinary resolution are entitled to appoint and to remove any of the Directors. In addition, the Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles. The appointment of any Director so appointed by the Directors shall not be required to be confirmed or approved by the holder of the Management Shares.

4. Share Capital

The authorised share capital of the Fund is US\$50,000 being made up of 100 Management Shares of US\$1.00 each and 49,900,000 Shares of US\$0.001 each.

The Management Shares are issued for the purpose of enabling all the Shares to be redeemed without liquidating the Fund. The holders of Management Shares are entitled to receive notice of, attend, speak and vote at general meetings of the Fund to the exclusion of the Shareholders unless the Share Rights are amended in a manner as set out in the Articles. The Management Shares carry the right to return of the nominal amount paid up thereon on the winding up of the Fund.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on Shareholders. The Articles provide that the unissued shares are at the disposal of the Directors who may allot, issue, grant options or warrants over or otherwise dispose of them on such terms and conditions as the Directors think fit.

The Fund may by ordinary resolution of the Management Shareholders increase its share capital, consolidate its shares or subdivide any of them into shares of a smaller amount or cancel authorised but unissued shares.

Subject to the provisions of Cayman Islands law and the rights of any holders of any Class of Shares, the Fund may by special resolution of the Management Shareholders amend the Memorandum of Association and the Articles, reduce its share capital or any capital redemption reserve account or deal with any other matters set out in the Articles.

The Articles provide that, subject to the proviso below, no person shall be recognised by the Fund as holding any share upon any trust and the Fund shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or (except only as otherwise provided by the Articles or as the Companies Law requires) any other right in respect of any share except an absolute right to the entirety thereof in each Shareholder registered in the register of Shareholders, provided that, notwithstanding the foregoing, the Fund shall be entitled to recognise any such interests as shall be determined by the Directors.

5. Separate Accounts

The Directors have the power under the Articles to establish and maintain, with respect to Shares of any Class and/or Series in a Segregated Portfolio, a separate account (a "**Separate Account**"), to record (purely as an internal accounting matter) the allocation, on a differentiated basis, of the assets and liabilities of the Segregated Portfolio to the holders of Shares of any such Class and/or a Series in a manner consistent with the methodology set forth in this Placing Memorandum and the rights otherwise attaching to the Shares. The proceeds from the issue of Shares of any Class and/or Series will be applied in the books of the Fund to the Separate Account established for Shares of that Class and/or Series. The assets and liabilities and income and expenditure attributable to that Separate Account will be applied to such Separate Account and, subject to the provisions of the Articles, to no other Separate

Account. In the event that the assets of a Separate Account referable to any Class and/or Series are exhausted, any and all unsatisfied claims which any Shareholder or former Shareholder referable to that Class and/or Series have against the Fund will be extinguished. The Shareholders or former Shareholders referable to a Class and/or Series shall have no recourse against the assets of any other Separate Account established by the Fund.

6. Transfer of Shares

Shares are transferable by instrument of transfer in any usual or common form in the Cayman Islands, or in any other form approved by the Directors signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and the transferee and registered in the register of Shareholders of the Fund.

The Directors may decline to register any transfer of Shares in their absolute discretion without assigning any reason therefor, or any transfer of Shares over which the Fund has a lien. Without limitation to the aforesaid, the Directors may decline to register any instrument of transfer unless it is deposited with the Manager or such other person specified by the Manager or at such other place or places as the Directors may from time to time determine.

The Directors may also decline to register any transfer of Shares unless an application for the transfer of such Shares is accompanied by such evidence as the Directors may reasonably require to show the transfer would not result in those Shares being held by (a) any person who is not a Qualified Holder, (b) any person in breach of the law or requirements of any country, any governmental or other regulatory authority or any stock exchange on which any of the Shares of the Fund may be listed or (c) any person or persons in circumstances which, in the opinion of the Directors, might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered. The Fund, the Administrator and the Manager shall not be liable to the transferor or the transferee for any loss suffered by them as a result of the non-registration of the transfer.

The Directors may suspend the registration of transfers for not more than a total of 30 days in any year.

In the case of the death of any one of the joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint Shareholder in the Shares registered in the names of such joint Shareholders. Unless otherwise specified in the relevant Appendix, there is no independent market for the purchase or sale of Shares, and none is expected to develop.

7. Restriction on Shareholders

The Directors reserve the right to reject any application for Shares in whole or in part for any reason. In particular, Shares may not be offered or sold to any person other than a Qualified Holder. The Directors have the power to require the redemption or transfer of Shares held by a person who is not a Qualified Holder, by any person who is holding Shares in breach of any law or requirement of any jurisdiction, or by any person in circumstances which, in the opinion of the Directors, might result in the Fund or any Segregated Portfolio of the Fund, the Manager or any Service Provider or Shareholder of the Fund or any Segregated Portfolio of the Fund (or any person connected with any of them) breaching any law or requirement of any jurisdiction, incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund or any Segregated Portfolio of the Fund, the Manager or any Service Provider or Shareholder of the Fund or any Segregated Portfolio of the Fund (or any person connected with any of them) might not otherwise have incurred or suffered or which might subject the Fund or any Segregated Portfolio of the Fund, the Manager or any Service Provider or Shareholder of the Fund or any Segregated Portfolio of the Fund (or any person connected

with any of them) to regulation or a requirement to register or obtain any form of licence or approval in any jurisdiction.

8. Cayman Islands Mutual Funds Law

The Fund will be duly registered as a regulated mutual fund under the Mutual Funds Law (as amended and revised from time to time). Once registered, the Monetary Authority has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details of this Placing Memorandum (and any changes thereto) and audited accounts annually with the Monetary Authority. As a regulated mutual fund, the Monetary Authority may at any time instruct the Fund to have its or the Segregated Portfolios' accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. Failure to comply with these requests by the Monetary Authority may result in substantial fines on the part of the directors of the Fund, and may result in the Monetary Authority applying to the court to have the Fund wound up.

The Fund is however, not subject to supervision in respect of its investment activities or the constitution of the Fund's portfolio by the Monetary Authority or any other governmental authority in the Cayman Islands, although the Monetary Authority does have power to investigate the activities of the Fund in certain circumstances. Neither the Monetary Authority nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this Placing Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands.

The Monetary 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 Monetary Authority include the power to require the Fund, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Monetary Authority including the ability to apply to court for approval of other actions.

9. “Master-feeder” Structure

The Fund or a Segregated Portfolio may, in the future, reorganise into a “master-feeder” fund structure. The Directors have the discretion to determine how such reorganisation would be effected. Subject to the discretion of the Directors, such reorganisation may be effected by the Fund or the Fund on behalf of the relevant Segregated Portfolio transferring all of its assets to a master fund (the “**Master Fund**”) which would be a separate Cayman Islands exempted company (or other vehicle). All of the Fund's or the relevant Segregated Portfolio's investments would be held at the Master Fund level and the Fund or the relevant Segregated Portfolio would be allocated shares of the Master Fund. If the Master Fund structure were to proceed, investment activities are expected to be carried out at the Master Fund level. However, the Master Fund would be managed by the same group of managers adopting the same investment strategies.

10. Requests for Information

The Fund, or any directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (as revised), or by the Tax Information Authority, under the Tax Information Authority Law (as revised) or Reporting of Savings Income Information (European Union) Law (as revised) and

associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, director, Service Provider or agent, may be prohibited from disclosing that the request has been made.

11. Amendment to Fund Documents

This Placing Memorandum (including any Appendices hereto) may, without the consent of, and without prior notification to, Shareholders, be amended, supplemented or otherwise modified at any time as determined by the Directors subject to any applicable restrictions on such amendment, supplementation or modification contained in this Placing Memorandum or the Articles. Without limitation to the generality of the foregoing, the Directors are entitled, without the consent of, and without giving prior notification to, Shareholders, to amend, supplement or otherwise modify the existing provisions of this Placing Memorandum in order to reflect the establishment of one or more additional Segregated Portfolios and to incorporate the terms of such newly established Segregated Portfolios, provided that any amendments to this Placing Memorandum in such connection will not, in the opinion of the Directors have a material adverse effect upon such Share Rights of the relevant Shareholders.

In addition, any of the contents of this Placing Memorandum may, in relation a particular Segregated Portfolio, be varied by the Appendix relating to such Segregated Portfolio. In the event of any inconsistency between the provisions of an Appendix in relation to a specific Segregated Portfolio and this Placing Memorandum, the provisions of the Appendix of that Segregated Portfolio shall apply.

The Articles may also be amended by the holder of the Management Shares so as to vary the Share Rights of Shareholders, including in certain circumstances without the consent of such Shareholders as described further in the section headed “*13. General Information – 3.4 Variation of Share Rights*”.

12. Beneficial Ownership Regime

The Fund is regulated as a mutual fund under the Mutual Funds Law and, accordingly, does not fall within the scope of the primary obligations under Part XVIIA of the Companies Law (the “**Beneficial Ownership Regime**”). The Fund is therefore not required to maintain a beneficial ownership register. The Fund may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. It is anticipated that such particulars will generally be limited to the identity and certain related particulars of (i) any person holding (or controlling through a joint arrangement) a majority of the voting rights in respect of the Fund; (ii) any person who is a member of the Fund and who has the right to appoint and remove a majority of the board of directors of the Fund; and (iii) any person who has the right to exercise, or actually exercises, dominant direct influence or control over the Fund.

13. Cayman Islands Economic Substance Law

As a result of the OECD’S global Base Erosion and Profit Shifting initiative and the EU Code of Conduct Group substance requirements, the Cayman Islands has enacted The International Tax Co-operation (Economic Substance) Law, 2018 (“**ES Law**”) and issued related Regulations and Guidance Notes. As a member of the BEPS Inclusive Framework jurisdictions, the Cayman Islands is committed to meeting substantial activities requirements put in place by the OECD Forum on Harmful Tax Practices. Similar legislation has been introduced in numerous jurisdictions, including the Channel Islands and the British Virgin Islands. Under the ES Law, certain vehicles formed or registered in the Cayman Islands are

required to have economic substance in the Cayman Islands. The requirement to show economic substance is primarily aimed at preventing base erosion and profit shifting. The ES Law applies to “relevant entities”. Investment funds such as the Fund are specifically excluded from the definition of relevant entity and, as such, they are not within the scope of the ES Law. The definition of “investment fund” is broad and will include a wide range of investment funds, including those that are not licensed or registered with Authority. Accordingly, no current requirements are imposed on the Fund by the ES Law.

14.

Cayman Islands Data Protection Law

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

The DPL therefore has the potential to apply to the Fund, the Manager and/or the Administrator amongst others where the Fund are established Cayman Islands entities and the Fund and/or their service providers process any personal data from investors.

Pursuant to the DPL, investors are entitled to certain rights with respect to the collection, storage, dissemination, and access to their personal data. Where the DPL applies to the Fund and/or their operational activities as carried out by its service providers, it will be necessary for any processing of personal data to be for a lawful purpose.

By subscribing for Shares, applicants acknowledge that the Fund may be subject to the provisions of the DPL. The Fund may rely on lawful purposes for processing of personal data such as performance of a contract, complying with a legal obligation, and/or legitimate interests for collecting, processing and storing personal data or transferring to a third party (including *inter alia*, the Manager and/or the Administrator) in connection with its obligations pursuant to subscription, anti-money laundering, counter-terrorist financing, automatic exchange of information compliance (for FATCA and CRS purposes) and other current or future matters, in the United States, the Cayman Islands and elsewhere. This may result in disclosure to third parties such as auditors, bankers, the relevant revenue or regulatory authorities, or agents of the Manager and/or the Administrator who process the data for anti-money laundering and counter-terrorist financing purposes or for compliance with foreign regulatory requirements or other applicable current and future requirements.

As such, the extent of processing of personal data is detailed in the Application Form and in our privacy notice. By subscribing for Shares, the subscriber acknowledges the processing of his/her information, which may include the recording of telephone calls with the Manager and/or the Administrator for the purpose of confirming personal data, and the disclosure of his/her information as outlined above and to the Manager and/or the Administrator and where necessary or in the Fund’s, the Manager’s or the Administrator’s legitimate interests to their affiliates including companies situated in countries inside or outside of the European Economic Area which may have differing levels of data protection laws.

15.

Enquiries

Enquiries or complaints concerning the Fund, any Segregated Portfolio and the Shares thereto (including information concerning subscription and redemption procedures and the current Net Asset Value) should be directed to the Manager, attention: Investor Services, at the address in the Directory above or to Service@nardcapital.com. The Manager will handle or channel to

the relevant party any enquiries or complaints from Shareholders and will revert to the Shareholders accordingly.