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Name of Offeree

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Memorandum Number

**CONFIDENTIAL**

**PRIVATE PLACEMENT MEMORANDUM**

**December 20, 2012**

**DUET EMERGING MACRO FUND LIMITED**

(A Cayman Islands Exempted Company)

Participating Shares, par value U.S. \$0.01 per share

Minimum Subscription:

Class A Participating Shares U.S. \$1,000,000

Class B Participating Shares U.S. \$250,000

Manager:  
Duet Alternative Investments (USA) Ltd.

Administrator:  
SEI Global Services, Inc.

THE PARTICIPATING SHARES BEING OFFERED HEREBY WILL NOT BE TRANSFERABLE WITHOUT THE CONSENT OF THE BOARD OF DIRECTORS OF DUET EMERGING MACRO FUND LIMITED (THE "FUND") AND REDEMPTION OF PARTICIPATING SHARES WILL BE PERMITTED ONLY AT CERTAIN TIMES SPECIFIED BY THE DIRECTORS PURSUANT TO THE ARTICLES OF ASSOCIATION OF THE FUND, AS AMENDED AND/OR RESTATED FROM TIME TO TIME (THE "ARTICLES") AND THIS MEMORANDUM. NO PUBLIC MARKET EXISTS OR WILL DEVELOP FOR THE PARTICIPATING SHARES. THE PARTICIPATING SHARES HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT"), AND MAY BE OFFERED TO TAX EXEMPT INVESTORS IN THE UNITED STATES IN RELIANCE UPON AN EXEMPTION FROM SAID ACT. NEITHER THE PARTICIPATING SHARES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE UNITED STATES IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT AND UNDER ANY APPLICABLE STATE SECURITIES OR BLUE SKY LAWS, EXCEPT PURSUANT TO EXEMPTIONS THEREFROM.

THE PARTICIPATING SHARES BEING OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY OF ANY COUNTRY OR JURISDICTION, NOR HAS SUCH GOVERNMENT AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM (THE "MEMORANDUM"). ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS INVESTMENT OPPORTUNITY IS OPEN ONLY TO (i) SELECTED U.S. PERSONS WHO ARE BOTH ACCREDITED INVESTORS AS DEFINED IN THE SECURITIES ACT AND QUALIFIED CLIENTS AS DEFINED IN THE UNITED STATES INVESTMENT ADVISERS ACT OF 1940, AS AMENDED (THE "ADVISERS ACT") AND (ii) TO NON-U.S. PERSONS THAT ARE QUALIFIED CLIENTS.

PROSPECTIVE PURCHASERS SHOULD REVIEW THIS MEMORANDUM CAREFULLY AND CONSULT WITH LEGAL AND FINANCIAL ADVISERS IN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE AND DOMICILE TO DETERMINE THE POSSIBLE TAX OR OTHER CONSEQUENCES OF PURCHASING AND HOLDING THE PARTICIPATING SHARES UNDER THE LAWS OF THEIR RESPECTIVE JURISDICTIONS. PROSPECTIVE PURCHASERS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX, INVESTMENT, OR OTHER ADVICE. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN ADVISORS AS TO LEGAL, BUSINESS, TAX, AND OTHER RELATED MATTERS CONCERNING AN INVESTMENT IN THE PARTICIPATING SHARES.

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THIS INVESTMENT INVOLVES SIGNIFICANT RISK AND IS SUITABLE ONLY FOR INVESTORS OF SUBSTANTIAL NET WORTH WHO ARE WILLING AND HAVE THE FINANCIAL CAPACITY TO PURCHASE A HIGH RISK INVESTMENT WHICH MAY NOT PROVIDE ANY IMMEDIATE CASH RETURN. SEE "INVESTMENT

CONSIDERATIONS/RISK FACTORS” IN THIS MEMORANDUM FOR A DESCRIPTION OF SUCH RISKS. AN INVESTOR SHOULD BE ABLE TO BEAR THE COMPLETE LOSS OF AN INVESTMENT IN THE FUND.

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IN CONSIDERING THE PURCHASE OF PARTICIPATING SHARES, PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE TARGETED RESULTS OR ITS INVESTMENT OBJECTIVES OR THAT INVESTORS WILL RECEIVE A RETURN OF THEIR CAPITAL. IN ADDITION, ANY FORWARD LOOKING STATEMENTS (INCLUDING, WITHOUT LIMITATION, PROJECTIONS OF FUTURE EARNINGS OR VALUE) CONTAINED HEREIN ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS TO BE MATERIALLY DIFFERENT FROM THOSE CONTEMPLATED IN SUCH STATEMENTS.

PROSPECTIVE INVESTORS SHOULD CAREFULLY READ THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY PARTICIPATING SHARES (I) IN ANY JURISDICTION WHERE SOLICITATION OR SALE WOULD BE PROHIBITED BY LAW, (II) TO ANYONE WHO HAS NOT COMPLETED A PROSPECTIVE INVESTOR QUESTIONNAIRE AND SUBSCRIPTION AGREEMENT SATISFACTORY TO THE DIRECTORS, OR (III) TO ANYONE WHOSE NAME AND IDENTIFICATION NUMBER DO NOT APPEAR ON THE COVER PAGE OF THIS MEMORANDUM. THE DIRECTORS MAY REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, MAY INCREASE OR DECREASE THE AMOUNT OF THIS PRIVATE PLACEMENT, AND MAY TERMINATE OR MODIFY THE TERMS HEREOF, NOTWITHSTANDING ANY OFFER OR SOLICITATION. THERE IS NO MINIMUM AMOUNT OF SUBSCRIPTIONS WHICH MUST BE ACCEPTED BEFORE A CLOSING OF THIS PRIVATE PLACEMENT CAN OCCUR, AND THE DIRECTORS RESERVE THE RIGHT TO CLOSE THE PRIVATE PLACEMENT IN ONE OR MORE CLOSINGS AND WITH ANY AMOUNT OF SUBSCRIPTIONS.

ANY DISTRIBUTION OF THIS MEMORANDUM TO ANY PERSON OTHER THAN THE OFFEREE NAMED ON THE COVER PAGE OF THIS MEMORANDUM IS UNAUTHORIZED. ANY REPRODUCTION OF THIS MEMORANDUM, INCLUDING ANY EXHIBITS AND OTHER ATTACHMENTS HERETO, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ANY OF ITS CONTENTS, IN WHOLE OR IN PART, TO ANY PERSON OTHER THAN SUCH OFFEREE, WITHOUT THE PRIOR WRITTEN CONSENT OF THE DIRECTORS IS PROHIBITED. NOTWITHSTANDING THE FOREGOING, YOU MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE FUND, PROVIDED, HOWEVER, THAT ANY SUCH INFORMATION RELATING TO THE TAX TREATMENT OR TAX STRUCTURE MUST BE KEPT CONFIDENTIAL TO THE EXTENT NECESSARY TO COMPLY WITH APPLICABLE SECURITIES LAWS.

THE OFFEREE, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO MAINTAIN THE CONFIDENTIALITY OF THE INFORMATION CONTAINED HEREIN AND TO RETURN TO THE FUND THIS MEMORANDUM, ANY EXHIBITS AND OTHER ATTACHMENTS HERETO, AND ANY OTHER WRITTEN INFORMATION SUPPLIED TO THE OFFEREE IN CONNECTION THEREWITH IF THE OFFEREE DOES NOT PURCHASE ANY OF THE PARTICIPATING SHARES OFFERED HEREBY. FURTHER, EACH PERSON ACCEPTING THIS MEMORANDUM HEREBY AGREES TO RETURN IT TO THE FUND PROMPTLY UPON REQUEST.

THIS MEMORANDUM SHOULD BE READ CAREFULLY BY THE OFFEREE AND RETAINED FOR FUTURE REFERENCE IF THE OFFEREE PURCHASES PARTICIPATING SHARES.

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PURSUANT TO AN EXEMPTION FROM THE UNITED STATES COMMODITY FUTURES TRADING COMMISSION, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE COMMISSION. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER WHETHER ITS FINANCIAL CONDITION PERMITS IT TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, PROSPECTIVE INVESTORS SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF AN INVESTOR'S INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON REDEMPTIONS MAY AFFECT AN INVESTOR'S ABILITY TO WITHDRAW ITS PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE PARTICIPATION IN A COMMODITY POOL. THEREFORE, BEFORE DECIDING TO PARTICIPATE IN THIS COMMODITY POOL, A PROSPECTIVE INVESTOR SHOULD CAREFULLY STUDY THIS DISCLOSURE DOCUMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT.

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NO OFFERING LITERATURE, ADVERTISING, OR OTHER INFORMATION IN WHATEVER FORM WILL, OR MAY BE, EMPLOYED IN THIS PRIVATE PLACEMENT, EXCEPT FOR THIS MEMORANDUM (INCLUDING AMENDMENTS AND

SUPPLEMENTS HERETO), STATEMENTS CONTAINED OR DOCUMENTS SUMMARIZED HEREIN, AND SUPPLEMENTARY WRITTEN INFORMATION AND WRITTEN ANSWERS TO QUESTIONS PROVIDED BY THE FUND'S MANAGER AT THE REQUEST OF A PROSPECTIVE INVESTOR. PROSPECTIVE INVESTORS MAY NOT RELY ON ANY OTHER INFORMATION. NO PERSON HAS BEEN AUTHORIZED TO MAKE REPRESENTATIONS WITH RESPECT TO THE PARTICIPATING SHARES OFFERED HEREBY AND PROSPECTIVE INVESTORS MAY NOT RELY ON ANY REPRESENTATIONS OTHER THAN THOSE SET FORTH IN THIS MEMORANDUM (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS HERETO) OR IN THE SUPPLEMENTARY WRITTEN INFORMATION OR WRITTEN ANSWERS TO QUESTIONS REFERRED TO ABOVE. NEITHER THE DELIVERY AT ANY TIME OF THIS MEMORANDUM, ANY AMENDMENT OR SUPPLEMENT HERETO, OR ANY SUPPLEMENTARY WRITTEN ANSWERS TO QUESTIONS AS SET FORTH ABOVE NOR ANY SALE MADE HEREUNDER SHALL IMPLY THAT INFORMATION CONTAINED HEREIN, IN ANY AMENDMENT OR SUPPLEMENT HERETO, OR IN ANY SUCH SUPPLEMENTARY WRITTEN INFORMATION OR WRITTEN ANSWERS TO QUESTIONS IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THE DOCUMENT IN WHICH IT IS PRESENTED.

THE STATEMENTS AND INFORMATION CONTAINED IN THIS MEMORANDUM HAS BEEN COMPILED AS OF THE DATE SET FORTH ON THE COVER OF THIS MEMORANDUM, UNLESS OTHERWISE STATED HEREIN, FROM THIRD PARTY SOURCES WHICH ARE BELIEVED TO BE RELIABLE. NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME NOR ANY SALE OF THE PARTICIPATING SHARES OFFERED HEREBY SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED HEREIN REMAINS CORRECT, ACCURATE, COMPLETE, AUTHENTIC, CURRENT OR RELIABLE OR VALID AND THERE SHALL BE NO OBLIGATION TO UPDATE THE MEMORANDUM UNLESS ANY INFORMATION IS BELIEVED TO BE MATERIALLY INCORRECT.

DUET EMERGING MACRO MASTER FUND, LTD. (THE "MASTER FUND") IS NOT HEREBY OFFERING ANY SECURITIES AND ACCORDINGLY THIS MEMORANDUM IS NOT TO BE REGARDED AS HAVING BEEN AUTHORISED OR ISSUED BY THE MASTER FUND. THE MASTER FUND DOES NOT HAVE AN OFFERING DOCUMENT OR EQUIVALENT DOCUMENT.

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U.S. INVESTORS SHOULD REVIEW THE FOLLOWING LEGEND CAREFULLY TO DETERMINE WHETHER IT APPLIES TO THEM.

FOR NEW YORK RESIDENTS

THIS MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

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NON-U.S. INVESTORS SHOULD CONSULT APPENDIX A HERETO FOR A LISTING OF RESTRICTIONS ON SALES IN CERTAIN JURISDICTIONS TO DETERMINE WHETHER ANY SUCH RESTRICTIONS APPLY TO THEM.

### **Service Providers**

Investment Manager: Duet Alternative Investments (USA) Ltd.  
One International Place, Suite 2401  
Boston, Massachusetts 02110  
USA

Administrator: SEI Global Services, Inc.  
1 Freedom Valley Drive  
Oaks, PA 19456  
USA

Accountant: KPMG  
P.O. Box 493  
Century Yard, Cricket Square  
Grand Cayman, KY1-1106  
Cayman Islands

Prime Brokers: UBS Securities, LLC  
1285 Avenue of the America  
New York, NY 10019  
USA

Morgan Stanley  
1585 Broadway, 6<sup>th</sup> Floor  
New York, NY 10036  
USA

United States Counsel: Foley Hoag LLP  
155 Seaport Boulevard  
Boston, Massachusetts 02210  
USA

Cayman Islands Counsel: Walkers  
Walker House, 87 Mary Street  
George Town, Grand Cayman KY1-9001  
Cayman Islands

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## SUMMARY

This Summary is qualified in its entirety by the detailed information appearing elsewhere in this Private Placement Memorandum (the “Memorandum”). Unless otherwise defined in this Memorandum, capitalized terms used in this Memorandum have the meanings set forth in the Fund’s Memorandum and Articles of Association (the “Articles”).

### Investment Objective

The investment objective of Duet Emerging Macro Fund Limited (the “Fund”) is to generate high absolute returns through the execution of primarily directional long/short investment strategies in global market securities with a primary focus on global emerging markets. The Master Fund (as defined below) will invest in securities globally within both developed and emerging markets. Investment types will include primarily debt, equity, currency and commodity related securities and the derivatives thereof.

### Master-Feeder Structure

The Fund is an exempted company incorporated with limited liability under the Companies Law (as amended) of the Cayman Islands. The Fund’s primary asset (other than cash) will consist of shares in Duet Emerging Macro Master Fund, Ltd., an exempted company incorporated with limited liability under the Companies Law (as amended) of the Cayman Islands (the “Master Fund”), as part of a master-feeder structure. The investment strategies of Duet Alternative Investments (USA) Ltd., the Fund’s investment manager (the “Manager”), will be implemented and all investments will be made through the Master Fund. The Manager will also establish a Delaware limited partnership that will use the same investment strategy and will have the same risk profile as the Fund (the “Delaware Fund”). The Delaware Fund will be designed for those U.S. investors who are not eligible to invest in the Fund. The Delaware Fund will also invest only in and through the Master Fund.

### Share Capital

The Fund is offering ordinary participating shares, par value U.S. \$.01 per share (the “Participating Shares”) to persons that upon investment are non-U.S. persons and other persons that are U.S. tax-exempt investors. The holders of Participating Shares (“Shareholders”) will not participate in the management of the Fund.

The Fund is offering two classes of Participating Shares.

Class A Participating Shares will be offered to initial investors (the “Seeding Period Shareholders”) until the earlier of: (i) March 31, 2013, or (ii) the date on which aggregate capital contributions to the Manager’s Emerging Macro strategy (including the Fund and the Delaware Fund) exceed U.S. \$100,000,000 (the “Seeding

Period”); provided, however, that the Manager may extend the Seeding Period in its sole discretion.

Only Class B Participating Shares will be offered to new investors in the Fund who subscribe for Participating Shares after the Seeding Period.

Seeding Period Shareholders who make additional investments in the Fund after the Seeding Period will continue to have the right to purchase Class A Participating Shares.

#### Founder Shares

Duet Group Limited, a Hong Kong company, holds 100% of the founder shares in the capital of the Fund (the “Founder Shares”). The holder of the Founder Shares has the exclusive entitlement to receive notice of, attend and vote at general meetings of the Fund. The other Shareholders in the Fund (the holders of Participating Shares) will, save as set out below, have no right to receive notice of, attend or to vote at any general meeting (including extraordinary general meetings) of the Fund. Holders of Participating Shares will have very limited rights to vote at class meetings, only if there is a proposed variation to the special rights attaching to their Participating Shares.

#### The Manager

The Manager has entered into an investment management agreement with the Master Fund and the Fund (the “Investment Management Agreement”) and, pursuant to such agreement, is responsible for the investment of the assets of the Master Fund. Upon its launch, the Delaware Fund will also become a party to the Investment Management Agreement. The Investment Management Agreement is effective through December 31, 2013, and is extended automatically for additional terms of one year, except that it may be terminated by any party thereto upon 90 days’ prior written notice.

Under the Investment Management Agreement, the Manager may assign the Investment Management Agreement to any of its affiliates with the consent of each of the other parties to the Investment Management Agreement. Within 30 days of any such assignment, the Manager and the Fund will provide Shareholders with written notice of such assignment.

David Dali is the Chief Investment Officer of the Manager in respect of the Fund, the Master Fund and the Delaware Fund. John Janasiewicz is the Chief Strategist of the Manager in respect of the Fund, the Master Fund and the Delaware Fund. Mr. Dali will assume primary responsibility for the day-to-day management of the Fund and the Master Fund, however, both Mr. Dali and Mr.

Janasiewicz will participate in determining the Master Fund's general investment strategy and investment and risk parameters. Biographies of Messrs. Dali and Janasiewicz are set forth below under "Management."

#### The Duet Group

The Manager is part of the Duet Group. The Duet Group is a leading, global alternatives asset management firm founded by Henry Gabay and Alain Schibl in 2002 in London. As of November 1, 2012, the Duet Group managed over U.S. \$2.8 billion in assets in hedge funds, funds of hedge funds and private equity funds.

#### Investment Philosophy

The Master Fund employs a top-down, fundamental, research-oriented investment strategy to capitalize upon investment opportunities in global markets. The Manager approaches investment decisions by first undertaking a fundamental and technical review of the world's developed and emerging economies utilizing proprietary research tools which analyze several classifications of data including trends in macro economics, fund flows, risk appetite, individual country fundamentals and asset class valuation. Secondly, the Manager conducts a thorough asset class assessment with the understanding that the performance of individual asset classes can vary significantly depending upon the trend of the global and individual emerging economies. Asset class weightings are commensurate with the Manager's top-down view of the economic cycle combined with desired level of return volatility and targeted level of risk adjusted absolute returns. Finally, securities are selected within each asset class reflecting the Manager's view of the importance of portfolio liquidity and diversification. Fundamental research is conducted utilizing well established proprietary tools as well as relying upon a long-standing network of contacts throughout emerging and developed economies, including sources within both government and private sectors.

The investment objective of the Master Fund is to generate high absolute returns through the execution of primarily directional long/short investment strategies in global market securities with a primary focus on global emerging markets. The Master Fund will invest in securities globally within both developed and emerging markets. Investment types will include primarily debt, equity, currency and commodity related securities and the derivatives thereof. The holding period for such positions may vary based upon the individual market conditions.

The Master Fund seeks to generate short, medium and long-term capital appreciation by investing in securities that, due to

improving regional secular trends or country fundamentals, are expected to increase in value. Such increases may result from major shifts the global macro-economic environment and trends in country fundamentals as well as changes in specific market technical factors such as liquidity, capital flows, market sentiment and financing levels. The Master Fund may also seek to generate returns by selling securities short that, due to deteriorating trends in a given country, region or corporation, are expected to decrease in price. Building upon its global macroeconomic fundamental research and its asset class and country-specific analyses, the Manager furthers its research on a particular security through the use of in-country contacts, dealer relationships and technical analysis to determine not only the investment potential but the risk characteristics of any individual position.

#### Types of Investments

The investment portfolio will consist of global securities within both developed and emerging markets. Investment types will include debt, equity, currency and commodity related securities and the derivatives thereof. Although the portfolio investments will be global in nature, they will be primarily focused within global emerging markets. The Master Fund will focus on securities, issuers and currencies located in the following geographic regions: (a) Asia, (b) Mexico, Central America, South America and the Caribbean (c) The Commonwealth of Independent States, Central and Eastern Europe, (d) the Middle East, including Turkey and (e) Africa. All of the countries and or regions in which the Master Fund may invest as described above are referred to as the “Emerging Market Countries.”

The Master Fund also intends to invest in debt, equity and currency related securities issued by entities legally domiciled in the United States, Western Europe, Japan, and Australia. Investments may include, but are not limited to, equity, debt, currency and commodity related securities and obligations issued by sovereign entities, states, municipalities, government agencies, and to a lesser extent private corporations, denominated in U.S. dollars, Euro’s, Japanese Yen, Australian Dollars, United Kingdom Pounds.

Instruments in which the Master Fund may invest will include, without limitation, bonds, notes, bills, Eurosecurities, credit default and total return swaps, convertibles, locally listed equities, Global Depositary Receipts (GDR’s), exchange traded funds and exchange trades notes (ETF’s, ETN’s), country-specific closed mutual funds, American Depositary Receipts (ADR’s), American Depositary Shares (ADS’s), futures, non-deliverable and deliverable currency forwards, options, structured notes and other derivative products, and currency related investments. The Master

Fund may from time to time own or sell short securities issued by the governments of the United States, Japan, Europe, The United Kingdom and the other G-7 countries (“G-7”). The Master Fund may also own or sell short the currencies of any of the G-7 and/or may own or sell short securities that represent the largest capitalization weighted equities listed in any G-7’s major stock exchanges and/or United States corporate credit default indices and/or other United States equity exchange traded funds. Investments in equity, debt and currency related securities will not be limited but will be subject to internal leverage guidelines.

### Leverage

The Master Fund may borrow funds in order to increase its investment capabilities. In addition, because of its use of certain market-neutral strategies, options, futures and other instruments, the Master Fund may establish leveraged positions in conjunction with its investment objectives. Although the use of leverage can substantially improve the return on invested capital, the Manager foresees only moderate use of leverage in its investment portfolio and will in any case limit leverage to no more than two times (2X) the value of the larger of the Master Fund’s gross long investments or the Master Fund’s gross short investments. Investors should note that interest rate swaps are not factored into the cap on leverage. Risk exposure to interest rate swaps will be managed separately under the Manager’s general risk management procedures as described below. Borrowed funds will be collateralized by the Master Fund’s securities and other assets.

### Risk Management

An investment in the Fund carries inherent risks associated with investing in securities as well as those specific to Emerging Market Countries including, but not limited to, political, economic, and social instability, currency fluctuations, regulatory changes, and asset liquidity. The Manager has significant experience in managing the risks pertaining to global investments and will specifically seek to address the following major classifications of risk:

#### Market Risk:

Price fluctuation caused by shifts in underlying credit spreads, interest rates, foreign exchange rates and equity security valuations is the primary risk of the Master Fund’s investment strategy. Fluctuations in the value of currencies relative to the US dollar and fluctuations in the prices of equity securities are also a risk to the Master Fund’s investment strategy. It is the intention of the Manager to monitor overall market risk utilizing various methodologies, including value at risk, which incorporate volatility measures (prices, interest rates and currencies) and asset liquidity.

The Manager imposes guidelines on the overall market risk of the investment portfolio. However, these guidelines are not firm limits and actual investment positions may vary somewhat from such guidelines from time to time.

Credit Risk:

Credit risk presents itself in the forms of issuer and counterparty risk. Although there are no restrictions on the Master Fund's asset concentration, the Manager seeks to manage credit risks through the diversification of investments by country and specific issuer. Guidelines have been adopted to reflect overall credit quality of a particular issuer, country or geographic region. Counterparty exposure is monitored closely, and wherever possible, the Master Fund will transact business with major registered United States, European or Japanese broker-dealers or their offshore affiliates, and other reputable broker-dealers in foreign markets.

Operational Risk:

The Manager seeks to reduce risks associated with daily business activities such as asset valuation, systems, custody, and settlement risk through the use of well-established United States, European or Japanese broker-dealers (including offshore affiliates of such broker-dealers) and custodians. In addition, the Manager seeks to dedicate the personnel resources necessary to manage effectively the operations of the Manager.

Registered Office

The Fund's registered office is located at Intertrust Corporate Services (Cayman) Limited, Walker House, Mary Street, George Town, Grand Cayman, KY1-9005, Cayman Islands. The Master Fund's registered office is located at the same address.

Board of Directors

The Fund's Board of Directors is composed of two Directors. The Directors are David Bree and Wade Kenny. Messrs Bree and Kenny are also the Directors of the Master Fund and will be Directors of the general partner of the Delaware Fund. The Board of Directors has complete authority over the management and operations of the Fund, but is not involved in the day-to-day management. The Board of Directors of the Fund and the Master Fund has delegated to the Manager and the Administrator (as defined below) responsibility for investments and day-to-day management (as described below).

Administrator

SEI Global Services, Inc. (the "Administrator") and certain of its affiliates will serve as administrator for the Fund, the Delaware Fund and the Master Fund under an Administration Agreement

between the Fund, the Master Fund, the Delaware Fund and the Administrator (the “Administration Agreement”) and under overall direction of the Board of Directors. The Administrator will receive a fee from the Master Fund under the Administration Agreement.

#### Prime Brokers

UBS Securities, LLC and Morgan Stanley & Co. LLC act as prime brokers for the Master Fund. The prime brokers will receive such fees as may be agreed with the Master Fund at normal commercial rates.

#### Management Fees

As compensation for the investment management of the Fund, the Fund will pay the Manager monthly management fees (the “Management Fee”) in arrears equal to (a) one-twelfth (1/12) of one and a half percent (1.5%) of the Net Asset Value (before deduction of that month’s Management Fee and before making any deduction for any accrued Performance Fees (as defined below)) of the Fund’s Class A Participating Shares as of the close of business on the last day of each month, and (b) one-twelfth (1/12) of two percent (2.0%) of the Net Asset Value (before deduction of that month’s Management Fee and before making any deduction for any accrued Performance Fees) of the Fund’s Class B Participating Shares as of the close of business on the last day of each month.

For the purposes of this Memorandum, “Net Asset Value” shall be equal to the Fund’s assets minus any liabilities of the Fund and shall be determined in accordance with the Articles. The Net Asset Value of any class of Participating Shares of the Fund is the net asset value of the Fund allocable to that class, and shall be determined in accordance with the Articles.

If a Participating Share subscription is made other than at the start of a month, a pro rata Management Fee will be paid on such subscription based on the number of days in the month and the expense of such fee will be specially allocated to the Participating Shares issued in connection with such investment. A pro rata portion of the Management Fee will be charged if the Fund winds up or a Shareholder redeems on a date other than at the end of a month.

The Board of Directors, in consultation with the Manager, may elect to waive the Management Fee in whole or in part for any Shareholder and additional classes of Participating Shares may be established to effect such waiver. The Manager also may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents including the Directors) or to intermediaries, part or all of the Management Fee. Any such rebates may be applied in paying up

additional Participating Shares to be issued to the Shareholder or may (at the discretion of the Manager) be paid in cash.

### Performance Fees

The Manager is also entitled to receive a performance fee (the “Performance Fee”) from the Fund calculated on a share-by-share basis so that each Participating Share is charged a Performance Fee which equates precisely with that Participating Share’s performance. This method of calculation ensures that (i) any Performance Fee paid to the Manager is charged only to those Participating Shares which have appreciated in value, (ii) all holders of Participating Shares of the same class have the same amount of capital per Participating Share at risk in the Fund, and (iii) all Participating Shares of the same class have the same Net Asset Value per Participating Share.

The Performance Fee is calculated in respect of each period of twelve months ending on December 31 in each year (a “Calculation Period”). However, the first Calculation Period in respect of the Participating Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period (as defined below) and ending on December 31, 2013. The Performance Fee is deemed to accrue on a monthly basis as of the end of the last Business Day of each month.

For each Calculation Period, the Performance Fee in respect of each Class A Participating Share will be equal to fifteen percent (15%) of the appreciation in the Net Asset Value per Class A Participating Share during that Calculation Period above the Base Net Asset Value per Class A Participating Share. For each Calculation Period, the Performance Fee in respect of each Class B Participating Share will be equal to twenty percent (20%) of the appreciation in the Net Asset Value per Class B Participating Share during that Calculation Period above the Base Net Asset Value per Class B Participating Share.

The “Base Net Asset Value” per Participating Share is the greater of the Net Asset Value per Participating Share of the relevant class at the time of issue of that Participating Share and the highest Net Asset Value per Participating Share of the relevant class achieved as of the end of any previous Calculation Period (if any) during which such Participating Share was in issue. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fees.

If Participating Shares are redeemed before the end of any Calculation Period, a Performance Fee in respect of those



Participating Shares will be calculated and paid as though the date of redemption were the end of the relevant Calculation Period. In the event of a partial redemption, whether during or at the end of a Calculation Period, Participating Shares will be treated as redeemed on a first in, first out basis for the calculation of the Performance Fee.

For the purposes of the calculation of the Performance Fee, a transfer of Participating Shares (if allowed by the Fund) will, unless determined otherwise by the Directors, be treated as if there was a redemption of such Participating Shares by the transferor and a subscription (at the most recent Subscription Price) for such Shares by the transferee on the date of the transfer. The Directors have resolved however, not to treat a transfer as a redemption and subscription where the relevant transfer of Participating Shares will not result in a change in the beneficial ownership of the Participating Shares.

If the Investment Management Agreement is terminated before December 31 in any year, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

The Board of Directors, in consultation with the Manager, may elect to waive the Performance Fee in whole or in part for any Shareholder and additional classes of Participating Shares may be established to effect such waiver. The Manager also may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents including the Directors) or to intermediaries, part or all of the Performance Fees. Any such rebates may be applied in paying up additional Participating Shares to be issued to the Shareholder or may (at the discretion of the Manager) be paid in cash.

#### Expenses

The Master Fund will pay all expenses in connection with the organization of the Master Fund and the Fund will pay all of its organizational expenses. Such organizational expenses may be amortized over a period of up to sixty months at the discretion of the Board of Directors of the Master Fund and the Board of Directors of the Fund, respectively.

The Fund will bear its own operating and other expenses and indirectly will bear its proportional share of the Master Fund's operating and other expenses. These expenses include (i) all transactions carried out by it or on its behalf and (ii) the administration of the Fund and/or the Master Fund including (a) the charges and expenses of legal advisers and auditors, (b)

brokers' commissions, borrowing charges on securities sold short and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (c) all taxes and corporate fees payable to governments or agencies, (d) research fees and expenses, (e) Directors' fees and expenses, (f) interest on borrowings, including borrowings from the prime brokers, (g) fees and expenses incurred by the Manager in connection with the provision of its investment management services including research technology, trading system expenses and risk management software and consulting attributable to the Fund and the Master Fund, (h) the expenses incurred by the Manager in soliciting subscriptions for Participating Shares, (i) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (j) the cost of insurance (if any) for the benefit of the Directors, (k) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business (l) the cost of listing and/or de-listing of the Participating Shares on any exchange (m) withholding taxes and any other expenses reasonably related to the purchase, sale or transmittal of Master Fund assets and (n) all other organisational and operating expenses, including in relation to the provision of a registered office to the Fund and the Master Fund.

### Subscriptions

Participating Shares may be subscribed for at any time during the Initial Offer Period at a price of U.S. \$1,000 per Participating Share. Following the close of the Initial Offer Period, Participating Shares may be subscribed for as of the start of business on the first Business Day of each month (each a "Subscription Date") to existing or new Shareholders or at such other times as the Fund shall permit at the relevant Net Asset Value per Participating Share of the relevant class as of the start of business on the applicable Subscription Date. A Subscriber may also be required to pay an additional amount as an Equalisation Credit (as defined below).

During the Initial Offer Period, payment for Participating Shares and subscription documents must be received by the Administrator by no later than 5 p.m. (Eastern Standard Time) on the last Business Day of the Initial Offer Period. Following the close of the Initial Offer Period, payment for Participating Shares and subscription documents must be received by the Administrator by 5 p.m. (Eastern Standard Time) on the Business Day preceding the applicable Subscription Date. The "Initial Offer Period" is the period which shall open and close on such date and/or time as the Board of Directors determine and during which Participating

Shares will be offered at a fixed price. A “Business Day” will mean any day on which banks are open for business in New York.

The Board of Directors may accept a subscription for Participating Shares as of a date prior to the date payment for such Participating Shares is actually received if the Board of Directors determines that deeming such payment to have been received as of such prior date will not have a material adverse effect on the Shareholders. Payment for Participating Shares will be in cash or, in the discretion of the Board of Directors, marketable securities.

The Board of Directors has the right to accept or reject any subscription in whole or in part.

### Redemptions

A Shareholder may redeem some or all of its Participating Shares as of the close of business on the last Business Day of each month (each, a “Redemption Date”). The Fund must be notified in writing at least 45 days prior to any redemption unless the Fund waives such notification by consenting to any such redemption.

The redemption price per Participating Share will be equal to the Net Asset Value per Participating Share of the relevant class as of the close of business on the applicable Redemption Date after subtraction of Management Fees and Performance Fees. Redemption proceeds may be paid in cash or in kind, in the sole discretion of the Board of Directors. At least ninety-five percent (95%) of any amount redeemed will be distributed within 30 days after the Redemption Date, and the balance of the redeemed amount will be distributed within 60 days of receipt by the Fund of its audited financial statements for the year in which the redemption occurs.

In the event that an audit or reconciliation relating to the fiscal year of the Fund in which a Shareholder redeems some or all of its Participating Shares reveals that the Shareholder received a distribution in excess of that to which the Shareholder was entitled, the Fund may, in its discretion, require repayment of the distribution to the extent that the distribution exceeded what was due to the Shareholder.

The Board of Directors may, upon written notice to a Shareholder, compulsorily redeem all or any part of such Shareholder’s Participating Shares for any or no reason and for any purpose including, without limitation, meeting the requirements of Section 3(c)(1) of the United States Investment Company Act of 1940, as amended (the “1940 Act”), or for purposes of limiting the participation in the Fund of “benefit plan investors” as defined in

the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

### The Offering

The offering made hereby consists of Participating Shares in the Fund, and is being made only to persons that upon investment would be non-U.S. persons and other persons that are U.S. tax-exempt investors. The minimum initial purchase requirement for investors subscribing for Class A Participating Shares is U.S. \$1,000,000 and the minimum initial purchase requirement for investors subscribing for Class B Participating Shares is U.S. \$250,000, although the Board of Directors reserves the right, in its sole discretion, to accept subscriptions for lower amounts (but not below any statutory minimum, currently a minimum initial investment of U.S. \$100,000). There is no minimum aggregate closing dollar amount that must be accepted before a closing can occur. The Fund may offer Participating Shares at the start of each calendar month, or at such other times as the Board of Directors, in its sole discretion, may allow.

In providing services to the Fund, neither the Manager nor the Administrator acts as guarantor or offeror of the Participating Shares.

The Manager will make available to each prospective investor or its authorized representative, prior to such prospective investor’s investment in the Fund, the opportunity to ask questions of, and receive answers from, the Manager or a person acting on its behalf, concerning the terms and conditions of the offering made hereby, and to obtain any additional information, to the extent that the Manager possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information set forth herein. Please direct inquiries to David Dali at +1 (617) 310-5181.

### Investment Considerations and Risk Factors

An investment in the Fund involves significant risks and is suitable only for those persons who can bear the economic risk of the loss of their investment. There can be no assurance that the Fund will achieve its investment objective. An investment in the Fund carries with it the inherent risks associated with investments in securities as well as additional risks including, but not limited to, the use of swaps, futures, options, short sales, leverage and investment in non-U.S. securities. In addition, there are specific risks associated with investing in emerging markets. For a discussion of these risks see the “Investment Considerations and Risk Factors” section of this Memorandum.

Registration of Shares

The Shares are issued only in registered form. The Fund does not issue bearer Shares. The Administrator maintains the official share register of the Fund, which includes the names and addresses of the Fund's shareholders holding Participating Shares and Founder Shares, at its offices in Oaks, Pennsylvania. Participating Shares will be issued in registered book-entry form. A Shareholder shall not be entitled to a share certificate, unless the Board of Directors determine otherwise either generally or in relation to a particular class or in a particular instance.

Dividends

The Fund does not anticipate paying dividends. All Fund earnings will normally be retained at the Master Fund level for reinvestment. The Board of Directors may declare dividends on the Participating Shares from time to time in its discretion. Founder Shares are not entitled to receive dividends.

Functional Currency

The Fund will report its results and transact subscriptions and redemptions in United States Dollars.

Tax Considerations

For a discussion of certain tax considerations applicable to the purchase of Participating Shares and operation of the Fund see the "Tax Considerations" section of this Memorandum.

ERISA Considerations

For a discussion of certain considerations applicable to Shareholders subject to ERISA see the "ERISA Considerations" section of this Memorandum.

Valuation

In valuations of the Master Fund, its investments will be marked-to-market and will include realized and unrealized gains and losses. For a discussion of the Fund's valuation procedures see the "The Fund; Net Asset Value" section of this Memorandum.

Reports

Each investor will receive unaudited performance information about the Fund and the Master Fund from the Administrator on a monthly basis and audited year-end financial statements on an annual basis.

Side Letters

Under certain circumstances, the Fund and the Manager may agree with a particular Shareholder to waive certain provisions and/or otherwise provide terms of investment differing from the terms described in this Memorandum, including agreeing to waive or rebate in whole or in part the Management Fee or the Performance Fee; agreeing to different Subscription Dates, Redemption Dates and notice periods; and permitting revocation of redemption notices and additional reporting or transparency. Such circumstances may include, but are not limited to, a commitment by an investor to invest a significant amount of capital in the Fund

and/or to maintain an investment in the Fund for a significant period of time.

Such agreements on such matters may be contained in one or more side letters delivered by the Fund or the Manager and the Fund. The Fund and the Manager have no obligation to seek comments from other Shareholders on such agreements or side letters or to disclose them to the other Shareholders. The Fund may, without the consent of the Shareholders, create new classes or sub-classes of Participating Shares which are subject to different terms from those set out elsewhere in this Memorandum.

## INVESTMENT OBJECTIVES AND STRATEGIES

The investment objective of the Fund is to generate high capital appreciation and income through the execution of primarily long/short directional investment strategies in emerging market securities.

### Master-Feeder Structure

The Fund's primary asset consists of shares in the Master Fund, as part of a master-feeder structure. The investment strategies of the Fund's Manager are implemented and all investments are made through the Master Fund. The Manager will also establish a Delaware limited partnership that will use the same investment strategy as the Fund. The Delaware Fund will be designed for U.S. investors who are not eligible to invest in the Fund. The Delaware Fund will also invest in and through the Master Fund.

### Investment Strategy

The investment objective of the Master Fund is to generate high absolute returns through the execution of primarily directional long/short investment strategies in global market securities with a primary focus on global emerging markets. The Master Fund will invest in securities globally within both developed and emerging markets. Investment types will include primarily debt, equity, currency and commodity related securities and the derivatives thereof. The holding period for such positions may vary based upon the individual market conditions.

The Master Fund employs a top-down, fundamental, research-oriented investment strategy to capitalize upon investment opportunities in global markets. The Manager approaches investment decisions by first undertaking a fundamental and technical review of the world's developed and emerging economies utilizing proprietary research tools which analyze several classifications of data including trends in macro economics, fund flows, risk appetite, individual country fundamentals and asset class valuation. Secondly, the Manager conducts a thorough asset class assessment with the understanding that the performance of individual asset classes can vary significantly depending upon the trend of the global and individual emerging economies. Asset class weightings are commensurate with our top-down view of the economic cycle combined with our desired level of return volatility and risk adjusted absolute returns. Finally, securities are selected within each asset class reflecting the Manager's view of the importance of portfolio liquidity and diversification. Fundamental research is conducted utilizing well established proprietary tools as well as relying upon a long-standing network of contacts throughout emerging and developed economies, including sources within both government and private sectors.

The Master Fund seeks to generate short, medium and long-term capital appreciation by investing in securities that, due to improving regional secular trends or country fundamentals, are expected to increase in value. Such increases may result from major shifts the global macro-economic environment and trends in country fundamentals as well as changes in specific market technical factors such as liquidity, capital flows, market sentiment and financing levels. The Master Fund may also seek to generate returns by selling securities short that, due to deteriorating trends in a given country, region or corporation, are expected to decrease in price.

Building upon its global macroeconomic fundamental research and its asset class and country-specific analyses, the Manager furthers its research on a particular security through the use of government contacts, dealer relationships and technical analysis to determine not only the investment potential but the risk characteristics of any individual position.

### Investment Portfolio

The investment portfolio will consist of global securities within both developed and emerging markets. Investment types will include debt, equity, currency and commodity related securities and the derivatives thereof. Although the portfolio investments will be global in nature, they will be primarily focused within global emerging markets. The Master Fund will focus on securities, issuers and currencies located in the following geographic regions: (a) Asia, (b) Mexico, Central America, South America and the Caribbean (c) The Commonwealth of Independent States, Central and Eastern Europe, (d) the Middle East, including Turkey and (e) Africa. All of the countries and or regions in which the Master Fund may invest as described above are referred to as the “Emerging Market Countries.”

The Master Fund also intends to invest in debt, equity and currency related securities issued by entities legally domiciled in the United States, Western Europe, Japan, and Australia. Investments may include, but are not limited to, equity, debt, currency and commodity related securities and obligations issued by sovereign entities, states, municipalities, government agencies, and to a lesser extent private corporations, denominated in U.S. dollars, Euro’s, Japanese Yen, Australian Dollars, United Kingdom Pounds.

Instruments in which the Master Fund may invest will include, without limitation, bonds, notes, bills, Eurosecurities, credit default and total return swaps, convertibles, locally listed equities, Global Depository Receipts (GDR’s), exchange traded funds and exchange traded notes (ETF’s, ETN’s), country-specific closed mutual funds, American Depository Receipts (ADR’s), American Depository Shares (ADS’s), futures, non-deliverable and deliverable currency forwards, options, structured notes and other derivative products, and currency related investments. The Master Fund may from time to time own or sell short securities issued by the governments of the United States, Japan, Europe, The United Kingdom and the other G-7 countries (“G-7”). The Master Fund may also own or sell short the currencies of any of the G-7 and/or may own or sell short securities that represent the largest capitalization weighted equities listed in any G-7’s major stock exchanges and/or United States corporate credit default indices and/or other United States equity exchange traded funds. Investments in equity, debt and currency related securities will not be limited but will be subject to internal leverage guidelines.

### Leverage

The Master Fund may borrow funds in order to increase its investment capabilities. In addition, because of its use of certain market-neutral strategies, options, futures and other instruments, the Master Fund may establish leveraged positions in conjunction with its investment objectives. Although the use of leverage can substantially improve the return on invested capital, the Manager foresees only moderate use of leverage in its investment portfolio and will in any case limit leverage to no more than two times (2X) the value of the larger of the Master Fund’s gross long investments or the Master Fund’s gross short investments. Investors



should note that interest rate swaps are not factored into the cap on leverage. Risk exposure to interest rate swaps will be managed separately under the Manager's general risk management procedures as described below. Borrowed funds will be collateralized by the Master Fund's securities and other assets.

### Risk Management

An investment in the Fund carries inherent risks associated with investing in securities as well as those specific to Emerging Market Countries including, but not limited to, political, economic, and social instability, currency fluctuations, regulatory changes, and asset liquidity. The Manager has significant experience in managing the risks pertaining to global investments and will specifically seek to address the following major classifications of risk:

#### Market Risk:

Price fluctuation caused by shifts in underlying credit spreads, interest rates, foreign exchange rates and equity security valuations is the primary risk of the Fund's investment strategy. Fluctuations in the value of currencies relative to the US dollar and fluctuations in the prices of equity securities are also a risk to the Fund's investment strategy. It is the intention of the Manager to monitor overall market risk utilizing various methodologies, including value at risk, which incorporate volatility measures (prices, interest rates and currencies) and asset liquidity. The Manager imposes guidelines on the overall market risk of the investment portfolio. However, these guidelines are not firm limits and actual investment positions may vary somewhat from such guidelines from time to time.

#### Credit Risk:

Credit risk presents itself in the forms of issuer and counterparty risk. Although there are no restrictions on the Master Fund's asset concentration, the Manager seeks to manage credit risks through the diversification of investments by country and specific issuer. Guidelines have been adopted to reflect overall credit quality of a particular issuer, country or geographic region. Counterparty exposure is monitored closely, and wherever possible, the Master Fund transacts business with major registered United States, European or Japanese broker-dealers or their offshore affiliates, and other reputable broker-dealers in foreign markets.

#### Operational Risk:

The Manager seeks to reduce risks associated with daily business activities such as asset valuation, systems, custody, and settlement risk through the use of well-established United States, European or Japanese broker-dealers (including offshore affiliates of such broker-dealers) and custodians. In addition, the Manager seeks to dedicate the personnel resources necessary to manage effectively the operations of the Manager.

## MANAGEMENT

### Portfolio Management

Duet Alternative Investments (USA) Ltd. is the investment manager for the Master Fund and, pursuant to the Investment Management Agreement, has responsibility, subject to the supervision of the Board of Directors of the Master Fund, for the investment of the assets of the Master Fund, including the making of all purchases and sales of securities.

The Manager is part of the Duet Group. The Duet Group is a leading, global alternatives asset management firm founded by Henry Gabay and Alain Schibl in 2002 in London. As of November 1, 2012, the Duet Group managed over U.S. \$2.8 billion in assets in hedge funds, funds of hedge funds and private equity funds.

The Manager's investment management team with respect to the Master Fund consists of David Dali and John Janasiewicz. Mr. Dali will assume primary responsibility for the day-to-day management of the Master Fund, however, both Mr. Dali and Mr. Janasiewicz will participate in determining the Master Fund's general investment strategy and investment and risk parameters. Biographies of Messrs. Dali and Janasiewicz are set forth below.

#### David Dali—Chief Investment Officer

David Dali is the Chief Investment Officer of the Manager in respect of the Fund, the Master Fund and the Delaware Fund. Mr. Dali began his career in emerging markets in 1989. Most recently, David was a Managing Director and Head of the Emerging Macro team within Macquarie Investment Management LLC. Prior to joining Macquarie, he co-founded OneWorld Investments, LP ("OneWorld") in April 1999. David was the co-CIO for OneWorld's investment strategies including a macro EM hedge fund, a long only EM debt CDO, and a long biased EM equity strategy. Prior to co-founding OneWorld, David was the Global Head of EM trading at BancBoston Robertson Stephens. David managed various EM trading books for Chase Manhattan Bank in New York and also spent seven years at Bank of America in San Francisco, New York, Sao Paulo and Buenos Aires. David graduated in 1986 with a BS in Commerce from Santa Clara University in California.

#### John Janasiewicz—Chief Strategist

John Janasiewicz is the Chief Strategist of the Manager in respect of the Fund, the Master Fund and the Delaware Fund. Jack began his emerging market career in 1996. Most recently, Jack was a Director within Macquarie Investment Management LLC and a co-portfolio manager. Prior to joining Macquarie, Jack was the Chief Strategist for OneWorld Investments, LP ("OneWorld") assisting with the firm's macro hedge funds and dedicated EM equity strategies. Prior to joining OneWorld in 2002, Jack held several positions at Zurich Scudder Investments including being co-portfolio manager for Zurich Scudder Investment's emerging debt mutual funds and chief emerging markets fixed income strategist for the North American Fixed Income Group. Jack is a chartered financial analyst and a member of the Boston Security Analysts Society. He received both a Masters and a Bachelor of Arts degree in economics in 1994 from Boston University.

### Henry Gabay - Principal

Henry Gabay is a founder of the Duet Group and is a director of the Manager. Prior to founding the Duet Group, Henry was previously a Director with CSFB from 1997 to 2000 in London and New York, where he was Head of Investment Banking for Israel and Turkey and Head of Emerging Markets for Equity Sales. From 1992 to 1997 he worked for Merrill Lynch in London and Geneva within the Equity Division. Henry graduated from University of Geneva in 1991 with a degree in Finance & Economics. Henry is a Board member and director of SARE Ltd.

### Alain Schibl - Principal

Alain Schibl is a founder of the Duet Group. Before founding the Duet Group, Alain was a Managing Director of Union Bancaire Privée in London and Geneva for 12 years, in charge of CBI Securities, the capital markets and trading arm of the bank. Prior to CBI, Alain was a trader on the floor of the Swiss Stock Exchange in Geneva on behalf of Warburg. Alain graduated from école professionnelle de commerce in 1987 with a BA in Economics. Alain is a board member of Chalbat S.A. Switzerland, and Grenat Immobilier, and is currently resident in the United Kingdom.

### Pierre Bruyant – Head of Risk

Pierre Bruyant is the Chief Risk Officer of the Duet Group. Prior to joining the Duet Group, Pierre was with Caxton Associates from 2005 to 2009, where he acted as the sole risk manager for their London office. Between 2004 and 2005 Pierre was at Deutsche Bank, where he worked in the Market Risk team with a focus on Interest Rate Risk and Model Change Management. Prior to Deutsche Bank, Pierre held positions at Société Générale in New York in the Market Risk Management department and was a Structured Credit Analyst at BNP Paribas in Paris. Pierre graduated in 2000 from École Centrale de Lyon with a MSc. in General Engineering and Lycée La Martinière Monplaisir with a Major in Mathematics and Physics.

### Fund Management

The Board of Directors of the Fund has ultimate responsibility for the management and operations of the Fund, including the selection of the Administrator of the Fund, the issuance of Participating Shares to new Shareholders, and the issuance of additional Participating Shares to existing Shareholders. Actions may be taken by the Board of Directors only by unanimous written consent, or at a meeting at which a quorum is present, and a majority of the directors vote in favor of the action.

The Directors are David Bree and Wade Kenny. Messrs Bree and Kenny are also the Directors of the Master Fund and will be Directors of the general partner of the Delaware Fund. The biographies of Messrs Bree and Kenny are set forth below.

The Articles of the Fund and the Master Fund provide that the remuneration of the Directors shall be determined by a resolution of the Directors or by an ordinary resolution. The

services of David Bree and Wade Kenny are currently remunerated by an annual fee of U.S. \$2,500 each for the Master Fund and U.S. \$5,000 each for the Fund, together with an annual expense deposit of U.S. \$500 each for each of the Fund and the Master Fund. The Directors shall also be entitled to be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund and the Master Fund or otherwise in connection with the business of the Fund and the Master Fund.

#### David Bree

David Bree is a Managing Director of DMS Offshore Investment Services (DMS) ([www.dmsoffshore.com](http://www.dmsoffshore.com)), a professional investment services firm, licensed and regulated under the Laws of the Cayman Islands, whose principals are focused on providing investment fund, banking, trust, corporate, and outsourcing solutions. Previously, David was the General Manager of Admiral Administration Ltd., an independent mutual fund administration firm in the Cayman Islands. Prior to that, he was a Managing Director of International Fund Administration Ltd. in Bermuda. David's previous experience includes internal audit experience with a Fortune 500 company and public accounting experience with Coopers & Lybrand, New York. He holds a Bachelor of Science degree in Accounting from New York University and qualified as a Certified Public Accountant in New York. David serves the Fund in a non-executive capacity and is supported by a team of qualified and experienced Associate Directors and Associates, using proprietary market-leading technology to assist him in discharging his duties and responsibilities to the Fund.

#### Wade Kenny

Wade Kenny is a Director of DMS Offshore Investment Services (DMS) ([www.dmsoffshore.com](http://www.dmsoffshore.com)), a professional investment services firm, licensed and regulated under the Laws of the Cayman Islands, whose principals are focused on providing investment fund, banking, trust, corporate, and outsourcing solutions. He oversees fund governance for a portfolio of hedge fund and private equity clients while providing management oversight to a team of fund governance professionals. Wade also serves as an independent director on a variety of hedge fund and related structures. Previously, Wade worked within the Hedge Fund Accounting department of BlueBay Asset Management in London, one of the largest independent Managers of fixed income credit funds and products in Europe. Prior to that, he was a Senior Team Manager at Admiral Administration Ltd., where he was responsible for the overall management of a portfolio of hedge fund clients. He began his career in public accounting with KPMG. Wade holds a Bachelor of Commerce in Accounting from University of Saskatchewan and qualified as a Chartered Accountant in Canada. He serves the Fund in a non-executive capacity and is supported by a team of qualified and experienced Associate Directors and Associates, using proprietary market-leading technology to assist him in discharging his duties and responsibilities to the Fund.

#### Administrator

Subject to the terms of the Administration Agreement, the Administrator provides administrative, other than investment management and custodial, services to the Fund (see

“Material Agreements; Administration Agreement” for further discussion of the Administrator’s responsibilities). The Administrator also acts as registrar and transfer agent on behalf of the Fund, dealing with all requests for the subscription, transfer and redemption of Participating Shares on behalf of the Fund, subject to the anti-money laundering laws. The Administrator shall be paid a fee in accordance with its standard fee schedule.

#### Registered Office; Attorneys and Accountants

The location of: (i) the registered office of the Fund; and (ii) certain books and records required by law to be maintained at the Fund’s registered office in the Cayman Islands, is c/o Intertrust Corporate Services (Cayman) Limited, Walker House, Mary Street, George Town, Grand Cayman, KY1-9005, Cayman Islands. The Master Fund’s registered office is located at the same address. The principal office of the Fund and the location where its other books and records are kept is the office of the Administrator.

Walkers, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands, acts as Cayman Islands legal counsel to the Fund and the Master Fund. Foley Hoag LLP, 155 Seaport Boulevard, Boston, Massachusetts 02210, acts as United States legal counsel to the Fund, the Delaware Fund, the Master Fund, and the Manager.

In connection with the Fund’s offering of Participating Shares and subsequent advice to the Fund, the Master Fund, the Delaware Fund, and the Manager, neither Foley Hoag LLP nor Walkers is representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Foley Hoag LLP’s representation of the Fund, the Master Fund, the Delaware Fund, and the Manager is limited to specific matters as to which it has been consulted by such parties. There may exist other matters that could have a bearing on the Fund, the Master Fund, the Delaware Fund, and the Manager as to which Foley Hoag LLP has not been consulted. In addition, Foley Hoag LLP does not undertake to monitor compliance by the Manager and its affiliates with the investment program, valuation procedures, and other guidelines set forth herein, nor does Foley Hoag LLP monitor ongoing compliance with applicable laws. In connection with the preparation of this Memorandum, Foley Hoag LLP’s responsibility is limited to matters of United States law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Memorandum. In the course of advising the Fund, there are times when the interests of Shareholders may differ from those of the Fund and/or the Master Fund. Foley Hoag LLP does not represent the Shareholders’ interests in resolving these issues. In reviewing this Memorandum, Foley Hoag LLP has relied upon information furnished to it by the Fund, the Master Fund, the Delaware Fund, and the Manager and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund, the Master Fund, the Delaware Fund, and the Manager.

The independent auditor for the Fund is KPMG.

## **INVESTMENT CONSIDERATIONS AND RISK FACTORS**

INVESTMENT IN THE PARTICIPATING SHARES INVOLVES SIGNIFICANT RISK. EACH POTENTIAL SHAREHOLDER SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS AS WELL AS ALL THE OTHER INFORMATION SET FORTH IN THIS PRIVATE PLACEMENT MEMORANDUM BEFORE DECIDING WHETHER TO INVEST IN THE PARTICIPATING SHARES. THE FOLLOWING LIST IS NOT A COMPLETE LIST OF ALL THE RISKS INVOLVED IN CONNECTION WITH INVESTMENT IN THE PARTICIPATING SHARES. PROSPECTIVE SHAREHOLDERS MUST RELY UPON THEIR OWN EXAMINATION OF AND ABILITY TO UNDERSTAND THE NATURE OF THIS INVESTMENT, INCLUDING THE RISKS INVOLVED IN MAKING THE DECISION TO INVEST IN THE PARTICIPATING SHARES. THERE CAN BE NO ASSURANCE THAT THE MASTER FUND AND ACCORDINGLY THE FUND WILL BE ABLE TO ACHIEVE ITS INVESTMENT OBJECTIVE OR THAT THE SHAREHOLDERS WILL RECEIVE A RETURN ON THEIR CAPITAL. FURTHER, INVESTMENT RESULTS MAY VARY SUBSTANTIALLY ON A QUARTERLY OR ANNUAL BASIS.

### No Operating History

The Fund and Master Fund were both incorporated in October 2012. Neither has an operating or performance history for investors to consider. The Fund's investment program should be evaluated on the basis that there can be no assurance that the Manager's assessment of the short-term or long-term prospects of investments will prove accurate or that the Master Fund and accordingly the Fund will achieve its investment objectives.

### No Guarantee of Achievement of the Master Fund's Investment Objective

No guarantee or representation is made that the Master Fund's investment strategy will be successful. The Master Fund's investment program may include such investment techniques as leverage, illiquid investments, short sales, the use of derivatives, and limited diversification which practices can, in certain circumstances, increase the risk and losses to the Shareholders. No assurance can be given that the Master Fund will achieve its investment objective or that the ultimate achievement of the Master Fund's investment objective will be profitable for all of the Shareholders.

### Manager Control

Shareholders must rely on the ability of the Manager and its employees to identify and make investments consistent with the Master Fund's investment strategy. The holders of Participating Shares neither participate in the making of any investment decisions nor have the opportunity to evaluate personally the relevant economic, financial, and other information used by the Manager in its selection, monitoring, and disposition of investments. Accordingly, no purchase of Participating Shares should be made unless prospective Shareholders are willing to entrust all aspects of the management and investments of the Fund and the Master Fund to the Manager.

### Changes in Investment Approach

The Manager may alter its investment approach if it determines that such change is in the best interest of the Fund.

### Master-Feeder Structure

The Fund generally invests through a “master-feeder” structure. Although a common investment fund structure, the “master-feeder” fund structure presents certain unique risks to investors. For example, a smaller feeder fund investing in the Master Fund may be materially affected by the actions of a larger feeder fund investing in the Master Fund. If a larger feeder fund makes withdrawals from the Master Fund, the remaining feeder fund may experience higher pro rata operating expenses, thereby producing lower returns. The Master Fund may become less diverse due to a withdrawal by a larger feeder fund, resulting in increased portfolio risk.

Expenses or liabilities of the Master Fund arising from any legal proceedings against the Master Fund would be borne by the Master Fund and creditors of the Master Fund may enforce claims against all assets of the Master Fund. There is the risk that a lender (having foreclosed and become a new shareholder in the Master Fund) would redeem its entire interest and disrupt the Master Fund’s (and as a result, the Fund’s), operations. In addition, to the extent the Fund’s assets are invested in the Master Fund, certain conflicts of interest may exist at the level of the Master Fund due to different tax considerations applicable to other feeder funds, including the Delaware Fund

### Equity Investments

The Master Fund will be subject to the risks associated with any equity investment strategy. Sharp downward market moves may adversely impact the Master Fund’s long positions and result in losses. Sharp upward market moves may adversely impact the Master Fund’s short positions and result in losses. Losses may also be incurred on individual positions as a result of issuer-specific matters such as unexpected disappointing earnings, lawsuits, analyst action, or other matters. Equity returns are volatile and may fluctuate substantially over time.

### Information Sources and Analysis

The Manager selects investments for the Master Fund based in part on information and data that the issuers of securities file with various government agencies or make directly available to the Manager or that it obtains from other sources. 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 readily available.

The Manager is not in a position to obtain all relevant information regarding a company or a security. Further, the Manager may misinterpret or incorrectly analyze the information that it has about a particular company or security. These and other factors may cause the Manager to (a) invest in securities at times that will lead to losses in the Master Fund’s portfolio and may cause a Shareholder to lose a significant portion of its investment in the Fund, or (b) refrain from investing in a particular security at times that would have resulted in gains in the Master Fund’s portfolio if the Manager would have caused the Master Fund to invest.

### Quantitative Process Models

The Manager employs various quantitative models to select investments. There can be no assurances that these models will operate correctly in all market conditions. In particular, the Manager believes that the greatest challenge to its investment approach will occur during macro-focused anti-value market environments. The Manager will seek to mitigate the risks during such an environment by the use of a statistical risk model and a balanced use of alpha factors.

The Manager's quantitative investment process is supported by tens-of-thousands of lines of proprietary computer code, third-party software, and ongoing data feeds from numerous third-party data providers. It is possible that errors may occur in coding, third-party software and/or data feeds, as is the case with any complex software or data driven model, and no guarantee or warranty can be provided that any quantitative investment model is completely free of errors. Any such errors could have a negative impact on the results generated by the models. The Manager has in place control systems and processes which are intended to identify in a timely manner any such errors which would have a material impact on the investment process.

### Lack of Liquidity of Fund Assets

The Master Fund's assets may, at any given time, include securities and other financial instruments or obligations which are very thinly traded or which are restricted as to their transferability under applicable laws. The Master Fund may own securities that are relatively liquid when acquired but that become illiquid after the Master Fund's investment. The sale of any such illiquid investments may be possible only at substantial discounts. Further, such investments may be extremely difficult to value with any degree of certainty.

### Use of Borrowed Funds

The Manager may borrow in connection with its investment activities. Such leverage increases both the possibilities for profit and the risk of loss. In a downward trending market the use of leverage for long positions could have a material adverse effect on the Master Fund's profitability and operations, and the opposite is true with short positions in an upward trending market. Extensions of credit and guarantees by broker-dealers of performance of the Master Fund's obligations will typically be secured by the Master Fund's securities and other assets. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures the Master Fund's obligations, and if the Master Fund were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the Master Fund's obligation to the broker-dealer. Liquidation in such manner could have materially adverse consequences. In addition, the amount of the Master Fund's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Master Fund's and, therefore, the Fund's profitability.

### Short Sales

The Master Fund may engage in short sales by selling securities that it does not own at the time of sale. By doing so, the Master Fund will become obligated to purchase and deliver securities against the short position. In the event that the price of a security increases between the short sale and the Master Fund's subsequent purchase of shares of that security, the Master



Fund and accordingly the Fund will suffer a loss on that transaction and the value of the Shareholders' investments will decrease accordingly. There can be no assurance that the Master Fund and accordingly the Fund will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, the Master Fund will have to deliver cash or United States Treasury securities or other securities to brokers to assure delivery of equity securities against short positions. The Master Fund will be able to keep only a negotiated percentage of the yield of such United States Treasury or other securities.

The availability of shares to borrow to execute a short can change quite dramatically and quickly. This presents a risk not faced with long positions. Dramatic changes in the availability of borrowed securities for shorting is an event not typically addressable through fundamental security analysis. Short squeezes or short covering rallies can be quite detrimental to overall profits. Avoiding hard-to-borrow shares or illiquid names is a basic risk management discipline. Easy-to-borrow shares can become hard-to-borrow quickly. The negative "crowding out" effect is more prevalent with the rapid growth in the number of long-short funds.

#### Market Losses and Volatility; Economic Conditions

Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, systemic financial market instability, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws, and innumerable other factors, can affect the Master Fund's investments and prospects materially and adversely. None of these conditions is within the Manager's control, and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of the Master Fund's investments. Unexpected volatility or illiquidity could impair the Master Fund's profitability or result in losses.

The financial markets in the fourth quarter of 2008 and in 2009 experienced severe losses and extreme volatility. In addition, government intervention into the markets has been substantial and unpredictable, such as the temporary ban on shorting the securities of certain financial institutions and the "bailout" of various financial institutions. The Manager cannot predict whether such severe losses may occur again, when the volatility may cease, or the nature and impact of further government intervention.

The United States and much of the rest of the world still is in the midst of or recovering from an economic downturn. It is reasonable to expect that during such period and possibly during the recovery period a number of issuers may declare bankruptcy or experience severe financial distress. The Master Fund may look to take advantage of such situations, but may ultimately suffer losses if it has exposure to any such issuers.

#### Impact of Withdrawals

Investors should be aware that certain holdings of the Master Fund may have to be held for a substantial period before recognizing any net capital appreciation. The Master Fund is not suitable for an investor with a short investment horizon. Substantial withdrawals might also compel the Master Fund to liquidate a holding prematurely to fund the withdrawal, which may be to the detriment of remaining investors.

### Non-controlling Investments

The Master Fund anticipates that it will hold minority equity and other non-controlling interests in portfolio companies and, therefore, will have a limited ability to protect the Master Fund's position in such portfolio companies. In such cases, the Master Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Master Fund is not affiliated and whose interests may conflict with the interests of the Master Fund and the Fund.

### Securities of Non-U.S. Issuers

The Master Fund expects to invest and trade in securities of non-U.S. issuers traded outside the United States. The economies of certain non-U.S. countries may be vulnerable to changes in international trading patterns, trade barriers, and other protectionist or retaliatory measures. Investments in non-U.S. countries also may be adversely affected by governmental actions such as the imposition of capital controls, nationalization of companies or industries, expropriation of assets, or imposition of punitive taxes. In addition, certain governments may prohibit or impose substantial restrictions on foreign investing in capital markets or in certain industries. Any such action could severely affect securities prices, impair the Master Fund's ability to purchase or sell non-U.S. securities, or otherwise adversely affect the Master Fund. Other risks of investing outside the United States may include, without limitation, difficulties in pricing securities and difficulties in enforcing favorable legal judgments in courts. The economies of certain non-U.S. countries may be based predominantly on only a few industries and may have higher levels of debt or inflation.

### Emerging Markets

Some of the countries in which the Master Fund will be investing are "emerging markets," many of which have experienced political, economic, and/or social instability. Many emerging market countries have also experienced dramatic swings in the value of their national currency. There can be no assurance given that such instability or such fluctuations will not occur in the future and, if they do occur, that they will not have a material adverse effect on the performance of the Master Fund.

The laws and regulations in some of the countries in which the Master Fund may invest are subject to frequent changes driven by the economic, social, and political instability. The legal systems in certain countries may be transitional and the laws regulating securities transactions, protection of investors, and ensuring market discipline, which are customary in countries with developed securities markets, may not be available. Where the legal and regulatory framework is in place, the enforcement may be inadequate or insufficient.

Some of the countries where the Master Fund may invest may not recognize regulation by the exchanges and self-regulatory organizations as law that can be enforced through the judiciary or by means otherwise available to the investors in developed markets.

Derivatives regulation and trading has not been developed in some of the countries where the Master Fund will invest. The investments made by the Master Fund may not be recognized

as securities protected by the securities laws in the countries where the investments are made. Investments that are recognized as securities under the local laws are often traded on the foreign exchanges with very little liquidity, thus adversely affecting the ability of the securities holders to liquidate their investment holdings.

Some of the countries where the Master Fund may invest currently have or may in the future introduce foreign exchange control regulations which can limit the ability of the Fund to repatriate the dividends, interest, or other income from the investments or the proceeds from sale of securities.

Risks associated with the investments in the emerging markets, including but not limited to the risks described above, could adversely affect the performance of the Master Fund and result in substantial losses

#### Non-U.S. Exchanges and Markets

The Master Fund will engage in trading on non-U.S. exchanges and markets. Trading on non-U.S. exchanges may be conducted in such a manner that all participants are not afforded an equal opportunity to execute certain trades and may also be subject to a variety of political influences and the possibility of direct governmental intervention. If settlement procedures are unable to keep pace with the volume of transactions, it will be difficult to conduct such transactions. Any difficulty with clearance or settlement procedures on non-U.S. exchanges and markets may expose the Master Fund to losses.

#### Exchange Rate Risk

Volatility in international exchange rates between the United States dollar and other currencies may affect pricing and the profit margin on sales of non-U.S. securities held by the Master Fund. This, in turn, could adversely affect the Master Fund's rate of return or a Shareholder's profit.

The Fund will require that payments be made and will make distributions in United States dollars. Consequently, for investors whose local currency is not United States dollars, an investment in the Fund involves a significant exchange rate risk. The Master Fund, and accordingly the Fund, could recognize substantial profits but the real value of a Shareholder's investment could decline due to a decrease in the value of United States dollars relative to such Shareholder's local currency.

#### Investments in Undervalued Assets

The Master Fund will seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued securities theoretically offer the opportunity for above-average capital appreciation, these investments may involve a high degree of financial risk and can result in substantial losses. The Master Fund may be forced to sell, at a substantial loss, securities which it believed to be undervalued, if they are not in fact undervalued. In addition, the Master Fund may be required to hold such assets for a substantial period of time before realizing their anticipated value. During

this period, a portion of the funds would be committed to the assets purchased, thus possibly preventing the Master Fund from investing in other opportunities.

### Small Cap Issuers

At any given time, the Master Fund may have significant investments in smaller-to-medium sized companies of a less seasoned nature. Securities of such issuers often involve significantly greater risks than the securities of larger, better-known companies. While smaller companies may offer substantial opportunities for capital growth, they also involve substantial risks and should be considered speculative. Historically, smaller company securities have been more volatile in price than larger company securities, especially over the short term. Among the reasons for the greater price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller companies to changing economic conditions.

In addition, smaller companies may lack depth of management, be unable to generate funds necessary for growth or development, have limited product lines, or be developing or marketing new products or services for which markets are not yet established and may never become established. Smaller companies may be particularly affected by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans which are floating rate.

### Trading in Forward Contracts to Hedge Currency Risk

Each of the Fund and the Master Fund may, but is not obligated to, elect to hedge its exposure to fluctuations in the United States dollar relative to foreign currencies by entering into forward contracts with respect to such currencies. A forward contract is similar to a futures contract but unlike a futures contract the terms of a forward contract are not standardized nor are forward contracts traded on exchanges designated by the United States Government. Forward contracts are subject to the credit risk of the principals or their refusal to perform and the imposition of exchange controls. Forward contracts are not guaranteed by an exchange or a clearing house and the failure of a principal with whom a forward contract is made would likely result in a default. It may be difficult to enforce the contractual obligations of a non-United States principal in the event that a principal refuses to perform under a forward contract.

### Futures

The Master Fund expects to invest and trade in futures. A futures contract is an agreement between two parties which obligates the purchaser of a futures contract to buy and the seller of a futures contract to sell a security or basket of securities (such “security” or “securities” may include equities, commodities, foreign currency, and bonds) for a set price on a future date. Unlike most other futures contracts, a stock index or single stock futures contract does not require actual delivery of securities, but results in cash settlements based upon the difference in value of the single stock futures or index between the time the contract was entered into and the time of its settlement. The risk of loss in trading futures can be substantial. If the Master Fund purchases a future it may sustain a total loss of the initial margin funds and any additional funds deposited with a broker to establish and maintain its position in the future. If the market moves

against the Master Fund's position, the Master Fund may be required to deposit a substantial amount of additional margin funds in order to maintain its position. The placement of contingent or stop orders by the Master Fund will not necessarily limit its losses to the intended amounts, as market conditions may make it impossible for such orders to be executed. There can be no assurance that, at all times, a liquid market will exist for offsetting a futures contract that the Master Fund has bought or sold. This could be the case if, for example, a futures price has increased or decreased by the maximum allowable daily limit and there is no one presently willing to buy the futures contract the Master Fund wants to sell or sell the futures contract the Master Fund wants to buy. The high degree of leverage that can be used in trading futures can lead to large losses.

### CFTC Exemption

Although the Master Fund expects to invest and trade in futures, the Manager currently is not registered with the CFTC as a commodity pool operator due to the exemption described below. As a result, unlike a registered commodity pool operator, the Manager is not required to deliver a disclosure document prepared in accordance with CFTC regulations and a certified annual report to participants in the Fund. The Manager is exempt from registration because participation in the Fund is limited to accredited investors and knowledgeable employees of the Manager, and the Master Fund will (i) commit no more than five percent of the liquidation value of its portfolio to establish commodity interest trading positions or (ii) maintain the aggregate net notional value of its commodity positions at 100 percent or less of the portfolio's liquidation value. In addition, the Fund will not be marketed as a vehicle for trading commodity interests. The Manager is also relying on an exemption from registration as a commodity trading advisor.

### Options

The Master Fund may engage in options trading. Stock or index options that may be purchased or sold by the Master Fund may include options not traded on a securities exchange. Options not traded on an exchange are not issued by the Options Clearing Corporation; therefore, the risk of nonperformance by the obligor on such an option may be greater and the ease with which the Master Fund can dispose of such an option may be less than in the case of an exchange-traded option issued by the Options Clearing Corporation. The trading of options is highly speculative and may entail risks that are greater than those present when investing in other securities. Prices of options are generally more volatile than prices of other securities. To the extent that the Master Fund purchases options that it does not sell or exercise, it will suffer the loss of the premium paid in such purchase. To the extent that the Master Fund sells options and must deliver the underlying securities at the option price, the Master Fund and, therefore, the Fund, each have a theoretically unlimited risk of loss if the price of such underlying securities increases. To the extent that the Master Fund must buy the underlying securities, it risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Special risks are associated with the use of options. A decision as to whether, when and how to use options involves the exercise of skill and judgment which are different from those needed to select securities, and even a well-conceived transaction may be unsuccessful to some degree because of

market behavior, currency fluctuations, or interest rate trends. The potential loss incurred by the Master Fund and, therefore, the Fund, in writing uncovered options is unlimited. When options are used as a hedging technique, there can be no guaranty of a correlation between price movements in the option and in the portfolio securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that the Fund's return might have been better had hedging not been attempted.

### Swap Transactions

The Master Fund may engage in credit default swaps, total return swaps on individual securities and indices, and other swap transactions (including interest rate derivatives and currency derivatives). Swap contracts may not be traded on exchanges, and the swap markets are not yet subject to the same type or degree of regulation and supervision as are regulated exchanges. As a result, many of the protections afforded to participants on regulated exchanges are not available in connection with swap transactions and other over-the-counter ("OTC") transactions. For example, currently the swap and other OTC markets generally are "principals' markets" in which performance with respect to a swap contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As a result, the Master Fund is subject to the risk of the inability or refusal of the counterparties with which the Manager trades to perform with respect to swap contracts. The regulation of certain swap transactions is in process and the CFTC has released various rules regarding certain swap dealers and participants. The form and implementation of such regulation could impact the Master Fund's investments in swap transactions and the market for such swap transactions.

### Exchange-Traded Funds

Because ETF shares, as opposed to mutual fund shares, are exchange-traded securities, they are subject to additional risks. ETF shares are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF share typically will approximate its net asset value ("NAV"), there may be times when the market price and the NAV vary significantly. Thus, the Master Fund may pay more than NAV when it buys ETF shares on the secondary markets, and may receive less than NAV when it sells those shares. Some ETFs may utilize leverage to enhance returns. The effect of such leverage may result in a greater increase in NAV. However, such ETFs can be extremely volatile as the NAV tends to fluctuate out of proportion to the underlying securities due to the leverage employed. Although ETF shares in which the Master Fund will invest are listed for trading on stock exchanges, it is possible that an active trading market may not be maintained.

### Investing in Fixed Income Securities

The Master Fund may invest in debt instruments. Issuers of fixed income securities have a contractual obligation to pay interest at a specified rate (coupon rate) on specified dates and to repay principal (face value or par value) on a specified maturity date. Certain bonds (usually intermediate- and long-term bonds) have provisions that allow the issuer to redeem or "call" a bond before its maturity. Issuers are most likely to call such bonds during periods of falling interest rates. As a result, the Master Fund may be required to invest the unanticipated proceeds

of the called security at lower interest rates, which may cause the Master Fund's income to decline.

### General Risks of Investing in Debt Instruments

The risks of debt investments include (among others): (i) limited liquidity and secondary market support, (ii) the possibility that earnings of the obligor may be insufficient to meet its debt service, (iii) the declining creditworthiness and potential for insolvency of the borrower during periods of economic downturn, (iv) spread compression over the reference interest rate available for reinvestment during any period in which prepayments are received, and (v) if the investment is subordinated, subordination to the prior claims of other loans or senior lenders. Debt investments are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for loans and high-yield bonds and adversely affect the value of outstanding holdings and the ability of the borrowers thereof to repay principal and interest. Moreover, defaults may prove to be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

Debt instruments may become non-performing for a variety of reasons. Non-performing instruments may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal. The Master Fund may incur additional expenses to the extent it is required to seek recovery upon a default or to participate in the restructuring of a debt instrument. Although the Master Fund may have voting rights with respect to an individual holding, there can be no certainty that the Master Fund will be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such holding to determine the outcome of such vote.

### Risks of Investing in Foreign Securities through Depositary Receipts

Although ADRs and GDRs are alternatives to directly purchasing the underlying foreign securities in their national markets and currencies, they are also subject to many of the risks associated with investing directly in foreign securities, including changes in exchange rates and exchange control regulations; political and social instability; expropriation; imposition of non-U.S. taxes; less liquid markets and less available information than are generally the case in the United States; higher transaction costs; less government supervision of exchanges, brokers, and issuers; difficulty in enforcing contractual obligations; lack of uniform accounting and auditing standards; and greater price volatility. Foreign investments, especially investments in emerging markets, can be riskier and more volatile than investments in the United States.

### Use of a Prime Broker to hold Assets

The Master Fund intends to use one or more prime brokers to hold some or all of its assets. Special risks exist if the assets of the Master Fund are held by a prime broker rather than a bank custodian. In the event that the prime broker experiences severe financial difficulty, the Master Fund's assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time while the prime broker's business is liquidated, resulting in a potential loss to the Master Fund and, therefore, the Fund, due to adverse market movements

while the positions cannot be traded. Furthermore, if the prime broker's pool of assets is determined to be insufficient to meet all claims, the Master Fund and, therefore, the Fund, could suffer a loss. The current prime brokers of the Master Fund's assets are Morgan Stanley & Co. LLC and UBS Securities, LLC. Investors should be aware that a prime broker may provide research, capital introduction, or other services to the Master Fund, and that the provision of such services may create a conflict of interest for the Master Fund in selecting a prime broker. The Manager may appoint or change prime brokers or use additional prime brokers at its discretion.

### Counterparty Risk

The Master Fund may purchase and sell derivative instruments such as swaps in "over-the-counter" or "interdealer" markets. The participants in these markets also typically are not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Master Fund to the risk that a counterparty will not settle a transaction in accordance with contractual obligations whether due to insolvency, bankruptcy, or other causes. Moreover, disputes over the terms of a derivatives contract (whether or not bona fide) may cause settlement delays because such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets. These factors may cause the Master Fund to suffer a loss due to adverse market movements while replacement transactions are executed or otherwise. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Master Fund has concentrated its transactions with a single or small group of counterparties.

### Reliance on Key Individual

The success of the Fund is substantially dependent on the efforts of David Dali and John Janasiewicz. The loss of the services of Mr. Dali or Mr. Janasiewicz could adversely affect the Fund.

### Indemnification

Under the Investment Management Agreement, the Fund and the Master Fund will indemnify the Manager and its employees and affiliates against any losses, claims, judgments, damages and liabilities, joint or several, expenses (including, without limitation, reasonable attorneys' fees and disbursements), and amounts paid in settlement of any claim sustained, including by way of criminal proceedings, by the Manager or its employees or affiliates resulting in any way from any act or omission performed in good faith in a manner reasonably believed by the Manager or its employee or affiliate, as the case may be, to be within the scope of authority conferred by the Investment Management Agreement, by law or by the Fund or the Master Fund, except in the event the same is found by a court of competent jurisdiction to have resulted from the Manager's or such employee's or affiliate's gross negligence, willful misconduct, malfeasance, violation of applicable law or any other intentional or criminal wrongdoing with respect to such acts or omissions. The United States federal securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore nothing in the Investment Management Agreement will in any way constitute a waiver or limitation of any rights which any Shareholder, the Fund, or the Master Fund may have under such laws.



### No Investment Company Registration

While the Fund may be considered similar to an investment company, it does not intend to register as such under the 1940 Act (in reliance upon an exemption available to privately offered investment companies), and, accordingly, the provisions of the 1940 Act (which, among other matters require investment companies to have disinterested directors, require securities held in custody to at all times be individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and regulate the relationship between the adviser and the investment company) will not be applicable.

### Legal Counsel

Foley Hoag LLP acts as United States counsel to the Manager, the Master Fund, the Fund and the Delaware Fund. Walkers acts as Cayman Islands counsel only to the Master Fund and the Fund. The Fund does not have United States counsel separate and independent from counsel to the Manager. Foley Hoag LLP and Walkers do not represent investors in the Fund, and no independent counsel has been retained to represent investors in the Fund.

Foley Hoag LLP serves as legal counsel to the Manager, the Fund, the Master Fund, and the Delaware Fund in connection with the preparation of this Memorandum. Foley Hoag LLP may continue to serve in such capacity in the future, but has not assumed any obligation to update this Memorandum. Foley Hoag LLP may advise the Manager, the Fund, the Master Fund, or the Delaware Fund in matters relating to the operation of the Fund on an ongoing basis. Foley Hoag LLP does not represent and has not represented the prospective Shareholders in the course of the organization of the Fund, the negotiating of its business terms, the offering of the Participating Shares, or in respect of its ongoing operations. Prospective Shareholders must recognize that, as they have had no representation in the organization process, the terms of the Fund relating to themselves and the Participating Shares have not been negotiated at arm's length.

Foley Hoag LLP's engagement by the Manager, the Fund, the Master Fund, and the Delaware Fund with respect to the Master Fund and/or the Fund is limited to the specific matters as to which it is consulted by the Manager, the Fund, the Master Fund, or the Delaware Fund and therefore, there may exist facts or circumstances which could have a bearing on the Fund's (or Manager's or Master Fund's) financial condition or operations with respect to which Foley Hoag LLP has not been consulted and for which Foley Hoag LLP expressly disclaims any responsibility. More specifically, Foley Hoag LLP does not undertake to monitor the compliance of the Manager with the investment program, valuation procedures, and other guidelines set forth herein, nor does it monitor compliance with applicable laws. In preparing this Memorandum, Foley Hoag LLP relied upon information furnished to it by the Fund, the Master Fund, and/or the Manager, and did not investigate or verify the accuracy and completeness of information set forth herein concerning the Manager, the Fund, the Master Fund, and the Fund's service providers.

## U.S. Regulatory Changes

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), the United States Congress, the SEC, and other regulators are continuing to review the private investment fund (“hedge fund”) industry and its relationship to the securities markets and investors. Under the Dodd-Frank Act, certain investment managers to hedge funds are required to register with the SEC and are subject to certain reporting obligations, and certain types of derivatives must be traded through clearinghouses rather than “over-the-counter.” The Manager cannot currently predict the form that any additional regulations under the Dodd-Frank Act may take or whether they will have an impact on the Fund. In addition, other legislation may be passed or regulations adopted in the future which could negatively impact the Fund and its strategy.

## European Regulatory Changes

In addition, the European Parliament and the Council of the European Union (the “EU”) have approved a Directive (the “AIFM Directive”) on alternative investment fund managers (“AIFM”) which is required to be transposed into the laws of the EU Member States no later than July 21, 2013. The AIFM Directive will regulate AIFM based in the EU and prohibit such AIFM from managing any alternative investment fund (“AIF”) or marketing shares in AIF to investors in the EU unless authorisation is granted to the AIFM. In order to obtain such authorisation, and to be able to manage an AIF, an AIFM will need to comply with various obligations in relation to the AIF which may create significant additional compliance costs that may be passed to shareholders in the AIF. Furthermore, unless the AIFM is authorised and, in the case of an AIF (such as the Fund) domiciled outside the EU, unless certain conditions relating to the domicile of the AIF are met, the marketing of shares in the AIF to investors in the EU will not be permitted. Because many of the provisions of the AIFM Directive require the adoption of delegated acts and regulatory technical standards, as well as the establishment of guidelines, before becoming fully effective, it is difficult to predict the precise impact of the AIFM Directive on the Fund and the Manager. The Directors and the Manager will monitor the position and react appropriately. Regulatory changes arising from the AIFM Directive may impair the ability of the Manager to manage the investments of the Fund, or limit the Manager's ability to market Participating Shares in the future.

## EU Savings Directive

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

The provisions of the Directive apply to payments made on or after July 1, 2005. Under the implementing legislation and guidance in the Cayman Islands, it is unlikely that payments made by the Administrator or directly by the Fund will be subject to the reporting (or withholding tax) regime. However, because these rules are complex and the precise extent of their application has not yet been confirmed by all Member States or other relevant jurisdictions which have agreed to introduce an equivalent reporting (or withholding tax) regime, application of the regime to payments emanating from the Fund cannot be excluded in all cases and Shareholders who are individuals should consult their own tax advisers in relation to the purchase of the Participating Shares.

Shareholders to whom the Directive may be relevant should also be aware that the EU Commission has proposed certain changes to the Directive, including a proposal to ensure that all investment funds are treated equally under the Directive irrespective of whether they are constituted as undertakings for collective investment. These changes, if implemented, might mean that in the future payments made by the Fund through any such paying agent as is described above to relevant Shareholders upon the redemption of Shares, or in the form of dividends or other distributions, could become subject to the reporting (or withholding tax) regime as set out in the Directive or applicable similar or equivalent measures.

#### Conflicts of Interest

The Manager is required to exercise its best judgment in the management and operation of the Fund and the Master Fund and to use its best efforts to carry out the purposes of the Fund and the Master Fund. However, the Manager is required to devote to the Fund only such time as it deems necessary to conduct the Fund's business in an appropriate manner, and is not required to spend its full time on the affairs of the Fund. The Manager may manage other portfolios to which it also devotes time, often using investment strategies different from those it applies to the Fund's and the Master Fund's portfolio. The Manager is not obligated to make available to the Fund or the Master Fund investment opportunities identified by such other strategies, and will not be liable or accountable to the Fund, the Master Fund or the Shareholders for the profits of such other portfolios. Investment opportunities will be shared or otherwise allocated between the Master Fund and other clients of the Manager. The Manager, and its employees and affiliates, may engage in personal trading for their own accounts and may take positions in securities which differ from the positions deemed appropriate for the Fund.

The Manager's compensation from the Fund is based in part on the performance of the Master Fund's investments and the Fund's share thereof. Under this arrangement, the Manager may receive increased Performance Fees with regard to unrealized appreciation as well as realized gains. To the extent that the Manager's Performance Fee is based on the unrealized appreciation of securities for which market quotations are not readily available, such securities are valued at fair value as reasonably determined by the Manager. This Performance Fee arrangement between the Fund and 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 such Performance Fees.

### Aggregation of Trades

The Manager may manage other portfolios and expects that the Master Fund and other portfolios it manages will, from time to time, purchase or sell the same securities. The Manager may aggregate orders for the purchase or sale of securities on behalf of the Master Fund with orders on behalf of other portfolios the Manager manages. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each portfolio managed by the Manager that bought or sold such securities at the average execution price. If less than the total of the aggregated orders is executed, purchased securities or proceeds will generally be allocated pro rata among the participating portfolios in proportion to their planned participation in the aggregated orders. No portfolio will receive the lowest purchase price or the highest sale price in connection with such order unless all purchases or sales are at the same price.

### Material Inside Information

Investors in the Fund should be aware that if the Manager comes into possession of material inside information of an issuer in connection with one of the accounts it manages, it will be unable to trade securities issued by such issuer for all accounts under management until the information is made public.

### New Investors

The Fund will accept subscriptions from time to time from new Shareholders. Investments of such subscription proceeds will dilute an existing Shareholder's interest in current positions established by the Master Fund.

### Side Letters

The Fund and the Manager may agree with a particular Shareholder to waive certain provisions and/or otherwise provide terms of investment differing from the terms described in this Memorandum, including agreeing to waive or rebate in whole or in part the Management Fees or the Performance Fees; agreeing to different Subscription Dates, Redemption Dates and notice periods; and permitting revocation of redemption notices and additional reporting or transparency. Such agreements on such matters may be contained in one or more side letters delivered by the Fund or the Manager and the Fund. The Fund and the Manager have no obligation to seek comments from other Shareholders on such agreements or side letters or to disclose them to the other Shareholders. The Fund may, without the consent of the Shareholders, create new classes or sub-classes of Participating Shares which are subject to different terms from those set out elsewhere in this Memorandum.

### Restricted Securities

The Participating Shares have not been registered under the United States Securities Act of 1933, or registered or qualified under the "Blue Sky" laws of any state or country, and are being sold pursuant to exemptions contained in those laws. Accordingly, the Participating Shares will constitute "restricted securities," as defined in Rule 144 promulgated under the Securities Act, which must be held indefinitely unless they are subsequently registered under

applicable U.S. federal and state or non-U.S. securities laws or an exemption from the registration requirements of those laws is available. The Participating Shares will not become freely transferable by reason of any change of circumstances whatsoever. Rule 144, which permits the resale, subject to satisfaction of minimum holding periods and various terms and conditions, of restricted securities may not apply to the Participating Shares because the Fund is not required to file, and does not file, current reports under the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), and because information concerning the Fund substantially equivalent to that which would be available if the Fund were required to file such reports is not publicly available. The Fund has no plans to become a reporting company in the future. Notwithstanding the foregoing, Shareholders may redeem Participating Shares subject to certain restrictions, see “The Fund” section below.

#### Lack of Trading Market

There is no public market for the Participating Shares being sold in this offering, and none is expected to develop. The Participating Shares will not be widely held, and the Fund does not intend to make an effort to create any trading market for the Participating Shares. The Fund will not seek to list the Participating Shares on any securities exchange.

#### Portfolio Valuation

Because of the size and nature of the positions held by the Master Fund, the value at which its investments can be liquidated may differ, sometimes significantly, from the interim valuations arrived at using the methodology described herein. In addition, the timing of liquidations may also affect the values obtained on liquidation. Securities to be held by the Master Fund may routinely trade with bid-ask spreads that may be significant. At times, third-party pricing information may not be available for certain positions held by the Master Fund.

#### Non-Transferability of Interests; Limited Withdrawal Rights

The Articles contain significant restrictions on the transferability of the Participating Shares. See “Sale or Transfer of Participating Shares” under “The Fund” below. Participating Shares held by Non-U.S. persons may only be transferred in accordance with Regulation S of the Securities Act or in reliance on an exemption from registration thereunder.

Shareholders have the right to redeem all or part of their Participating Shares only on a monthly basis.

#### No Guarantee of Best Execution

There is no assurance by the Master Fund or the Manager that the purchase and sale of investments will be made on a best price and best execution basis. The Master Fund may pay brokerage commissions in excess of the lowest rates available to brokers who execute transactions for the account of the Master Fund or who otherwise provide brokerage and research services utilized by the Manager. Brokerage and research services obtained with soft dollars will be limited to those permitted by Section 28(e) of the Exchange Act. Such services may include, but are not limited to: (i) written information and analyses concerning specific securities, companies or sectors; (ii) market, financial and economic studies and forecasts, as well as

discussions with research personnel; (iii) certain financial and industry publications; and (iv) statistical, pricing and database services utilized in the investment management process. Under Section 28(e), research obtained with soft dollars may be used by the Manager to service accounts other than the Master Fund or the Fund.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been fully identified as providing research services. The investment information received from a broker may be used by the Manager in servicing all its accounts, and not all such information need be used by the Manager in connection with the Master Fund.

### Hedging

The Manager may attempt to structure its investments, and/or use various investment strategies and instruments, in a manner intended to hedge the Master Fund's exposure to market movements or other risks or limit losses. No assurance can be given that any hedging strategies or techniques employed by the Manager will be successful or will operate as intended. The use of hedging instruments or strategies may reduce the profit realized by the Master Fund in some cases, and may cause the Master Fund to incur additional expenses. Although a number of risk management and capital management strategies have been described in this Memorandum, the Manager is not obligated to adopt or maintain any particular hedging or risk management procedures.

### Directional Bias

The Master Fund may be net-long or net-short based on the Manager's view of the market. To the extent that the market rises while the Master Fund is net short or falls while the Master Fund is net-long, the Master Fund may incur losses and the value of the Shareholders' investments will decrease accordingly. The Master Fund is not intended to be market-neutral.

### Turnover and Trading Costs

The investment strategy to be employed by the Manager will result in the portfolio having a high degree of turnover which will result in higher transaction costs than would be the case if the Fund employed a buy-and-hold strategy. The transaction costs associated with an active trading strategy may lower returns. This strategy may also generate significant amounts of short-term capital gain, which is taxed at higher rates than long-term capital gain.

### Tax Considerations

For a discussion of certain tax considerations applicable to the purchase of Participating Shares and the operation of the Fund, see "Tax Considerations."

## Considerations for Certain ERISA Plan Shareholders

The Fund may, in its discretion, impose limits on the aggregate percentage of the value of all of the Participating Shares that may be held by benefit plan investors, and the Fund may, in its discretion, require that benefit plan investors redeem such number of Participating Shares as the Fund may deem necessary or desirable to ensure that the Fund's assets are not deemed "plan assets" under ERISA. For a discussion of certain considerations applicable to Shareholders that are employee benefit plans subject to ERISA, see "ERISA Considerations."

## Anti-Money Laundering

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person. Accordingly, the Fund has delegated the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to the Administrator, but will retain the ultimate responsibility for compliance with applicable anti-money laundering regulations.

The Fund, the Manager, 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).

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, 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.

## Contagion Risk

The Fund has the power to issue Participating Shares in classes. The Articles provide for the manner in which the liabilities are to be attributed across the various classes (liabilities are to be attributed to the specific class in respect of which the liability was incurred). However, the Fund is a single legal entity and there is no limited recourse protection for any class. Accordingly, all of the assets of the Fund will be available to meet all of its liabilities regardless of the class to which such assets or liabilities are attributable. In practice, cross-class liability is only expected to arise where liabilities referable to one class are in excess of the assets referable to such class and it is unable to meet all liabilities attributed to it. In such a case, the assets of the Fund attributable to other classes may be applied to cover such liability excess and the value of the contributing classes will be reduced as a result.

### Subscription Monies

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

### 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 Manager to be dealt with. None of the Fund, its directors, officers, advisors, or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund).

### Legal, Tax, and Administrative Changes

Legal, tax, or administrative changes which occur during the life of the Fund could have an adverse effect on the Fund, the Shareholders, or both.

### Eurozone Crisis

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the EU have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund (the "IMF") and the recently created European Financial Service Facility (the "EFSF"). The European Central Bank (the "ECB") has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs.

In October 2011, leaders of the countries in the Eurozone met in Brussels and agreed on a package of measures designed to prevent the collapse of member economies as a result of their increasing debt, which included measures to write down Greek debt, increase the EFSF and require increased capitalisation of European banks. The same leaders met again in November 2011 to extend an ultimatum to the Greek government to accept the proposed package. In December 2011, the same leaders, as well as the leaders of certain other countries in the EU, met in Brussels and agreed on a "fiscal compact" which includes a commitment to a new fiscal rule, to be introduced into the legal systems of the relevant countries, as well as acceleration of the entry into force of the European Stability Mechanism treaty.

Notwithstanding the measures described above, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently



has such status. The effect of such potential events on the Fund and/or one or more class of Participating Shares is impossible to predict. The Manager will monitor the position and endeavour to react appropriately.

#### Exchange of Tax Information

The Cayman Islands has implemented a legal and regulatory regime that the Organisation for Economic Co-operation and Development (“OECD”) has recognised as generally complying with internationally agreed standards for transparency and exchange of information for tax purposes. Furthermore, the Cayman Islands is currently treated by the OECD as a jurisdiction that has substantially implemented the internationally agreed tax standard (as developed by the OECD in co-operation with non-OECD countries and endorsed by G20 Finance Ministers and by the United Nations Committee of Experts on International Co-operation in Tax Matters). The implementation of this standard, which requires exchange of information on request in all tax matters for the administration and enforcement of domestic tax law without regard to a domestic tax interest requirement or bank secrecy for tax purposes, has involved the Cayman Islands entering into a number of bilateral tax information exchange agreements, and also the enactment of a unilateral mechanism for the Cayman Islands to provide relevant information on request to certain other specified jurisdictions. Consequently, each Shareholder should be aware that in accordance with such arrangements (as extended or varied from time to time to comply with then current international standards, to the extent adopted by the Cayman Islands or any other relevant jurisdiction), relevant information concerning it and/or its investment in the Fund may be provided to any relevant tax authority.

#### FATCA and Compliance with US Withholding Requirements

Pursuant to the United States Hiring Incentives to Restore Employment Act and recently issued US Internal Revenue Service (“IRS”) guidance a thirty percent (30%) US withholding tax will apply to: (a) payments made on or after January 1, 2014, to the Fund of U.S. source interest, dividends and certain other types of periodic income; and (b) the gross proceeds from the disposition of property that could give rise to US source interest or dividends (regardless of whether any gain or loss is recognised with respect to such disposition) made on or after January 1, 2017, unless, in general, the Fund enters into an agreement with the IRS to collect and report the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to any such interest (such withholding and reporting regime referred to herein as “FATCA”). Although the Fund will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Fund pursuant to FATCA and will otherwise attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the return of all Shareholders may be materially affected. Although the IRS has recently issued proposed Regulations providing detailed guidance regarding the implementation of FATCA, such Regulations have not yet been finalized, and there are significant uncertainties regarding how FATCA will be implemented and applied. All prospective Shareholders should consult with their tax advisors regarding the possible implications of FATCA on their investment in the Fund.

## Soft Wind-Down

As described in this Memorandum under “The Fund; Suspension of Net Asset Value Calculation, Redemptions and Subscriptions,” the Directors have the power, to suspend the calculation of Net Asset Value, redemptions of Participating Shares and the payment of redemption proceeds (each a “Suspension”). It is anticipated that any Suspension would ordinarily be temporary. However, there may be situations in which the circumstances giving rise to the Suspension continue to be present for a considerable period of time with the result that the Directors, in consultation with the Manager, consider it appropriate to keep the Suspension in place indefinitely. In certain circumstances, even where a Suspension has not been declared, the Directors may, in consultation with the Manager, make a determination that the investment strategy should no longer be continued. During any such period of Suspension or having made such determination that the investment strategy should no longer be continued, the Manager may recommend to the Directors that the Fund be managed with the objective of returning the Fund's assets to Shareholders in an orderly manner (an “Orderly Realisation”). The Directors may, in such circumstances, resolve to effect an Orderly Realisation should they determine that doing so is in the best interests of the Fund's stakeholders. Such Orderly Realisation shall not constitute a dissolution or winding up of the Fund for any purposes, but rather only the continued management of the Fund's portfolio so as to reduce such portfolio to cash (to the extent reasonably practicable, as advised by the Manager) and return such cash as well as all other assets of the Fund to the Shareholders. The Directors shall promptly communicate to Shareholders any resolution to proceed with an Orderly Realisation of the Fund. During an Orderly Realisation, the Manager may, in consultation with the Directors, take such steps as are considered appropriate in the best interests of the Fund's stakeholders to effect the Orderly Realisation. The Directors, in consultation with the Manager shall establish what they consider to be a reasonable time by which the Orderly Realisation should be effected (the “Realisation Period”). Any resolution to undertake an Orderly Realisation and the process thereof shall be deemed to be integral to the business of the Fund and may be carried out without recourse to a formal process of liquidation under the Companies Law (as amended) of the Cayman Islands or any other applicable bankruptcy or insolvency regime. The Directors, in consultation with the Manager, may resolve to cease the Orderly Realisation within the Realisation Period and recommence active trading if the circumstances permit a lifting of any applicable Suspension or, where no Suspension is in effect, if the circumstances are such that the investment strategy can then be continued. Management Fees and Performance Fees shall, subject to the discretion of the Directors, be payable during an Orderly Realisation on the same basis as described in the section of this Memorandum headed “Fees and Expenses.”

## **THE FUND**

The following is a summary of certain provisions of the Fund's Articles and the terms applicable to an investment in the Fund. This summary is not intended to be complete and is qualified in its entirety by reference to the full text of the Articles. As the provisions of the Articles are complex and will govern the investment, prospective investors should read the entire Articles carefully.

### **Nature and Purpose of the Fund**

The Fund is an exempted company incorporated with limited liability under the Companies Law (as amended) of the Cayman Islands. The Fund's Memorandum of Association provides that the objects of the Fund are unrestricted and the Fund shall have full power and authority to carry out any object not prohibited by any law for the time being in force in the Cayman Islands. The investment objective of the Fund is to generate high absolute returns through the execution of primarily directional long/short investment strategies in global market securities with a primary focus on global emerging markets.

The Fund's primary asset (other than cash) will be shares in the Master Fund, as part of a master-feeder structure. The investment strategies of the Fund will be implemented and all investments will be made through the Master Fund. The Manager will also establish a Delaware limited partnership which will use the same investment strategy as the Fund and will be exposed to substantially the same investment risks. The Delaware Fund will be designed for U.S. investors who are not eligible to invest in the Fund. The Delaware Fund will also invest through the Master Fund.

### **Participating Shares**

The Fund is offering Participating Shares to persons that upon investment are non-U.S. persons and other persons that are U.S. tax-exempt investors. The holders of Participating Shares will not participate in the management of the Fund.

The Fund is offering two classes of Participating Shares. Class A Participating Shares will be offered to the Seeding Period Shareholders until the earlier of: (i) March 31, 2013, or (ii) the date on which aggregate capital contributions to the Manager's Emerging Macro strategy (including the Fund and the Delaware Fund) exceed U.S. \$100,000,000; provided, however, that the Manager may extend the Seeding Period in its sole discretion. Only Class B Participating Shares will be offered to new investors in the Fund who subscribe for Participating Shares after the Seeding Period. Seeding Period Shareholders who make additional investments in the Fund after the Seeding Period will continue to have the right to purchase Class A Participating Shares.

### **Voting**

Duet Group Limited holds 100% of the Fund's Founder Shares. The holder of the Founder Shares has the exclusive entitlement to, other than as set forth below, receive notice of, attend and vote at general meetings of the Fund. All other Shareholders will have no right to receive notice of, to attend or to vote at any general meeting (including extraordinary general

meetings) of the Fund. Participating Shareholders will, however, have the right to attend and vote at any separate class meeting convened in accordance with the Articles.

The Articles provide that, subject to the Companies Law (as amended) of the Cayman Islands and the other provisions of the Articles, all or any of the class rights or other terms of offer for the time being applicable to any Participating Shares, whether set out in this Memorandum, the Shareholder's subscription agreement by which they subscribed for Participating Shares in the Fund or otherwise (including any representations, warranties, or other disclosure relating to the offer or holding of Participating Shares) (collectively referred to as "Participating Share Rights") for the time being applicable to any class of Participating Shares in issue, may be varied without the consent of the holders of the issued Participating Shares of that class, where such variation is considered by the Directors not to have a material adverse effect upon such holders' Participating Share Rights. If such proposed variation is considered by the Directors to have a material adverse effect upon the affected holders' Participating Share Rights, any such variation can only be made with the prior consent in writing of the holders of not less than two-thirds by Net Asset Value of such Participating 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 Participating Shares. 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 Participating Shares. Each subscriber for Participating Shares will be required to agree that the terms of offer set out in their applicable subscription agreement and the rights attaching to the Participating Shares can be varied in accordance with the provisions of the Articles.

The Articles also provide that, in relation to any class of Participating Shares consent required pursuant to the "Variation of Share Rights" Article, 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 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 Participating Shares of the affected class on the redemption date (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 Participating Shares in respect of which a request for redemption has not been received by the Redemption Request Date (the "Affected Shares") 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 shall be considered for the purposes of determining whether the requisite written consent has been obtained under the "Variation of Share Rights" 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.

Duet Group Limited, as holder of the Founder Shares, has the ability to appoint and remove Directors. The Directors have a duty to exercise an independent judgment in the best interests of the Fund. In any event, the holders of Participating Shares will not participate in the day-to-day management of the Fund.

## Subscriptions

Participating Shares may be subscribed for at any time during the Initial Offer Period at a price of U.S. \$1,000 per Participating Share. Following the close of the Initial Offer Period, Participating Shares may be subscribed for as of the start of business on the first Business Day of each month to existing or new Shareholders or at such other times as the Fund shall permit at the relevant Net Asset Value per Participating Share of the relevant class as of the start of business on the applicable Subscription Date. A Subscriber may also be required to pay an additional amount as an Equalisation Credit.

During the Initial Offer Period, payment for Participating Shares and subscription documents must be received by the Administrator by no later than 5 p.m. (Eastern Standard Time) on the last Business Day of the Initial Offer Period. Following the close of the Initial Offer Period, payment for Participating Shares and subscription documents must be received by the Administrator by 5 p.m. (Eastern Standard Time) on the Business Day preceding the applicable Subscription Date.

The Board of Directors may accept a subscription for Participating Shares as of a date prior to the date payment for such Participating Shares is actually received if the Board of Directors determines that deeming such payment to have been received as of such prior date will not have a material adverse effect on the Shareholders. Payment for Participating Shares will be in cash or, in the discretion of the Board of Directors, marketable securities. The Board of Directors has the right to accept or reject any subscription in whole or in part.

## Redemptions

A Shareholder may redeem some or all of its Participating Shares as of the close of business on the last Business Day of each month. The Fund must be notified in writing at least 45 days prior to any redemption unless the Fund waives such notification by consenting to any such redemption.

The redemption price per Participating Share will be equal to the Net Asset Value per Participating Share of the relevant class as of the close of business on the applicable Redemption Date after subtraction of Management Fees and Performance Fees. Redemption proceeds may be paid in cash or in kind, in the sole discretion of the Board of Directors. At least ninety-five percent (95%) of any amount redeemed will be distributed within 30 days after the Redemption Date, and the balance of the redeemed amount will be distributed within 60 days of receipt by the Fund of its audited financial statements for the year in which the redemption occurs.

Each redemption will be deemed made on the last day of the month with respect to which a timely redemption request in good order is made irrespective of whether or not a Shareholder has been removed from the Fund's register of Shareholders, and to the extent that redemption proceeds are not paid or have not been ascertained at the end of that month, they will be a liability of the Fund payable as set forth above without earning any additional amounts by way of interest or otherwise after the end of that month. A Shareholder will not receive any interest during the period between the Redemption Date and the actual date of distribution of the redemption proceeds to the Shareholder. Accordingly, on and from the relevant month end,

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 their Participating Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Fund) save the right to receive the redemption proceeds and any dividend which has been declared prior to the relevant month end but not yet paid (in each case with respect to the Participating Shares being redeemed). Such Shareholders will be treated as creditors of the Fund with respect to the redemption proceeds and will rank accordingly in the priority of the Fund's creditors. In the event that an audit or reconciliation relating to the fiscal year of the Fund in which a Shareholder redeems some or all of its Participating Shares reveals that the Shareholder received a distribution in excess of that to which the Shareholder was entitled, the Fund may, in its discretion, require repayment of the distribution to the extent that the distribution exceeded what was due to the Shareholder.

The Board of Directors may, upon written notice to a Shareholder, compulsorily redeem all or any part of such Shareholder's Participating Shares for any or no reason and for any purpose including, without limitation, meeting the requirements of Section 3(c)(1) of the 1940 Act, or for purposes of limiting the participation in the Fund of "benefit plan investors" as defined in ERISA.

#### Suspension of Net Asset Value Calculations, Redemptions and Subscriptions

The Directors may declare a suspension of (a) the determination of Net Asset Value and/or (b) the subscription for Participating Shares and/or (c) the redemption of Participating Shares at the option of the Shareholder (either in whole or in part) and/or (d) the purchase of Participating Shares and/or (e) the payment of any amount to a redeeming Shareholder in connection with the redemption of Participating Shares, in each case for the whole or any part of any period and in the following circumstances:

(1) when any securities exchange or organized interdealer market on which a significant portion of the Fund's or the Master Fund's assets is regularly quoted or traded is closed (other than for holidays) or trading thereon has been restricted or suspended;

(2) whenever, as a result of events, conditions or circumstances beyond the control or responsibility of the Fund or the Master Fund, disposal of the assets of the Fund or the Master Fund or other transactions in the ordinary course of the Master Fund's or the Fund's business involving the sale, transfer, delivery or withdrawal of securities or funds is not reasonably practicable without being detrimental to the interests of Shareholders;

(3) if it is not reasonably practicable to determine the Net Asset Value of the Participating Shares on an accurate and timely basis;

(4) in the event that redemption requests in respect of a particular Redemption Date, in their aggregate, are in such amounts that the Board of Directors, in its sole discretion, is of the opinion that to effect such redemption requests would have a material adverse effect on the Fund or the Master Fund;

(5) if the Fund's Directors or Shareholders have adopted a resolution calling for the liquidation and dissolution of the Fund;

(6) during any period the Board of Directors deems it necessary to do so to comply with the anti-money laundering regulations applicable to the Fund, the Manager, or their affiliates, subsidiaries, or associates or any of the Fund's other service providers; or

(7) if the Master Fund declares a suspension of the determination of its Net Asset Value and/or the acceptance of subscriptions and redemptions and/or the payment of any redemption proceeds.

The Fund may withhold payment to any person whose Participating Shares have been tendered for redemption until after any suspension has been lifted. Notice of any suspension will be given to all Shareholders. If a redemption request is not withdrawn by a Shareholder following notification of a suspension, the redemption will be completed as of the close of business on last Business Day of the calendar month in which the suspension is ended on the basis of the Net Asset Value at that time.

The above suspension provisions apply equally to the Master Fund.

If the Directors, in consultation with the Manager, decide that the investment strategy is no longer viable, they may resolve that the Fund be managed with the objective of realizing assets in an orderly manner and distributing the proceeds to Shareholders in such manner as they determine to be in the best interests of the Fund as a whole (including its external creditors), in accordance with the terms of the Articles and this Memorandum, including, without limitation, compulsorily redeeming Participating Shares, paying any dividend or redemption proceeds *in specie*, and/or declaring or continuing a suspension on redemptions and subscriptions of Participating Shares while the assets of the Fund are being realized. Furthermore, the Fund may compulsorily redeem some or all Participating Shares held by a Shareholder for any reason and at any time, in the sole discretion of the Directors. The possibility of this process occurring is integral to the kind of business in which the Fund is engaged and may be carried out without recourse to a formal liquidation under the Companies Law (as amended) of the Cayman Islands or any other applicable bankruptcy or insolvency regime of any jurisdiction.

The Fund may, in the absolute discretion of the Board of Directors, refuse to make a redemption payment to a Shareholder if the Directors or the Administrator suspect that the payment of any redemption 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 and regulations.

#### Dividends

The Fund does not anticipate paying dividends. All Fund earnings will normally be retained at the Master Fund level for reinvestment. The Board of Directors may declare dividends on the Participating Shares from time to time in its discretion. Founder Shares are not entitled to receive dividends.

#### Indemnification of Officers, Directors and Certain Agents of the Fund

The Articles provide for indemnification by the Fund of the officers and directors of the Fund (which does not include the Manager) for liabilities (including legal fees) which they may

incur in connection with acts or omissions in carrying out their functions on behalf of the Fund, provided that such losses were not the result of gross negligence, willful misconduct, malfeasance, violation of applicable law, or any other intentional or criminal wrongdoing with respect to such acts or omissions. "Gross negligence" is defined according to its interpretation under Delaware law. The Articles provide that no person shall be found to have committed gross negligence, willful misconduct, malfeasance, violation of applicable law or any other intentional or criminal wrongdoing under the Articles unless or until a court of competent jurisdiction shall have made a finding to that effect.

#### Sale or Transfer of Participating Shares

Participating Shares may not be sold, assigned, or otherwise transferred without the prior written consent of the Board of Directors. Any purported transfer or assignment without such prior written consent will be null and void ab initio. If the Fund permits a sale, transfer, or assignment of Participating Shares, the transferor and transferee will jointly and severally bear all expenses incurred by the Fund in connection with such transfer. Participating Shares held by Non-U.S. persons may only be transferred in accordance with Regulation S of the Securities Act, pursuant to a registration statement under the Securities Act or in reliance on an exemption from registration thereunder.

In case of the death of a Shareholder, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, will be the only persons recognized by the Fund as having title to his interest in the Participating Shares. Any person entitled to a Participating Share in consequence of the death or bankruptcy or liquidation or dissolution of a Shareholder shall, upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the Participating Share or to make such transfer thereof as the deceased or bankrupt Shareholder could have made, but the Directors shall in either case have the same right to decline registration as they would have had in the case of a transfer of the Participating Share by the deceased or bankrupt Shareholder before the death or bankruptcy, or liquidation or dissolution, as the case may be, where such transferee would not be an Eligible Investor, as such term is defined in the Articles. A person so becoming entitled to a Participating Share in consequence of the death or bankruptcy of a Shareholder shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the Participating Share, but he shall not be entitled to receive notice of or to attend or vote at Shareholder meetings, or save as aforesaid, to any of the rights or privileges of a Shareholder unless and until he shall be registered as a Shareholder in respect of the Participating Share, provided that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Participating Share, and if the notice is not complied with within ninety days, the Directors may thereafter withhold all dividends or other monies payable or other advantages due in respect of the Participating Share until the requirements of the notice have been complied with.

#### Control of Operations; Manager and Fund Activities

The Board of Directors has the full and complete control of the business of the Fund. The Manager, pursuant to the Investment Management Agreement, has full and complete



discretion in the investment and management of the assets of the Fund and the Master Fund, subject to the authority of the Board of Directors of the Fund and the Master Fund, respectively. The Administrator, pursuant to the Administration Agreement, has responsibility for performing comprehensive administrative functions for the Fund and the Master Fund, respectively, such as the calculation of Net Asset Value and acting as registrar and transfer agent. The holders of Participating Shares do not participate in the day-to-day management of the business of the Fund.

Pursuant to the Investment Management Agreement, the Manager is required to exercise its best judgment in the management of the assets of the Fund and the Master Fund and to use its best efforts to carry out the purposes of the Fund and the Master Fund. The Manager, its principals and employees are not required to devote all of their business time and attention to the affairs of the Fund or the Master Fund. Any Shareholder, the Administrator, and the Manager may form and manage other funds and may engage in any business activity in addition to the business of the Fund and the Master Fund. The Fund, the Master Fund, and the Manager will not be liable or accountable to the Shareholders for the investments of such other funds or business activities or for the allocation of investment opportunities between the Fund, the Master Fund, and such other funds or business activities. The Manager may manage other portfolios, which portfolios use investment strategies different from those applied to the Fund's portfolio, and it may also manage other portfolios following the same strategy as the Fund. If the Manager manages portfolios with different strategies, it will not be obligated to make available to the Fund investment opportunities identified by such other strategies, and will not be liable or accountable to the Fund or the Shareholders for the profits of such other portfolios.

As determined by the Manager, investment opportunities deemed appropriate for more than one portfolio may be shared or otherwise allocated among portfolios. As a general rule, any allocations among portfolios with the same or similar investment objective will be made pro rata based on the total net assets under management in the accounts. There will be no allocation to a particular portfolio or set of portfolios, including the Fund, based on portfolio performance or the amount or structure of fees. Neither the Manager nor the Fund shall be liable or accountable to the Shareholders for the investments of such other portfolios or for the allocation of investment opportunities between the Fund and such other portfolios.

The Manager retains all rights in and to the Fund's and the Master Fund's name and any investment models or approaches used by or on behalf of the Fund or the Master Fund. In addition, the Manager may use the Fund's or the Master Fund's name or any portion thereof in connection with any other company or business activity without the consent of any Shareholder and may execute and deliver on behalf of the Fund all documents required to indicate the consent of the Fund to such use. If the Manager or one of its affiliates ceases to serve as investment manager to the Fund, then the Fund will take reasonable steps to procure that the Shareholders change its name to one that does not include the word "Duet."

#### "New Issue" Securities

The Master Fund may, from time to time, purchase "new issue" securities. "New issue" securities are, with certain exceptions, equity securities which are part of an initial public offering. Under the rules of the Financial Industry Regulatory Authority, Inc. ("FINRA"),

members of FINRA may not sell such securities to an account beneficially owned by broker/dealers, employees, owners and affiliates of broker/dealers, certain other classes of persons, including portfolio managers, and certain family members of these persons (“Restricted Persons”) or certain persons who are affiliated with certain companies that are current, former or prospective investment banking clients of certain broker-dealers (“Covered Persons”). To enable the Master Fund to participate in “new issue” securities, applicants for and transferees of Participating Shares will be required to provide such representations, warranties or documentation as may be required to determine whether, and/or to what extent, such persons are eligible to participate in “new issue” securities. Participating Shares may only be issued or transferred to Restricted Persons or Covered Persons to the extent such Restricted Persons or Covered Persons do not receive, in the aggregate, more than ten percent (10%) or twenty-five percent (25%), respectively, of the profits or losses from any “new issue” securities. Moreover, the Master Fund may be required to look through certain investors to their ultimate beneficial owners in order to determine the extent to which Restricted Persons or Covered Persons have an interest (direct or indirect) in the Master Fund.

To enable the Master Fund to participate in “new issues”, the Fund may create new classes of Participating Shares that would participate in any investment in “new issue” securities and/or create new classes of Participating Shares in order to ensure that investors who are Restricted Persons or Covered Persons do not receive in the aggregate more than ten percent (10%) or twenty-five percent (25%), respectively, of the profits or losses from any “new issues.” In such event the Fund may require Restricted Persons or Covered Persons to subscribe for a class or classes of Participating Shares that shall only be held by Restricted Persons or Covered Persons, as the case may be.

In the event that the Master Fund participates in “new issues” the Directors may (but shall not be obliged to) make such adjustments to the Class Accounts (as defined below) that the Directors in their absolute discretion determine, including, without limitation, allocating a credit equal to the commercial rate of interest (as determined by the Directors in their absolute discretion) on the funds invested in “new issues” or some other credit as the Directors may determine, to the relevant Class Account(s) of those classes which are restricted from participating in “new issues” and a matching debit to the Class Account(s) relating to the class or classes which are not restricted from participating in “new issues.”

#### Net Asset Value

The Net Asset Value of the Fund, the Net Asset Value per Participating Share of each class, the Net Asset Value of the Master Fund and the Net Asset Value per share of the Master Fund will be determined by the Administrator as at the close of business on each Valuation Day or at such other times as the Directors may determine. The Net Asset Value of the Fund will be equal to the value of its total assets less its total liabilities. “Valuation Day” means the day on which the Net Asset Value of the Fund and Net Asset Value per Participating Share is calculated being the last Business Day of each calendar month, the Business Day immediately preceding a Subscription Date, a Redemption Date, as the case may be, and/or such other day or days as the Directors may from time to time determine.

In respect of each class of Participating Shares, a separate class account (a “Class Account”) will be established in the books of the Fund. An amount equal to the proceeds of issue of each Participating Share will be credited to the relevant Class Account. Any increase or decrease in the Net Asset Value of the portfolio of assets of the Fund attributable to the Participating Shares (disregarding for these purposes any increases in the Net Asset Value due to new subscriptions or decreases due to redemptions or any designated class adjustments (as defined below)) will be allocated to the relevant Class Account based on the previous relevant Net Asset Value (before accrual for any Performance Fees) of each such Class Account. There will then be allocated to each Class Account the “designated class adjustments” being those costs, pre-paid expenses, losses, dividends, profits, gains and income which the Directors determine at their discretion relate to a single class of Participating Shares. Further, the Directors may attribute the Net Asset Value, or part of it, to any class of Participating Shares and allocate assets and liabilities of the Fund in such manner as they may at their discretion consider necessary or appropriate to allow for the payment of any of the ongoing operating costs and expenses of the Fund and for such allocations to be equitably reflected in the calculation of the Net Asset Value per Participating Share of any one or more classes of Participating Shares. If the liabilities of a Class Account exceed its assets on a calculation of Net Asset Value on a Valuation Day then the Directors may attribute the amount by which the liabilities exceed the assets between the other Class Accounts according to the respective Net Asset Value of the other Class Accounts and treat them as a liability of each such Class Account(s).

In the case of any asset or liability of the Fund which the Directors do not consider is attributable to a particular Class Account, the Directors shall have discretion to determine the basis upon which any such asset or liability shall be allocated between or among Class Accounts. The Directors may also allocate assets and liabilities to and from Class Accounts if, as a result of a creditor proceeding against certain of the assets of the Fund or otherwise, a liability would be borne in a different manner from that in which it would have otherwise been borne.

The Directors may from time to time transfer, allocate or exchange an asset or liability from one Class Account to another Class Account provided that at the time of such transfer, allocation or exchange the Directors form the opinion (in good faith) that the value in money or money's worth of each such asset or liability transferred, allocated or exchanged is not significantly less or more than the value in money or money's worth received by the Class Account from which such asset or liability is transferred, allocated or exchanged except only as is otherwise provided for in the Articles.

The Net Asset Value per Participating Share in respect of Participating Shares denominated in any currency other than US Dollars, will be expressed in the relevant currency. The Directors may determine that the Net Asset Value of any class of Participating Shares shall be definitively determined on the basis of estimates and that such determination shall not be modified to reflect final valuations. Absent bad faith or manifest error, any determination of the Net Asset Value made by the Directors shall be binding on all persons.

Assets will be valued in accordance with the following principles:

- (A) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its closing price on the relevant

Valuation Day or, if no trades occurred on such day, at the closing price on the immediately preceding Business Day on which trades occurred, as adjusted in such manner as the Directors, at their discretion, think fit, having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security the price will be the closing price on the exchange which constitutes the main market for such security or the one which the Directors at their discretion determine provides the fairest criteria in ascribing a value to such security;

- (B) any security which is not listed or quoted on any securities exchange or similar electronic system or if being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its probable realisation value as determined by the Directors in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Directors at their discretion deem relevant in considering a positive or negative adjustment to the valuation;
- (C) investments, other than securities, which are dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price at the close of business on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Directors may determine at their discretion which market shall prevail;
- (D) investments, other than securities, including over-the-counter derivative contracts, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued at their fair value;
- (E) shares in the Master Fund held by the Fund will be valued at their Net Asset Value as determined by the Administrator on the relevant Valuation Day;
- (F) deposits will be valued at their cost, plus accrued interest; and
- (G) any value (whether of an investment or cash) otherwise than in US Dollars will be converted into US Dollars at the rate (whether official or otherwise) which the Directors at their discretion deem applicable on the relevant Valuation Day, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

For the purpose of calculating Net Asset Value, the amount of any Equalisation Credit (as defined below) attributable to Participating Shares as at the valuation point on any Valuation Day shall be treated as capital.

The Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value generally or in particular

markets or market conditions and is in accordance with good accounting practice. The Directors may also make further regulations in addition to or in substitution for those set out in this Memorandum and the Articles concerning the calculation of Net Asset Value and Net Asset Value per Participating Share as they shall from time to time deem necessary, including without limitation to ensure, as far as practicable, that all Participating Shares of the same class have the same Net Asset Value per Participating Share, that Shareholders have the same capital per Participating Share at risk in the Fund and participate on an equitable basis in the profits and losses of the Fund.

The Directors have delegated to the Administrator, and have authorised the Administrator to consult with the Manager in connection with, the determination of the Net Asset Value of the Fund, the Net Asset Value per Participating Share, the Net Asset Value of the Master Fund and the Net Asset Value per share of the Master Fund.

The Net Asset Value per Participating Share on any Valuation Day will be calculated by dividing the Net Asset Value of the relevant Class Account by the number of Participating Shares of the relevant class in issue as at the close of business on that Valuation Day.

In the event that the Fund participates in “new issue” securities the Directors may (but shall not be obliged to) make such adjustments to the Class Accounts that the Directors in their absolute discretion determine, including without limitation, allocating a credit equal to the commercial rate of interest (as determined by the Directors in their absolute discretion) on the funds invested in “new issues” or some other credit as the Directors may determine, to the relevant Class Account(s) of those Classes which are restricted from participating in “new issues” and a matching debit to the Class Account(s) relating to the class or classes which are not restricted from participating in “new issues.”

#### Accounting and Reports

The Fund’s fiscal year is the calendar year. The financial books and records of the Fund will be maintained at the office of the Administrator. The Fund’s books of account, which will be available upon reasonable notice for inspection by any Shareholder, are kept on an accrual basis and in accordance with United States generally accepted accounting principles, consistently applied; provided, however, that organizational expenses may be amortized over a period of up to sixty months at the discretion of the Board of Directors. Shareholders will receive an unaudited monthly report calculating the total return earned by the Fund’s portfolio during such month generally within 14 days after the end of such month. The books of account will be audited at the end of each fiscal year, and audited financial statements of the Fund for each fiscal year will be furnished to each Shareholder within 120 days after the end of such fiscal year. The Administrator shall also ensure that the financial books and records of the Fund are maintained in accordance with the standards set out in Section 59 of the Companies Law (as amended) of the Cayman Islands.

#### Dissolution and Liquidation

It is anticipated that the Fund will dissolve and wind up its affairs on or following the first to occur of: (i) the holders of the Founder Shares passing a resolution requiring the Fund to

be wound up voluntarily or in any other circumstances contemplated by Cayman Islands law; (ii) the termination of the Investment Management Agreement or the addition or substitution of a new manager which is not an affiliate of the Manager; or (iii) the redemption of all the issued and outstanding Participating Shares. Upon the dissolution of the Fund the liquidator will, in accordance with Cayman Islands law, apply the assets of the Fund to the discharge of the Fund's debts and obligations (including any accrued and unpaid Performance Fees and Management Fees) and to fund reserves for contingent or unforeseen liabilities. Remaining assets will be distributed to the Shareholders on the basis set forth in the Articles.

### Side Letters

Under certain circumstances, the Fund and the Manager may agree with a particular Shareholder to waive certain provisions and/or otherwise provide terms of investment differing from the terms described in this Memorandum, including agreeing to waive or rebate in whole or in part the Management Fee or the Performance Fee; agreeing to different Subscription Dates, Redemption Dates and notice periods; and permitting revocation of redemption notices and additional reporting or transparency. Such circumstances may include, but are not limited to, a commitment by an investor to invest a significant amount of capital in the Fund and/or to maintain an investment in the Fund for a significant period of time.

Such agreements on such matters may be contained in one or more side letters delivered by the Fund or the Manager and the Fund. The Fund and the Manager have no obligation to seek comments from other Shareholders on such agreements or side letters or to disclose them to the other Shareholders. The Fund may, without the consent of the Shareholders, create new classes or sub-classes of Participating Shares which are subject to different terms from those set out elsewhere in this Memorandum.

### Registered Office; Attorneys and Accountants

The registered office of the Fund is at the offices of Intertrust Corporate Services (Cayman) Limited in the Cayman Islands. The principal office of the Fund and the location where its books and records will be kept is at the office of the Administrator. Shareholders may inspect such corporate books and records in the same manner as described above in the case of the Fund's financial books and records. Cayman Islands' counsel for the Fund and the Master Fund is Walkers, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands. United States Counsel for the Fund, the Master Fund and the Manager is Foley Hoag LLP, 155 Seaport Boulevard, Boston, Massachusetts 02210. No independent counsel has been retained to represent the Shareholders. The independent auditor for the Fund and the Master Fund is KPMG, P.O. Box 493, Century Yard, Cricket Square, Grand Cayman, KY1-1106, Cayman Islands.

### Board of Directors

The Fund has a two member Board of Directors. The Directors are David Bree and Wade Kenny. Messrs Bree and Kenny are also the Directors of the Master Fund and will be Directors of the general partner of the Delaware Fund. The Board of Directors has complete authority over the management and operations of the Fund, but is not involved in the day-to-day

management. The Board of Directors of the Fund and the Master Fund has delegated to the Manager and the Administrator responsibility for investments and day-to-day management of the Fund. The Board of Directors meets at least once a year to review and assess the investment policy and performance of the Fund and generally to supervise the conduct of its affairs.

## **FEES AND EXPENSES**

### Management Fees

As compensation for the investment management of the Fund, the Fund will pay the Manager monthly management fees (the "Management Fee") in arrears equal to (a) one-twelfth (1/12) of one and a half percent (1.5%) of the Net Asset Value (before deduction of that month's Management Fee and before making any deduction for any accrued Performance Fees (as defined below)) of the Fund's Class A Participating Shares as of the close of business on the last day of each month, and (b) one-twelfth (1/12) of two percent (2.0%) of the Net Asset Value (before deduction of that month's Management Fee and before making any deduction for any accrued Performance Fees) of the Fund's Class B Participating Shares as of the close of business on the last day of each month.

If a Participating Share subscription is made other than at the start of a month, a pro rata Management Fee will be paid on such subscription based on the number of days in the month and the expense of such fee will be specially allocated to the Participating Shares issued in connection with such investment. A pro rata portion of the Management Fee will be charged if the Fund winds up or a Shareholder redeems on a date other than at the end of a month.

The Board of Directors, in consultation with the Manager, may elect to waive the Management Fee in whole or in part for any Shareholder and additional classes of Participating Shares may be established to effect such waiver. The Manager also may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents including the Directors) or to intermediaries, part or all of the Management Fee. Any such rebates may be applied in paying up additional Participating Shares to be issued to the Shareholder or may (at the discretion of the Manager) be paid in cash.

### Performance Fees

The Manager is also entitled to receive a Performance Fee from the Fund calculated on a share-by-share basis so that each Participating Share is charged a Performance Fee which equates precisely with that Participating Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Manager is charged only to those Participating Shares which have appreciated in value, (ii) all holders of Participating Shares of the same class have the same amount of capital per Participating Share at risk in the Fund, and (iii) all Participating Shares of the same class have the same Net Asset Value per Participating Share.

The Performance Fee is calculated in respect of each period of twelve months ending on December 31 in each year. However, the first Calculation Period in respect of the Participating Shares will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending on December 31, 2013. The Performance Fee is deemed to accrue on a monthly basis as of the end of the last Business Day of each month.

For each Calculation Period, the Performance Fee in respect of each Class A Participating Share will be equal to fifteen percent (15%) of the appreciation in the Net Asset Value per Class A Participating Share during that Calculation Period above the Base Net Asset Value per Class A Participating Share. For each Calculation Period, the Performance Fee in respect of each Class B



Participating Share will be equal to twenty percent (20%) of the appreciation in the Net Asset Value per Class B Participating Share during that Calculation Period above the Base Net Asset Value per Class B Participating Share.

The “Base Net Asset Value” per Participating Share is the greater of the Net Asset Value per Participating Share of the relevant class at the time of issue of that Participating Share and the highest Net Asset Value per Participating Share of the relevant class achieved as of the end of any previous Calculation Period (if any) during which such Participating Share was in issue. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fees.

If Participating Shares are redeemed before the end of any Calculation Period, a Performance Fee in respect of those Participating Shares will be calculated and paid as though the date of redemption were the end of the relevant Calculation Period. In the event of a partial redemption, whether during or at the end of a Calculation Period, Participating Shares will be treated as redeemed on a first in, first out basis for the calculation of the Performance Fee.

For the purposes of the calculation of the Performance Fee, a transfer of Participating Shares (if allowed by the Fund) will, unless determined otherwise by the Directors, be treated as if there was a redemption of such Participating Shares by the transferor and a subscription (at the most recent Subscription Price) for such Shares by the transferee on the date of the transfer. The Directors have resolved however, not to treat a transfer as a redemption and subscription where the relevant transfer of Participating Shares will not result in a change in the beneficial ownership of the Participating Shares.

If the Investment Management Agreement is terminated before December 31 in any year, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

The Board of Directors, in consultation with the Manager, may elect to waive the Performance Fee in whole or in part for any Shareholder and additional classes of Participating Shares may be established to effect such waiver. The Manager also may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Shareholders (or their agents including the Directors) or to intermediaries, part or all of the Performance Fees. Any such rebates may be applied in paying up additional Participating Shares to be issued to the Shareholder or may (at the discretion of the Manager) be paid in cash.

#### Performance Fee Adjustments

If an investor subscribes for Participating Shares at a time when the Net Asset Value per Participating Share of the relevant class is other than the Base Net Asset Value per Participating Share of that class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Manager.

- (A) If Participating Shares are subscribed for at a time when the Net Asset Value per Participating Share is less than the Base Net Asset Value per Participating Share of the relevant class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Participating Shares. With respect to any

appreciation in the value of those Class A Participating Shares from the Net Asset Value per Class A Participating Share at the date of subscription up to the Base Net Asset Value per Class A Participating Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at par value (which will be retained by the Fund) such number of the investor's Class A Participating Shares as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to fifteen percent (15%) of any such appreciation (a "Class A Performance Fee Redemption"). With respect to any appreciation in the value of those Class B Participating Shares from the Net Asset Value per Class B Participating Share at the date of subscription up to the Base Net Asset Value per Class B Participating Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at par value (which will be retained by the Fund) such number of the investor's Class B Participating Shares as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to twenty percent (20%) of any such appreciation (a "Class B Performance Fee Redemption"). Class A Performance Fee Redemptions and Class B Performance Fee Redemptions (each, a "Performance Fee Redemption") are deemed to accrue as at each Valuation Day. An amount equal to the aggregate Net Asset Value of the Participating Shares so redeemed will be paid to the Manager as a Performance Fee. The Fund will not be required to pay to the investor the redemption proceeds of the relevant redeemed Participating Shares. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Participating Share of each class. As regards the investor's remaining Participating Shares of the relevant class, any appreciation in the Net Asset Value per Participating Share of those Participating Shares above the Base Net Asset Value per Participating Share of that class will be charged a Performance Fee in the normal manner described above.

- (B) If Class A Participating Shares are subscribed for at a time when the Net Asset Value per Class A Participating Share is greater than the Base Net Asset Value per Class A Participating Share, the investor will be required to pay an amount in excess of the then current Net Asset Value per Class A Participating Share of that class equal to fifteen percent (15%) of the difference between the then current Net Asset Value per Class A Participating Share (before accrual for the Performance Fee) and the Base Net Asset Value per Class A Participating Share (a "Class A Equalisation Credit"). If Class B Participating Shares are subscribed for at a time when the Net Asset Value per Class B Participating Share is greater than the Base Net Asset Value per Class B Participating Share, the investor will be required to pay an amount in excess of the then current Net Asset Value per Class B Participating Share of that class equal to twenty percent (20%) of the difference between the then current Net Asset Value per Class B Participating Share (before accrual for the Performance Fee) and the Base Net Asset Value per Class B Participating Share (a "Class B Equalisation Credit"). At the date of subscription the Class A Equalisation Credit or the Class B Equalisation Credit (each, an "Equalisation Credit") will equal the Performance Fee per Participating Share accrued with respect to the other Participating Shares of the same class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Participating Share of that class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that

should not, in equity, be charged against the Shareholder making the subscription because, as to such Participating Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Participating Shares of the same class have the same amount of capital at risk per Participating Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the Participating Shares subsequent to their issue but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Class A Participating Share, the Class A Equalisation Credit will also be reduced by an amount equal to fifteen percent (15%) of the difference between the Net Asset Value per Class A Participating Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. In the event of a decline as at any Valuation Day in the Net Asset Value per Class B Participating Share, the Class B Equalisation Credit will also be reduced by an amount equal to twenty percent (20%) of the difference between the Net Asset Value per Class B Participating Share (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Participating Share of the relevant class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Class A Participating Share (before accrual for the Performance Fee) exceeds the prior Base Net Asset Value per Class A Participating Share, that portion of the Equalisation Credit equal to fifteen percent (15%) of the excess, multiplied by the number of Class A Participating Shares subscribed for by the Shareholder, will be applied to subscribe for additional Class A Participating Shares for the Shareholder. At the end of each Calculation Period, if the Net Asset Value per Class B Participating Share (before accrual for the Performance Fee) exceeds the prior Base Net Asset Value per Class B Participating Share, that portion of the Equalisation Credit equal to twenty percent (20%) of the excess, multiplied by the number of Class B Participating Shares subscribed for by the Shareholder, will be applied to subscribe for additional Class B Participating Shares for the Shareholder. Additional Participating Shares of the relevant class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for that class of Participating Shares was made, has been fully applied.

If the Shareholder redeems its Participating Shares of the relevant class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Participating Shares of that class being redeemed and the denominator of which is the number of Participating Shares of that class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

It should be noted that the Performance Fee is based in part upon unrealised gains (as well as unrealised losses) and that such unrealised gains and/or losses may never be realised. On termination of the Investment Management Agreement, the Manager shall be entitled to receive all fees and other moneys accrued but not yet paid on a pro rata basis up to the date of such termination as provided in the Investment Management Agreement.

#### Organizational and Operating Expenses

The Master Fund will pay all expenses in connection with the organization of the Master Fund and the Fund will pay all of its organizational expenses. Such organizational expenses may be amortized over a period of up to sixty months at the discretion of the Board of Directors of the Master Fund and the Board of Directors of the Fund, respectively.

The Fund will bear its own operating and other expenses and indirectly will bear its proportional share of the Master Fund's operating and other expenses. These expenses include (i) all transactions carried out by it or on its behalf and (ii) the administration of the Fund and/or the Master Fund including (a) the charges and expenses of legal advisers and auditors, (b) brokers' commissions, borrowing charges on securities sold short and any issue or transfer taxes or stamp duties chargeable in connection with securities transactions, (c) all taxes and corporate fees payable to governments or agencies, (d) research fees and expenses, (e) Directors' fees and expenses, (f) interest on borrowings, including borrowings from the prime brokers, (g) fees and expenses incurred by the Manager in connection with the provision of its investment management services including research technology, trading system expenses and risk management software and consulting attributable to the Fund and the Master Fund, (h) the expenses incurred by the Manager in soliciting subscriptions for Participating Shares, (i) communication expenses with respect to investor services and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents, (j) the cost of insurance (if any) for the benefit of the Directors, (k) litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business (l) the cost of listing and/or de-listing of the Participating Shares on any exchange (m) withholding taxes and any other expenses reasonably related to the purchase, sale or transmittal of Master Fund assets and (n) all other organisational and operating expenses, including in relation to the provision of a registered office to the Fund and the Master Fund.

The Manager is authorized to cause the Master Fund to compensate brokers at rates as agreed upon between the parties. The brokerage commissions to be paid may be in excess of the lowest rates available to brokers who execute transactions for the account of the Master Fund or who otherwise provide brokerage and research services utilized by the Manager. However, the Manager must first determine in good faith that the amount of each such commission paid to a broker is reasonable in relation to the value of the brokerage and research services provided by such broker viewed in terms of either the particular transaction to which the commission relates or the Manager's overall responsibilities with respect to accounts as to which the Manager exercises investment discretion.

### Costs of Special Services

Any costs incurred in connection with special services requested by a Shareholder will be required to be paid by that Shareholder. Such services would include, for example, those that would benefit the Shareholder but would not benefit the Fund, such as a special asset valuation or financial accounting for the purposes of estate valuation.

## **MATERIAL AGREEMENTS**

The terms of the Investment Management Agreement, Administration Agreement and Prime Brokerage Agreements are also set forth below.

### **Investment Management Agreement**

The Master Fund has entered into the Investment Management Agreement with the Manager to manage the Master Fund's investments. The Fund is also a party to the Investment Management Agreement with respect to the payment of Management Fees and Performance Fees, which will be calculated and paid at the Fund level rather than at the Master Fund level. For similar reasons, upon its launch the Delaware Fund will also be a party to the Investment Management Agreement. Under the Investment Management Agreement, the Manager is responsible for investment of the Master Fund's assets, subject to the policies and control of the Board of Directors. The Manager initiates all orders for the purchase and sale of securities on behalf of the Master Fund.

The Investment Management Agreement will remain in effect through December 31, 2013 and will be extended automatically for additional one-year terms thereafter, except that it may be terminated by any party upon 90 days' prior written notice. Upon such termination, the Manager will cease to have the powers and obligations of a manager of the Master Fund but will remain liable for claims arising in connection with its status, actions or omissions as a manager before the withdrawal.

Under the Investment Management Agreement, the Manager may assign the Investment Management Agreement to any of its affiliates with the consent of each of the other parties to the Investment Management Agreement. Within 30 days of any such assignment, the Manager and the Fund will provide Shareholders with written notice of such assignment.

Under the Investment Management Agreement, the Fund, and the Master Fund will indemnify the Manager and its employees and affiliates against any losses, claims, judgments, damages and liabilities, joint or several, expenses (including, without limitation, reasonable attorneys' fees and disbursements), and amounts paid in settlement of any claim sustained, including by way of criminal proceedings, by the Manager or its employees or affiliates resulting in any way from any act or omission performed in good faith in a manner reasonably believed by the Manager or its employee or affiliate, as the case may be, to be within the scope of authority conferred by the Investment Management Agreement, by law or by the Fund or the Master Fund, except in the event the same is found by a court of competent jurisdiction to have resulted from the Manager's or such employee's or affiliate's gross negligence, willful misconduct, malfeasance, violation of applicable law or any other intentional or criminal wrongdoing with respect to such acts or omissions. The securities laws of the United States and its states may impose liabilities under certain circumstances on persons who act in good faith. To the extent such laws are applicable, nothing in the Investment Management Agreement will constitute a waiver or limitation of the rights that the Fund, the Master Fund or the Shareholders may have under such laws.

Under the Investment Management Agreement, the Fund will pay the Manager the Management Fees and Performance Fees described above under “Fees and Expenses.”

#### Administration Agreement

SEI Global Services, Inc. and certain of its affiliates will serve as administrator for the Fund, the Delaware Fund and the Master Fund under an Administration Agreement between the Fund, the Master Fund, the Delaware Fund and the Administrator and under overall direction of the Board of Directors. Pursuant to the Administration Agreement, the Administrator is responsible for, among other things: (i) maintaining the register of Shareholders of the Fund and generally performing all actions related to the issuance and transfer of Participating Shares of the Fund and the safe-keeping of certificates therefor, if any, (ii) reviewing and accepting subscriptions for Participating Shares and accepting payment therefor, (iii) publishing and furnishing the Net Asset Value per share for each class of Participating Shares in accordance with the Articles, (iv) keeping the accounts of the Fund and such financial books and records as are required by law or otherwise for the proper conduct of the financial affairs of the Fund and furnishing annual financial statements, as well as reports regarding the Fund’s performance and Net Asset Value per Participating Share, to Shareholders, (iv) providing certain anti-money laundering services on behalf of the Fund, and (v) performing all other matters necessary in connection with the administration of the Fund as set forth in the Administration Agreement.

The Administrator will perform similar functions for the Master Fund and the Delaware Fund. The Administration Agreement provides that the Administrator may delegate some or all of its administrative functions on behalf of the Fund to one or more third parties.

The Administrator will receive fees based upon the aggregate assets in the Master Fund. The fees payable to the Administrator will be based on the schedule of fees charged by the Administrator and as detailed in the Administration Agreement.

Under the Administration Agreement, the Administrator’s aggregate liability to the Master Fund, the Delaware Fund and the Fund will not exceed the amount of fees paid to the Administrator during the twelve months immediately preceding the event giving rise to the liability. The Administration Agreement also provides for indemnification of the Administrator by the Fund.

The Administrator in no way acts or will act as guarantor or offeror of Participating Shares in the Fund or any underlying investment, nor will it be responsible for the actions of the Fund’s sales agents, its brokers, its custodians, any other brokers or the Manager. The Administrator will not be responsible for any trading decisions of the Manager or the Fund. The Administrator will not be responsible in any way for the Fund’s selection or ongoing monitoring of its brokers, custodians or other counterparties.

THE ADMINISTRATOR WILL NOT PROVIDE ANY INVESTMENT ADVISORY OR INVESTMENT MANAGEMENT SERVICES TO THE FUND AND, THEREFORE, WILL NOT BE IN ANY WAY RESPONSIBLE FOR THE FUND’S PERFORMANCE. THE ADMINISTRATOR WILL NOT BE RESPONSIBLE FOR MONITORING ANY INVESTMENT RESTRICTIONS OR COMPLIANCE WITH ANY INVESTMENT

RESTRICTIONS APPLICABLE TO THE FUND AND THEREFORE WILL NOT BE LIABLE FOR ANY BREACH THEREOF.

Prime Brokerage Agreements

UBS Securities, LLC

UBS Securities LLC (“UBS”) has been appointed as a prime broker to the Master Fund pursuant to the terms of an agreement between UBS and the Master Fund (the “UBS Prime Brokerage Agreement”). UBS is an indirect wholly-owned subsidiary of UBS AG, and is organized under the laws of the State of Delaware. It is a registered broker and dealer under the Securities Exchange Act of 1934, as amended. UBS is primarily regulated in the conduct of its brokerage business by the SEC and the New York Stock Exchange. It has financial resources in excess of U.S. \$200 million. As of the date of this Memorandum, UBS Securities LLC has a long-term debt credit rating of A and a short-term debt credit rating of A- from Standard & Poor’s.

Morgan Stanley & Co. LLC

Morgan Stanley & Co. LLC (the “Morgan Stanley”) will also provide prime brokerage services to the Master Fund under the terms of the Customer Prime Broker Account Agreement (the “Morgan Stanley Prime Brokerage Agreement”) entered into between the Master Fund and Morgan Stanley for itself and as agent for certain other members of the Morgan Stanley group of companies (the “Morgan Stanley Companies”). These services may include the provision to the Master Fund of margin financing, clearing, settlement, custody and foreign exchange facilities. The Master Fund may also utilize Morgan Stanley and other brokers and dealers to execute transactions for the Master Fund.

The Master Fund has agreed to indemnify Morgan Stanley, each Morgan Stanley Company and associated firms and their respective officers and employees against any loss suffered by, and any claims made against, them arising out of the Morgan Stanley Prime Brokerage Agreement, save where such loss or claims result primarily from the gross negligence or willful misconduct of the indemnified party.

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

Morgan Stanley is a service provider to the Master Fund and is not responsible for updating this document or for the preparation of any offering memorandum or similar documents of the Master Fund or the activities of the Master Fund and therefore accepts no responsibility for the completeness, timeliness or accuracy of any information contained in this document. Morgan Stanley will not participate in the Master Fund’s investment decision-making process.



## **REGULATION**

### United States Investment Advisers Act of 1940

The Manager is registered as an investment adviser under the Advisers Act, and is subject to the rules and regulations thereunder.

### United States Investment Company Act of 1940

The Fund is not subject to the provisions of the 1940 Act, except Section 12(d)(1) thereof, in reliance upon Sections 3(c)(1) and 7(d) of the 1940 Act. Section 3(c)(1) of the 1940 Act excludes from the definition of “investment company” any issuer the outstanding securities of which are beneficially owned by not more than 100 persons (as defined in Section 3(c)(1)) and which meets the other conditions contained therein. In the context of a concurrent offering by a non-United States issuer to United States residents and residents of other countries, the staff of the Division of Investment Management of the United States Securities and Exchange Commission has construed the 100 person beneficial owner limit contained in Section 3(c)(1) of the 1940 Act to apply to United States residents only. Therefore, sales of the Shares will be made to no more than 100 United States residents. Because Section 3(c)(1) provides that beneficial ownership by an entity of more than 10% of the issued and outstanding Participating Shares may require looking through such entity to its beneficial owners, no potential United States investor which is a corporation, partnership, trust, association or other entity may purchase 10% or more of the Participating Shares unless such investor satisfies the Fund that either (i) such investor will be deemed to be one person for the purposes of Section 3(c)(1) or (ii) the number of beneficial owners of such investor, when added to the number of beneficial owners of the Fund or any entity with which the Fund might be integrated that reside in the United States, does not exceed 100.

In addition, investment in the Fund is subject to the following additional limitations under Section 3(c)(1) of the Act. No potential United States investor which is a corporation, partnership, trust, association or other entity may purchase Participating Shares if such investor (i) was formed for the purpose of investing in the Fund or (ii) invests 40% or more of its committed capital in the Fund, unless it receives the approval of the Fund. No potential United States investor (including a qualified retirement plan), in which a holder of an interest in such potential investor may decide whether or how much to invest by means of such potential investor in various investment vehicles (including the Fund) may purchase Participating Shares unless the number of holders of interests in such investor, when added to the number of beneficial owners of the Fund and of any entity with which the Fund might be integrated that reside in the United States, does not exceed 100.

The Subscription Agreement and the Articles contain representations and restrictions on transfer to assure that these limitations on the number of U.S. Shareholders of the Fund continue to be met. The Fund will rely on the representations of investors concerning these matters. In addition to the restrictions on transfer, the Subscription Agreement and the Articles provide that the Fund will have the power to require an investor to redeem some or all of such Shareholder's Participating Shares, as the Fund shall deem necessary or desirable, for any purpose.

### Commodity Exchange Act

The Manager is not registered with the CFTC as a commodity pool operator or commodity trading advisor and does not intend to register with the CFTC. The Manager is relying on the exemption to registration described above and will so notify the CFTC. As a result, unlike a registered commodity pool operator, the Manager is not required to deliver a disclosure document prepared in accordance with CFTC regulations and a certified annual report to participants in the Fund.

### Privacy Policy

The Manager will comply with the Massachusetts data privacy law, 201 CMR 17 (Standards for the Protection of Personal Information of Residents of the Commonwealth) and regulations enacted by the SEC relating to the privacy of consumer financial information. In the course of managing the Fund, the Manager collects personal information such as the name, address, net worth, and investment goals of a Shareholder or the Shareholder's individual investors. The Manager will not sell or distribute such personal information to third parties except as required by law, for tax reporting purposes or in order to process transactions relating to the Fund and except to affiliated third parties such as other partnerships managed or advised by the Manager.

### Cayman Islands Mutual Funds Law

The Fund falls within the definition of a "Mutual Fund" in terms of the Mutual Funds Law (as amended) of the Cayman Islands (the "Mutual Funds Law") and accordingly is regulated in terms of that Mutual Funds Law. However, the Fund is not required to be licensed or employ a licensed mutual fund administrator since the minimum aggregate investment purchasable by a prospective investor in the Fund is equal to or exceeds US\$100,000.00 or its equivalent in any other currency.

As a regulated mutual fund, the Fund is subject to the supervision of the Cayman Islands Monetary Authority (the "Monetary Authority"). The Fund must file this Memorandum and details of any changes that materially affect any information in this Memorandum with the Monetary Authority. The Fund must also file annually with the Monetary Authority accounts approved by an approved auditor, together with a return containing particulars specified by the Monetary Authority, within six months of its financial year end or within such extension of that period as the Monetary Authority may allow. A prescribed fee must also be paid annually.

The Monetary Authority may, at any time, instruct the Fund to have its accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. In addition, the Monetary Authority may ask the Directors to give the Monetary Authority such information or such explanation in respect of the Fund as the Monetary Authority may reasonably require to enable it to carry out its duty under the Mutual Funds Law.

The Monetary Authority shall, whenever it considers it necessary, examine, including by way of on-site inspections or in such other manner as it may determine, the affairs or business of the Fund for the purpose of satisfying itself that the provisions of the Mutual Funds Law and applicable anti-money laundering regulations are being complied with.

The Directors must give the Monetary Authority access to or provide at any reasonable time all records relating to the Fund and the Monetary Authority may copy or take an extract of a record it is given access to. Failure to comply with these requests by the Monetary Authority may result in substantial fines on the part of the Directors and may result in the Monetary Authority applying to the court to have the Fund wound up.

The Monetary Authority may take certain actions if it is satisfied that a regulated mutual fund:

- (a) is or is likely to become unable to meet its obligations as they fall due;
- (b) 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;
- (c) is not being managed in a fit and proper manner; or
- (d) has persons appointed as Director, manager or officer that is not a fit and proper person to hold the respective position.

The powers of the Monetary Authority include, *inter alia*, the power to require the substitution of Directors, 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 cancel the registration of the Fund and to apply to the court for approval of other actions.

Pursuant to the Mutual Funds Law, certain "master funds" (as defined in the Mutual Funds Law) are required to be registered with, and regulated by, the Monetary Authority. The Master Fund is also regulated pursuant to the Mutual Funds Law. The registration process and the consequences of regulation are substantially similar to that described above in relation to the Fund, save that a "master fund" is not required to adopt or file an offering document with the Monetary Authority.

#### Cayman Islands 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 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. Accordingly, the Fund has delegated the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to the Administrator pursuant to the Administration Agreement, but will retain the ultimate responsibility for compliance with applicable anti-money laundering regulations.

The Fund, the Manager, 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 transferee). In some cases, the Board of Directors, or the Administrator on the Fund's behalf, may not require full due diligence where an exemption applies under the Money Laundering

Regulations (2010 Revision) of the Cayman Islands, as amended and revised from time to time (the “Regulations”), or applicable law. Depending on the circumstances of each application, a detailed verification of identity might not be required where:

- (a) the subscriber makes the payment for their investment from an account held in the subscriber’s name at a recognised financial institution and redemptions/dividends are repaid directly to the subscriber; or
- (b) the subscriber is regulated by a recognised regulatory authority or listed on a recognised stock exchange (or is a subsidiary of either) and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or
- (c) the application is made through an intermediary which is regulated by a recognised regulatory authority and is based in or incorporated in, or formed under the law of a recognised jurisdiction and an assurance is provided in relation to the procedures undertaken on the underlying investors.

For the purposes of these exceptions, recognition of a financial institution, regulatory authority, stock exchange, or jurisdiction is determined in accordance with the Regulations by reference to those jurisdictions recognised by the Cayman Islands Monetary Authority as having equivalent anti-money laundering regulations to the Cayman Islands.

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, 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 Board of 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 is involved with terrorism or terrorist 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 of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 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 Financial Reporting Authority, pursuant to the Terrorism Law (2011 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

As a regulated mutual fund in the Cayman Islands, the Master Fund is also subject to the same legislation and regulations aimed at the prevention of money laundering that are applicable

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

#### Requests for Information

The Fund and the Master Fund, or any of its or their directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2011 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2009 Revision) or Reporting of Savings Income information (European Union) Law (2007 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, the Master Fund and any of its or their directors or agents, may be prohibited from disclosing that the request has been made.

#### U. S. Anti-Money Laundering Regulation

The Fund, the Manager and the Administrator may be subject to the USA Patriot Act or other anti-money laundering legislation. The Fund may require investors to produce information to enable the Fund, the Manager and the Administrator to comply with any such regulations and may refuse to process a subscription or a redemption in the event such information is not produced in a timely manner. The Fund has delegated the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to the Administrator pursuant to the Administration Agreement, but will retain the ultimate responsibility for compliance with applicable anti-money laundering regulations.

#### Local Rules

Non-U.S. persons interested in subscribing for Participating Shares should inform themselves as to (i) the legal requirements within their own countries for the purchase of Participating Shares, and (ii) the income tax or other consequences, if any, which might be relevant to the purchase, holding or disposition of Participating Shares.

## TAX CONSIDERATIONS

### Introduction

The tax discussion in this Memorandum is for informational purposes only. It is not intended as a complete discussion of all the tax-related consequences of an investment in the Fund, but rather is a selected, brief summary. Prior to investing in the Fund, each prospective investor should seek and must rely upon the advice of such prospective investor's own tax advisor with respect to the tax consequences of investing in the Fund. Such tax consequences may vary depending upon the particular status of the prospective investor.

### Cayman Islands Taxation

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

The Fund and the Master Fund have received undertakings from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertakings, 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 or the Master Fund 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 the shares, debentures or other obligations of the Fund or the Master Fund, or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund or the Master Fund to their members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund or the Master Fund.

### United States Taxation Generally

**UNITED STATES TREASURY REGULATIONS REQUIRE US TO DISCLOSE THE FOLLOWING: (1) NOTHING INCLUDED IN THIS DISCUSSION WAS INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAX PENALTIES, AND (2) THIS DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE PARTICIPATING SHARES.**

The following is a summary of certain potential United States federal tax consequences that may be relevant to prospective investors that are U.S. Tax-Exempt Investors (as defined below) and Non-U.S. Investors (as defined below). This summary is based on the United States Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), administrative pronouncements, judicial decisions and existing and proposed United States Treasury regulations, changes to any of which subsequent to the date hereof may affect the tax consequences described herein either prospectively or retroactively. This summary does not address all of the complex United States federal income tax rules implicated by an investment in the Fund. For this purpose, a "U.S. Tax-Exempt Investor" is any U.S. Investor (as defined below) that is an entity exempt from tax under section 501(a) or 408(e) of the Code, including a charitable organization, a tax-exempt trust described in section 401(a) of the Code, and an

Individual Retirement Account (“IRA”). A Non-U.S. Investor is any investor other than a U.S. Investor. A U.S. Investor is any investor that is (a) a citizen or resident of the United States for U.S. federal income tax purposes; (b) a corporation or partnership created or organized in the United States or under the laws of the United States or of any state; and (c) an estate the income of which is includible in gross income under subtitle A of the Code or a trust which is subject to primary supervision over its administration by a court within the United States and for which one or more United States persons has the authority to control all substantial decisions.

In addition to the United States federal income tax consequences described below, prospective investors should consider potential United States federal estate tax consequences, as well as potential foreign, state, and local tax consequences of an investment in the Fund. Foreign, state, and local laws may differ from United States federal income tax law with respect to the treatment of specific items of income, gain, loss, deduction, and credit. Each prospective investor is advised to consult such investor’s own tax counsel regarding these other tax considerations.

The Fund has not sought a ruling from the United States Internal Revenue Service (the “IRS”) or any other agency with respect to any of the tax issues affecting the Fund, nor has it obtained an opinion of counsel with respect to any tax issues affecting the Fund.

#### United States Taxation of the Master Fund

The Master Fund will elect to be classified for United States federal income tax purposes as a partnership and not as an association taxable as a corporation. As such, the Master Fund will not itself be subject to the United States federal income tax. The Master Fund will file annual partnership information returns with the IRS, reporting the Fund’s and the Delaware Fund’s share of the Master Fund’s taxable income for any taxable year during which it has income from United States sources.

#### United States Taxation of the Fund

Based on the structure and operations of the Fund, the Fund generally should not be subject to United States federal income tax, except as provided below.

The Fund is classified for United States federal income tax purposes as an association taxable as a corporation. As such, the Fund’s income will be subject to United States federal income tax, if at all, only in two circumstances. First, if the Fund were deemed to be engaged in a “trade or business” in the United States, the Fund’s income “effectively connected” with that trade or business would be subject to United States federal income tax at full graduated rates on a net basis, as well as the United States federal “branch profits” tax. The Fund expects that it will not be deemed to be engaged in a United States trade or business. Second, certain of the Fund’s income from United States sources, principally dividends (including “dividend equivalents”) and certain interest income, will be subject to United States withholding tax at a flat rate of 30 percent. The following paragraphs describe these rules in more detail.

## 1. United States Trade or Business

The Fund intends to conduct its operations in a manner so that the Fund is not deemed to be engaged in a United States trade or business. In particular, section 864(b) of the Code and the regulations thereunder provide a safe harbor (the “Securities Trading Safe Harbor”) under which the Fund will not be treated as engaged in a trade or business in the United States solely because it engages in the United States in trading securities (including contracts or options to buy or sell securities) for the Fund’s own account. Treasury regulations proposed in 1998 extend this Securities Trading Safe Harbor to trading in derivatives, including notional principal contracts with respect to interest rates, currencies, equities or commodities, and options, forward contracts, short position and similar financial instruments in any commodity, currency, stock, publicly-traded partnership and trust instrument, debt, or notional principal contract. While these proposed regulations have not yet been made effective, the preamble to the proposed regulations states that “for periods prior to the effective date, taxpayers engaged in derivative transactions may take any reasonable position with regard to the Securities Trading Safe Harbor. Positions consistent with these proposed regulations will be considered reasonable.” The Fund intends to conduct its operations in a manner that complies with the requirements of the Securities Trading Safe Harbor.

## 2. United States Withholding Tax

In general, under section 881 of the Code, a foreign corporation that does not conduct a United States trade or business is nonetheless subject to tax at a flat rate of 30 percent (or lower treaty rate) on the gross amount of certain United States source income that is not effectively connected with a United States trade or business, generally payable through withholding. Income subject to such a flat tax rate is income of a fixed or determinable annual or periodic nature, including dividends and certain interest income. Most interest income realized by the Fund from United States sources is expected to qualify as “portfolio interest” that is exempt from this withholding tax. Accordingly, it is expected that the Fund will be subject to this withholding tax principally in respect of any dividends that it may receive from holdings of stock of United States issuers. In addition, under legislation enacted in 2010, “dividend equivalent” payments received by the Fund under certain derivative contracts, including swaps, and “substitute dividends” received by the Fund in a stock lending transaction or short sale, will be subject to this withholding-tax regime. Because there is presently no tax treaty between the United States and the Cayman Islands, the Fund is subject to this withholding-tax regime with respect to such United States source income that it receives.

## U.S. Tax Considerations for Non-U.S. Investors

Non-U.S. Taxpayers should not be subject to United States federal income tax on distributions made by the Fund or on the sale, exchange or redemption of Participating Shares held as a capital asset, provided that the distribution or gain is not effectively connected with such Non-U.S. Taxpayer’s conduct of a trade or business in the United States.

In the case of a nonresident alien individual, however, such gain will be subject to 30-percent (or lower tax treaty rate) United States federal income tax if (i) such person is present in the United States for 183 days or more during the taxable year (on a calendar year basis unless



the nonresident alien individual has previously established a different taxable year), and (ii) such gain is derived from United States sources. Generally, the source of gain upon the sale, exchange or redemption of Participating Shares is determined by the place of residence of the investor. For purposes of determining the source of gain, the Code defines residency in a manner that may result in an individual who is otherwise a Non-U.S. Investor (that is, a “nonresident alien” for U.S. tax purposes) being treated as a United States resident only for purposes of determining the source of income. Each prospective individual investor who anticipates being present in the United States for 183 days or more (in any taxable year) should consult such investor’s tax advisor with respect to the possible application of this rule.

## Taxation of U.S. Tax-Exempt Investors

### 1. General

Income recognized by U.S. Tax-Exempt Shareholders is exempt from federal income tax unless it is “unrelated business taxable income” (“UBTI”). UBTI is income from an unrelated trade or business regularly carried on by a tax-exempt entity.

A U.S. Tax-Exempt Shareholder’s income from the Fund will consist of dividends and gain from the redemption of Participating Shares. Such income and gains derived by a U.S. Tax-Exempt Shareholder from the ownership of Participating Shares should not constitute UBTI to a U.S. Tax-Exempt Shareholder unless such investor acquired its Participating Shares with the proceeds of borrowings (“Debt-Financed Shares”), and an amount of such “acquisition indebtedness” remains unpaid at any time during the investor’s tax year within which the income is received (in the case of dividends) or during the 12-month period prior to a redemption (in the case of gain from a redemption of Participating Shares). The amount of such income or gain that would constitute UBTI would be determined by multiplying the entire amount of income or gain by a fraction whose numerator is (a) in the case of dividend income, the average amount of acquisition indebtedness outstanding during such tax year, or (b) in the case of gain on redemption, the highest amount of acquisition indebtedness outstanding during such 12-month period, and whose denominator is the investor’s average adjusted basis in the Debt-Financed Shares during the period of the tax year that the investor held the Debt-Financed Shares. “Acquisition indebtedness” includes not only debt incurred in acquiring Participating Shares, but also debt incurred before an acquisition of Participating Shares, if such debt would not have been incurred but for such acquisition; and debt incurred after an acquisition of Participating Shares, if such debt would not have been incurred but for the acquisition and the incurrence was reasonably foreseeable at the time of the acquisition.

### 2. Special Considerations

Unfavorable United States tax rules apply to certain United States stockholders of a non-U.S. corporation that is classified as a “passive foreign investment company” (“PFIC”) or a “controlled foreign corporation” (“CFC”). The Fund is likely to be a PFIC, and will be a CFC. It is likely that PFIC or CFC status will result in special United States tax consequences to a U.S. Tax-Exempt Investor only if that investor holds Debt-Financed Shares. The following paragraphs explain these rules in more detail.

a. PFIC Considerations

The Fund will be a PFIC for any taxable year if either (i) at least 75 percent of its gross income is “passive income” or (ii) at least 50 percent of its assets produce, or are held for the production of, “passive income.” It is expected that substantially all of the gross income derived by the Fund will constitute passive income. Accordingly, under current law, the Fund is expected to be a PFIC.

In the case that the Fund is a PFIC, under currently effective Treasury Regulations a U.S. Tax-Exempt Investor will be subject to special rules under the PFIC regime only if such Tax-Exempt Investor holds Debt-Financed Shares and the U.S. Tax-Exempt Investor is not a “U.S. Holder” as described below under “CFC Considerations.” These PFIC rules will apply regardless of whether the Fund continues to be a PFIC with respect to (i) any “excess distribution” made with respect to such U.S. Tax-Exempt Investor’s Shares (generally, the amount of distributions received in any taxable year in excess of 125 percent of the average annual distributions received by the U.S. Tax-Exempt Investor in the three preceding taxable years, or, if shorter, the U.S. Tax-Exempt Investor’s holding period for such Shares), and (ii) any gain realized on the sale or other disposition of the Participating Shares. Under these rules, (i) the excess distribution or gain would be allocated ratably over the U.S. Tax-Exempt Investor’s holding period for the Participating Shares, (ii) the amount allocated to the current taxable year would be taxed as ordinary income, and (iii) the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other year.

A U.S. Tax-Exempt Investor that is not a “U.S. Holder” (as described below under “CFC Considerations”) and that beneficially owns Debt-Financed Shares during a year for which the Fund is a PFIC must make an annual return on IRS Form 8621. This form requires the Investor to describe the distributions, if any, received with respect to the Debt-Financed Shares and any gain realized on the disposition of such Debt-Financed Shares.

b. CFC Considerations

The Fund will be a CFC for any taxable year if more than 50 percent (by vote or value) of its shares are owned by “U.S. Holders.” For purposes of determining whether the Fund is a CFC, a U.S. Holder is any Shareholder other than a Non-U.S. Investor (that is, any United States citizen or resident, domestic partnership or corporation, or nonforeign trust or estate) if such Shareholder owns, directly or pursuant to rules of attribution, Shares representing ten percent or more of the Fund’s total combined voting power.

For any taxable year during which the Fund is a CFC, each U.S. Tax-Exempt Investor that is a U.S. Holder on the last day of such year will include in its income its pro rata share of the Fund’s “subpart F income” for that year. Subpart F income of a CFC is that corporation’s undistributed taxable income, subject to adjustments, determined using United States accounting principles. It is likely that a U.S. Tax-Exempt Investor’s subpart F inclusions will be treated as dividends and included in UBTI only to the extent that such investor’s Participating Shares are Debt-Financed Shares. (In addition, for the period during which a U.S. Tax-Exempt Investor is a

U.S. Holder and the Fund is a CFC, the PFIC rules will not apply to such U.S. Tax-Exempt Investor.)

### Reporting Requirements

Any U.S. Tax-Exempt Shareholder that owns 10 percent or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares of a non-U.S. corporation such as the Fund will likely be required to file an information return with the IRS containing certain disclosures concerning the filing Shareholder, other United States Shareholders and the Fund. The Fund has not committed to provide all of the information about the Fund or its shareholders needed to complete the return. In addition, any U.S. Tax-Exempt Shareholder that transfers cash to a foreign corporation will likely be required to report the transfer to the IRS if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10 percent of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds U.S. \$100,000. Shareholders who are U.S. Tax-Exempt Shareholders are urged to consult their own tax advisors concerning these and any other reporting requirement.

### Information Reporting and Withholding to the U.S. Internal Revenue Service

In addition to the United States tax reporting and withholding requirements described above, recent U.S. legislation significantly expands the reach of United States tax information-gathering and withholding regimes. This legislation, contained in the Foreign Account Tax Compliance Act (“FATCA”) provisions of the Hiring Incentives to Restore Employment (HIRE) Act of 2010, will require the Fund to disclose to the IRS the identities of certain U.S. Investors, including indirect U.S. Investors, in order to avoid a new United States withholding tax of 30 percent on certain payments made after December 31, 2013, with respect to certain United States investments. This withholding tax will apply not only to payments of U.S.-source income, as under current law, but also to payments of gross proceeds from the sale or other disposition of United States debt and equity securities and other investments, which are currently not subject to withholding. Non-U.S. Investors may also be required to provide the Fund with information about their direct and indirect United States owners, which the Fund will also be required to disclose to the IRS. U.S. and Non-U.S. Investors should consult their tax advisors about these requirements.

### Taxation by Other Jurisdictions

Income realized by the Fund from non-United States sources may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. In addition, distributions from the Fund with respect to the Participating Shares, amounts paid by the Fund in redemption of Participating Shares, and amounts received by a Shareholder upon a disposition of Participating Shares may be subject to taxation by jurisdictions other than the United States and the Cayman Islands. Prospective shareholders should consult their own counsel regarding tax laws and regulations of any other jurisdiction that may be applicable to them.

### Future Changes in Applicable Law

The foregoing description of United States and Cayman Islands income tax consequences of an investment in and the operations of the Fund is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Other legislation could be proposed that, if enacted, would subject the Fund to income taxes or subject shareholders to increased income taxes.

The tax and other matters described in this Memorandum do not constitute, and should not be considered as, legal or tax advice to prospective shareholders.

## ERISA CONSIDERATIONS

If the Fund offers Participating Shares to fiduciaries of pension, profit-sharing or other employee benefits plans subject to ERISA, or to fiduciaries of independent retirement accounts (“IRAs”) and other arrangements that are subject to Section 4975 of the Code, (each such employee benefit plan, account or arrangement referred to herein as a “Plan”) those fiduciaries should, before authorizing an investment in the Participating Shares, consider whether such investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any other applicable law relating to such fiduciary’s duty to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable law.

The fiduciary responsibility provisions of ERISA and the related provisions of the Code generally apply to the management and investment of “plan assets.” Under regulations promulgated under ERISA, if immediately after the acquisition of any Participating Shares in the Fund, 25 percent or more of the value of any class of the Participating Shares (excluding those held by the Manager or its affiliates) is held by “benefit plan investors”, then the Fund’s assets will be deemed “plan assets” and both ERISA’s general standards of conduct and the prohibited-transaction provisions of ERISA and the Code will extend to the activities of the Fund.

Under ERISA, the term “benefit plan investor” is defined to include: (i) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to the provisions of Part 4 of Title I of ERISA; (ii) any plan, account or arrangement subject to the prohibited transaction provisions of Section 4975 of the Code; and (iii) any entity the assets of which are treated as “plan assets” by reason of investment therein by benefit plan investors (generally because 25 percent or more of a class of equity interests in the entity is owned by benefit plan investors). Accordingly, the Subscription Agreement provides that if the assets of a Shareholder become plan assets subsequent to its investment in the Fund, the Shareholder must notify the Fund promptly and redeem such number of Participating Shares as the Fund deems necessary or desirable. In addition, the Fund may, in its discretion, impose limits on the aggregate percentage of the value of all of the Participating Shares that may be held by benefit plan investors, and the Fund may, in its discretion, require that benefit plan investors redeem such number of Participating Shares as the Fund may deem necessary or desirable to ensure that the Fund’s assets are not deemed “plan assets.”

**NOTHING CONTAINED IN THE FOREGOING DISCUSSION SHOULD BE CONSTRUED AS ADVICE TO ANY PROSPECTIVE SHAREHOLDER. FIDUCIARIES OF PLANS SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA OF ANY INVESTMENT IN THE FUND.**

## **PRIVATE PLACEMENT**

### The Offering

The offering made hereby consists of two classes of Participating Shares. The minimum initial purchase requirement for investors subscribing for Class A Participating Shares is U.S. \$1,000,000 and the minimum initial purchase requirement for investors subscribing for Class B Participating Shares is U.S. \$250,000, although the Fund may in its discretion accept subscriptions for lower amounts, provided that in no event will the Fund accept initial subscriptions for less than U.S. \$100,000. There is no minimum aggregate closing dollar amount that must be accepted before a closing can occur. The Fund has the right to accept or reject any subscription in whole or in part. Participating Shares will be issued in registered book-entry form. A Shareholder shall not be entitled to a share certificate, unless the Board of Directors determines otherwise either generally or in relation to a particular class or in a particular instance.

The Fund may offer Participating Share at any time during the Initial Offer Period. Following the Initial Offer Period, the Fund may offer Participating Shares at the start of business on the first Business Day of each month or at such other times as the Board of Directors, in its sole discretion for any reason or for no reason, may allow. There is no mandatory ending date to this offering of Participating Shares.

Payments for purchases of Participating Shares may be made in cash or, in the discretion of the Board of Directors, marketable securities. The Fund has the right to accept or reject any subscription in whole or in part in its sole discretion at any time prior to the completion of the offering.

### Investor Suitability Standards

As indicated above, investment in the Participating Shares offered hereby involves numerous and substantial risks. The illiquidity of the Participating Shares and the nature of the proposed activities of the Fund make the Participating Shares suitable only for investors with adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk of loss of all of their investment in the Fund. As a result and in order to ascertain whether potential investors meet the criteria set forth in potentially applicable securities laws to enable the Fund to qualify for exclusions and exemptions from certain registration requirements under those laws, prospective investors are required to complete and return to the Fund a Prospective Investor Questionnaire.

The Fund intends to offer the Participating Shares only to investors that are either (a) Non-U.S. persons as defined in Regulation S promulgated under the United States Securities Act of 1933 (the "Securities Act"), or (b) U.S. tax-exempt Shareholders that are "accredited investors," as such term is defined in Regulation D. IT IS THE RESPONSIBILITY OF EACH PROSPECTIVE INVESTOR (OTHER THAN A U.S. TAX-EXEMPT INVESTOR) TO VERIFY THAT IT IS NOT A "U.S. PERSON" AS DEFINED IN REGULATION S. The Fund intends to rely on the exemptions provided by Regulations S and D under the Securities Act for all offerings and sales of the Participating Shares. Regulation S applies to offers and sales made

outside the United States while Regulation D applies to limited offers and sales not involving any public offering. An offer and sale may be made by the Fund pursuant to Regulation S if the offer is not made to a person in the United States and the investor is not in the United States when it indicates its interest in acquiring Participating Shares in the Fund. An investor buying Participating Shares in a transaction relying on Regulation S must certify that it is not a U.S. Person and that it is not acquiring the Participating Shares for the account or benefit of any U.S. Person. In addition, each purchaser of Participating Shares in a transaction relying on Regulation S must agree to resell such Participating Shares only in accordance with the provisions of Regulation S or pursuant to an available exemption from registration under the Securities Act.

### Accredited Investors

Regulation D applies to offers and sales to Accredited Investors. An investor buying Participating Shares in a transaction relying on Regulation D will have to represent and warrant that such investor is an Accredited Investor. Generally, the Fund will require that investors purchasing Participating Shares in a transaction relying on Regulation S meet the Accredited Investor standards as well.

Accredited Investors include but are not limited to:

(i) a natural person who has an individual net worth, or joint net worth with that investor's spouse, exceeding U.S. \$1,000,000;<sup>1</sup>

(ii) a natural person who has an individual income, not including a spouse's income, in excess of U.S. \$200,000 in each of the two most recent years or has joint income with a spouse in each of those years in excess of U.S. \$300,000 and reasonably expects to achieve the same income levels in the current year;

(iii) any organization described in Section 501(c)(3) of the Code, corporation, Massachusetts or similar business trust, or partnership or limited liability company, with assets in excess of U.S. \$5,000,000 and which is not formed for the specific purpose of acquiring the securities offered;

(iv) an employee benefit plan within the meaning of Title I of the ERISA, for which all investment decisions are made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, insurance company, or registered investment adviser, an employee benefit plan within such meaning which has total assets in excess of U.S. \$5,000,000, or a self-directed employee benefit plan within such meaning, with investment decisions made solely by persons that are Accredited Investors;

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<sup>1</sup> For purposes of this net worth calculation: (i) a natural person's primary residence shall not be included as an asset, (ii) indebtedness that is secured by the natural person's primary residence, up to the estimated fair market value of the primary residence at the time of the acquisition of the Shares, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of acquisition of the Shares exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the natural person's primary residence in excess of the estimated fair market value of the primary residence at the time of the acquisition of the Shares shall be included as a liability.

(v) any trust with total assets in excess of U.S. \$5,000,000 whose purchase is directed by a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment and which is not formed for the specific purpose of acquiring the securities offered;

(vi) a director or executive officer of the Fund or the Manager; or

(vii) an entity in which all the equity owners are Accredited Investors.

### Qualified Clients

In addition, each Shareholder must also be a “Qualified Client”<sup>2</sup> as defined by Rule 205-3 under the Advisers Act.

### Additional Suitability Standards

A potential investor should also consider the following items:

1. Substantial Means and Net Worth. Purchase of the Participating Shares is suitable only for investors who are seeking a long-term investment, who have no need for liquidity, and who possess adequate means to provide for their usual needs and contingencies.

2. Ability and Willingness to Bear Risks. The Fund’s investment objectives present a business and financial risk that a potential investor must be willing and able to bear. Investment in the Fund is inadvisable for investors who may not be able to hold their Participating Shares for a significant period of time and who cannot afford a complete loss of their investment. See “Investment Considerations and Risk Factors.”

3. Ability to Accept Limitation on Transferability. There is no public market for the Participating Shares, and none is expected to develop. The Participating Shares are subject to substantial restrictions on their transferability. See “The Fund; Redemptions” and “The Fund; Sale or Transfer of Participating Shares.” Therefore, Shareholders may not be able to liquidate their investment in the event of unforeseen financial difficulties or for any other reason.

4. Investment Intent. To assure compliance with applicable securities laws, each investor is required affirmatively to represent, among other things, that such investor is acquiring

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<sup>2</sup> A qualified client must either (a) have U.S. \$1 million under management with the Manager; or (b) have a net worth, or joint net worth with his or her spouse in the case of a natural person, that exceeds U.S. \$2 million. For purposes of this net worth calculation: (i) a natural person’s primary residence shall not be included as an asset, (ii) indebtedness that is secured by the natural person’s primary residence, up to the estimated fair market value of the primary residence at the time of the acquisition of the Shares, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of acquisition of the Shares exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the natural person’s primary residence in excess of the estimated fair market value of the primary residence at the time of the acquisition of the Shares shall be included as a liability.



the Participating Shares for such investor's own account, for investment purposes only, and not for, with a view to or in connection with resale or public distribution thereof.

The suitability standards described above represent minimum suitability requirements for investors. The Fund may, but will not be obligated to, make or cause to be made such further inquiry and obtain such additional information as it deems appropriate with regard to the suitability of prospective investors.

The satisfaction of the above-described standards by a prospective investor does not necessarily mean that the Participating Shares are a suitable investment for that investor. Each prospective investor should determine independently, upon consultation with such investor's investment, tax or other advisors, accountants and legal counsel, whether an investment in the Participating Shares is suitable for that investor in light of the investor's own circumstances.

## **SUBSCRIPTION PROCEDURE**

To subscribe for Participating Shares, prospective investors are required to complete, execute and deliver electronically the following to the Administrator at Duet Emerging Macro Fund Limited, c/o SEI Global Services, Inc., AIFS-Investor Services, 1 Freedom Valley Drive, Oaks, PA 19456; Email: AIFS-IS\_Duet@seic.com; Fax: +1 (484) 676-2346:

1. An executed copy of the Subscription Agreement.
2. An executed copy of a Prospective Investor Questionnaire.
3. A Form W-9 or W-8BEN.

Prospective investors also are required to deliver, simultaneously with the delivery of the documents listed above, payment in the form of (i) a wire transfer (wire instructions are included in the Subscription Agreement), or (ii) subject to the prior approval of the Board of Directors, marketable securities duly endorsed or accompanied by stock powers permitting transfer to Duet Emerging Macro Fund Limited.

During the Initial Offer Period, Participating Shares will be offered at a price of U.S. \$1,000 per Participating Share. Following the close of the Initial Offer Period, Participating Shares will be offered at the relevant Net Asset Value per Participating Share of the relevant class as of the start of business on the applicable Subscription Date. A Subscriber may also be required to pay an additional amount as an Equalisation Credit.

During the Initial Offer Period, payment for Participating Shares and subscription documents must be received by the Administrator by 5 p.m. (Eastern Standard Time) on the last Business Day of the Initial Offer Period. Following the close of the Initial Offer Period, payment for Participating Shares and subscription documents must be received by the Administrator by 5 p.m. (Eastern Standard Time) on the Business Day preceding the applicable Subscription Date.

The full purchase price of the Participating Shares is to be paid upon subscription. The Fund has the right to accept or reject any subscription in whole or in part in its sole discretion at any time prior to the completion of the offering.

Payments for Participating Shares will be held in a subscription account until the closing or the earlier termination of this offering and may not be withdrawn by potential investors. There is no minimum aggregate amount of subscriptions required to close this offering. The Fund, acting through the Administrator, intends to accept offers to subscribe for Participating Shares from new investors or existing Shareholders on a monthly basis on each Subscription Date. On each such Subscription Date when a closing occurs, in accordance with the terms of the Articles, interest (if any) on successful or unsuccessful offers to subscribe will be retained for the benefit of the Fund. If an offering does not close for any reason, or if a prospective investor's subscription is rejected, the full subscription amount, without interest, will be returned promptly to the appropriate subscriber or subscribers, to the account from which subscription monies were originally sent, accompanied by the subscription documentation received by the Administrator in connection with the rejected application(s).

## REDEMPTION PROCEDURE

Participating Shares are redeemable at the option of a Shareholder on each Redemption Date. Shareholders should deliver to the Administrator a completed redemption request in the form available from the Administrator by no later than 5 p.m. (Eastern Standard Time) on the Business Day falling at least 45 calendar days, or such lesser period as the Directors may generally or in any particular case determine, before the relevant Redemption Date, failing which the redemption request will be held over until the next following Redemption Date and Participating Shares will then be redeemed at the relevant Net Asset Value applicable on that Redemption Date.

No redemption requests will be accepted unless in writing. Redemption requests may be sent to the Administrator by email at AIFS-IS\_Duet@seic.com or by fax at +1 (484) 676-2346, but redemption proceeds will not be remitted until: (1) the Administrator has received the original of the redemption request; (2) the redeeming Shareholder receives written confirmation from the Administrator that the redemption request has been received; and (3) all documentation required or otherwise requested by the Administrator has been received by the Administrator. The Administrator will not accept any responsibility for any loss as a result of the non-receipt of any redemption request sent by facsimile or email transmission. **Non-receipt of the original written redemption request by the Administrator by the applicable Redemption Date may render faxed or emailed instructions void.**

A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their sole discretion).

The Directors may make further regulations in addition to or in substitution for those set out in this Memorandum and the Articles concerning redemptions as they shall from time to time deem necessary.

## **ADDITIONAL INFORMATION**

Each prospective investor and such investor's advisors, if any, will be offered an opportunity, prior to the consummation of a sale of Participating Shares to such investor, to ask questions of and receive answers from the Manager concerning the terms and conditions of this offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein. Please direct inquiries to David Dali at +1 (617) 310-5181.

## **APPENDIX A**

### **OFFERING AND SALE RESTRICTIONS WITH RESPECT TO CERTAIN JURISDICTIONS**

The distribution of this Memorandum and the offering of Participating Shares may be restricted in certain jurisdictions. The information below is for general guidance only, and it is the responsibility of any person or persons in possession of this Memorandum and wishing to make an application for Participating Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Participating Shares should inform themselves as to any legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

This Memorandum does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation.

#### **FOR PROSPECTIVE SHAREHOLDERS IN ARGENTINA**

No public offering of Participating Shares is being made to investors resident in Argentina. Participating Shares are being offered only to a limited number of institutional investors and sophisticated individual investors capable of understanding the risks of their investment. The National Securities Commission of Argentina has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of Participating Shares to investors resident in Argentina.

#### **FOR PROSPECTIVE SHAREHOLDERS IN AUSTRALIA**

The Fund is not, and is not required to be, a registered foreign body corporate in Australia, and this Memorandum is not a prospectus lodged or required to be lodged with the Australian Securities and Investments Commission. The Participating Shares will only be offered in Australia to persons to whom such securities may be offered without a prospectus under Chapter 6D of the Corporations Act 2001 (Cth). The Participating Shares subscribed for by investors in Australia must not be offered for resale in Australia for 12 months from allotment except in circumstances where disclosure to investors under the Corporations Act 2001 (Cth) would not be required or where a compliant prospectus is produced. Prospective investors in Australia should confer with their professional advisers if in any doubt about their position.

#### **FOR PROSPECTIVE SHAREHOLDERS IN AUSTRIA**

The Participating Shares may only be offered in the Republic of Austria in compliance with the provisions of the Austrian Capital Market Act, the Austrian Investment Fund Act and other laws applicable in the Republic of Austria governing the offer, issue and sale of the Participating Shares in the Republic of Austria. The Participating Shares are being offered exclusively to a limited number of investors in Austria and are therefore not subject to the

public offering requirements of the Austrian Capital Market Act or the Austrian Investment Fund Act. The Participating Shares are not registered or otherwise authorized for public offer either under the Austrian Capital Market Act, the Austrian Investment Fund Act or any other securities regulation in Austria. The recipients of this Memorandum and other selling material in respect to the Participating Shares have been individually selected and are targeted exclusively on the basis of a private placement. This offer may not be made to any persons other than the recipients to whom this Memorandum is personally addressed. Any investor intending to offer and resell the Participating Shares in Austria is solely responsible that any offer and resale takes place in compliance with the applicable provisions of the Austrian Capital Market Act, the Austrian Investment Fund Act or any other applicable securities regulation.

#### **FOR PROSPECTIVE SHAREHOLDERS IN THE BAHAMAS**

This Memorandum in connection with the offer of Participating Shares has not been filed with the Securities Commission of The Bahamas because the Fund is a non-Bahamas based investment fund for the purposes of the Investment Funds Act, 2003 and is therefore exempted from the prospectus filing requirements of the Securities Industry Act, 2011. No offer or sale of Participating Shares will be made in The Bahamas unless the offer of the Participating Shares is made by or through a representative of the Fund in The Bahamas in accordance with the provisions of the Investment Funds Act, 2003 and the Investment Funds Regulations, 2003 and in compliance with Bahamian Exchange Control Regulations.

#### **FOR PROSPECTIVE SHAREHOLDERS IN THE STATE OF BAHRAIN**

This offer is a private placement. It is not subject to the regulations of the Central Bank of Bahrain that apply to public offerings of securities and the extensive disclosure requirements and other protections that these regulations contain. This Memorandum is, therefore, intended only for “accredited investors”, as defined in the applicable rules of the Central Bank of Bahrain.

The Participating Shares offered pursuant to this Memorandum may only be offered in Bahrain in minimum subscriptions of U.S.\$100,000 (or equivalent in other currencies). The Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this Memorandum and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Memorandum.

The Manager accepts responsibility for the information contained in this Memorandum. To the best of the knowledge and belief of the Manager, who has taken all reasonable care to ensure that such is the case, the information contained in this Memorandum is in accordance with the facts and does not omit anything likely to affect the reliability of such information.

#### **FOR PROSPECTIVE SHAREHOLDERS IN BELGIUM**

The Fund has not been and will not be registered with the Belgian Financial Services and Markets Authority (*Autoriteit voor financiële diensten en markten / Autorité des Services Financiers et des Marchés*) (“FSMA”) as a foreign collective investment institution referred to

under Article 127 of the Belgian Act of July 20, 2004 relating to certain forms of collective management of investment portfolios. This Memorandum and the offering of the Participating Shares have not been and will not be notified to, and have not been approved or disapproved by, the FSMA. The public offering of the Participating Shares in Belgium within the meaning of the Belgian Act of July 20, 2004, and the Belgian Act of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to listing on a regulated market has not been authorized by the Fund. The offering may therefore not be advertised, and the Participating Shares may not be offered, sold, transferred or delivered to, or subscribed to by, and no memorandum, information circular, brochure or similar document may be distributed to, directly or indirectly, any individual or legal entity in Belgium, except (i) subject to the restriction of a minimum investment of €250,000 per investor or (ii) in any other circumstances in which the present offering does not qualify as a public offering in accordance with the aforementioned Act of July 20, 2004. This Memorandum has been issued to the intended recipient for personal use only and exclusively for the purpose of the offering. Therefore, it may not be used for any other purpose, nor passed on to any other person in Belgium.

#### **FOR PROSPECTIVE SHAREHOLDERS IN BERMUDA**

Participating Shares may not be marketed, offered or sold directly or indirectly to the public in Bermuda and neither this Memorandum, which is not subject to and has not received approval from either the Bermuda Monetary Authority or the Registrar of Companies and no statement to the contrary, explicit or implicit, is authorized to be made in this regard, nor any offering material or information contained herein relating to Participating Shares, may be supplied to the public in Bermuda or used in connection with any offer for the subscription or sale of Participating Shares to the public in Bermuda. Bermuda investors may be subject to foreign exchange control approval and filing requirements under the relevant Bermuda foreign exchange control regulations, as well as offshore investment approval requirements.

#### **FOR PROSPECTIVE SHAREHOLDERS IN BRAZIL**

The Fund is not listed with any stock exchange, organized OTC market or electronic system of securities trading. The Participating Shares have not been and will not be registered with any securities exchange commission or other similar authority, including the Brazilian Securities and Exchange Commission (*Comissão de valores Mobiliários* or the “CVM”). The Participating Shares will not be directly or indirectly offered or sold within Brazil through any public offering, as determined by Brazilian law and by the rules issued by the CVM, including Law No. 6,385 (Dec. 7, 1976) and CVM Rule No. 400 (Dec. 29, 2003), as amended from time to time, or any other law or rules that may replace them in the future.

Acts involving a public offering in Brazil, as defined under Brazilian laws and regulations and by the rules issued by the CVM, including Law No. 6,385 (Dec. 7, 1976) and CVM Rule No. 400 (Dec. 29, 2003), as amended from time to time, or any other law or rules that may replace them in the future, must not be performed without such prior registration. Persons in Brazil wishing to acquire the Participating Shares should consult with their own counsel as to the applicability of these registration requirements or any exemption therefrom. Without prejudice to the above, the sale and solicitation of the Participating Shares is limited to qualified investors as

defined by CVM Rule No. 409 (Aug. 18, 2004), as amended from time to time, or as defined by any other rule that may replace it in the future.

This Memorandum is confidential and intended solely for the use of the addressee and cannot be delivered or disclosed in any manner whatsoever to any person or entity other than the addressee.

#### **FOR PROSPECTIVE SHAREHOLDERS IN THE BRITISH VIRGIN ISLANDS**

This Memorandum does not constitute, and there will not be, an offering of securities to the public in the British Virgin Islands.

#### **FOR PROSPECTIVE SHAREHOLDERS IN CANADA**

This Memorandum is not, and under no circumstances is to be construed as, a public offering of securities or an offering of securities in any jurisdiction in which such offering would be unlawful. No securities commission or similar authority in Canada has in any way passed upon the merits of the Participating Shares offered hereby and any representation to the contrary is unlawful. Persons who will be acquiring Participating Shares pursuant to this Memorandum will not have the benefit of a review of the material by any securities regulatory authority in Canada.

By accepting their Subscription Agreements, the Fund shall be granting to Shareholders in the provinces of Canada who have received this Memorandum a contractual and/or statutory right of action for damages or rescission against the Fund if this Memorandum, or any amendment thereto, contains a misrepresentation.

This right of action is in addition to any other right or remedy available to the Shareholder at law.

#### **FOR PROSPECTIVE SHAREHOLDERS IN THE CAYMAN ISLANDS**

No offer or invitation to subscribe for Participating Shares may be made to the public in the Cayman Islands, and no Participating Shares may be issued, transferred to, registered in favor of, or beneficially owned by, any person resident or domiciled (other than an exempted or ordinary non-resident company incorporated in the Cayman Islands) in the Cayman Islands.

#### **FOR PROSPECTIVE SHAREHOLDERS IN CHINA**

The Participating Shares may not be marketed, offered or sold directly or indirectly to the public in China and neither this Memorandum, which has not been submitted to the Chinese Securities and Regulatory Commission, nor any offering material or information contained herein relating to the Participating Shares, may be supplied to the public in China or used in connection with any offer for the subscription or sale of the Participating Shares to the public in China. The Participating Shares may only be marketed, offered or sold to Chinese institutions which are authorized to engage in foreign exchange business and offshore investment from outside China. Chinese investors may be subject to foreign exchange



control approval and filing requirements under the relevant Chinese foreign exchange regulations, as well as offshore investment approval requirements.

### **FOR PROSPECTIVE SHAREHOLDERS IN DENMARK**

In order to invest in the Fund, investors must invest at least €50,000. The Participating Shares are being offered to a very limited number of selected Danish investors and therefore no action has or will be taken that would allow an offering of the Participating Shares to the public in Denmark. Further, this Memorandum has not been and will not be registered with the Danish Financial Supervisory Authority or the Danish Business Authority under the relevant Danish acts and regulations on the offering in Denmark of the Participating Shares. Accordingly, this Memorandum may not be made available nor may the Participating Shares otherwise be marketed and offered for sale in Denmark other than in circumstances which are deemed not to be marketing or an offer to the public in Denmark.

### **FOR PROSPECTIVE SHAREHOLDERS IN FINLAND**

Participating Shares will be offered in Finland exclusively to investors qualifying as “professional investors” as defined under the Finnish Act on Mutual Funds (*sijoitusrahastolaki*, 29.1.1999, as amended, the “MFA”). Accordingly, prospective investors should acknowledge that this Memorandum is not a fund prospectus as meant in the MFA and the marketing of Participating Shares is not subject to marketing permission from the Finnish Financial Supervisory Authority (*Rahoitustarkastus*; “FIN-FSA”). Furthermore, even if Participating Shares were to be construed as “securities” as defined in the Finnish Securities Markets Act (*arvopaperimarkkinalaki*, 26.5.1989/495, as amended, the “SMA”), based on the exemptions set forth in Decree 317/2012 issued by the Ministry of Finance, the offering of Participating Shares would be exempted from the prospectus requirements of the SMA. Accordingly, prospective investors must acknowledge that this Memorandum is not a prospectus within the meaning set forth in the SMA. Prospective investors should also note that neither the sponsor of the Fund nor any of its affiliates is an investment firm (*sijoituspalveluyritys*) as meant in the Finnish Investment Firms Act (*laki sijoituspalveluyrityksistä*, 922/2007, as amended and restated) and they are not subject to the supervision of the FIN-FSA. The FIN-FSA has not authorized any offering for the subscription of Participating Shares; accordingly, Participating Shares may not be offered or sold in Finland or to residents thereof except as permitted by Finnish law. This Memorandum has been prepared for private information purposes only and it may not be used for, and shall not be deemed, a public offering of Participating Shares. This Memorandum is strictly for private use by its holder and may not be passed on to third parties or otherwise distributed publicly.

### **FOR PROSPECTIVE SHAREHOLDERS IN FRANCE**

This Memorandum (including any amendment, supplement or replacement thereto) is not being distributed in the context of a public offering in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*). This Memorandum has not been and will not be submitted to the French *Autorité des marchés financiers* (“AMF”) for approval in France and accordingly may not and will not be distributed to the public in France.

Pursuant to Article 211-3 of the AMF General Regulation, French residents are hereby informed that:

1. the transaction does not require a prospectus to be submitted for approval to the AMF;
2. persons or entities referred to in Point 2°, Section II of Article L.411-2 of the Monetary and Financial Code may take part in the transaction solely for their own account, as provided in Articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the Monetary and Financial Code; and
3. the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the Monetary and Financial Code.

This Memorandum is not to be further distributed or reproduced (in whole or in part) in France by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that such recipients will only participate in the issue or sale of the Participating Shares for their own account and undertake not to transfer, directly or indirectly, the Participating Shares to the public in France, other than in compliance with all applicable laws and regulations and in particular with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

#### **FOR PROSPECTIVE SHAREHOLDERS IN GERMANY**

This Memorandum has not been and will not be submitted to, nor has it been approved by, the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the German Federal Financial Supervisory Authority) and no prospectus has been or will be published in Germany. The Participating Shares have not been registered for public offer or distribution in Germany. Therefore, Participating Shares may be offered and sold or distributed in the territory of the Federal Republic of Germany only if the offer is made to credit and financial services institutions as defined by the German Banking Act (*Kreditwesengesetz*), insurance companies, under private or public law, investment companies, investment stock corporations and pension funds, including any management company commissioned by any such entity. This Memorandum and any other document relating to the Participating Shares, as well as information contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription or sale of the Participating Shares to the public in Germany. This Memorandum and other offering materials relating to the offer of the Participating Shares are strictly confidential and may not be distributed to any person or entity other than the recipients hereof.

#### **FOR PROSPECTIVE SHAREHOLDERS IN GREECE**

Neither the Fund nor this Memorandum has been, or is intended to be, registered with and approved by the Greek Capital Market Committee. The Participating Shares are therefore not eligible for advertising, placement or public circulation in Greece. The information provided in this Memorandum is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer Participating Shares in Greece to or for the benefit of any Greek person or

entity. This Memorandum is not to be distributed or reproduced, in whole or in part, in Greece by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that its recipients will only participate in the issue of the Participating Shares outside of Greece on their own account and undertake not to transfer, directly or indirectly, the Participating Shares to the public in Greece.

### **FOR PROSPECTIVE SHAREHOLDERS IN GUERNSEY**

The Fund is a Cayman Islands exempted company and has not been authorized by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Accordingly, any marketing material or prospectus in relation to the Fund may not be circulated within the Bailiwick of Guernsey, and there should be no onward distribution of the same.

### **FOR PROSPECTIVE SHAREHOLDERS IN HONG KONG**

The contents of this Memorandum have not been reviewed or approved by any regulatory authority in Hong Kong. This Memorandum does not constitute an offer or invitation to the public in Hong Kong to acquire Participating Shares. Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Memorandum or any advertisement, invitation or document relating to the Participating Shares, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than in relation to Participating Shares which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” (as such term is defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) (the “SFO”) and the subsidiary legislation made thereunder) or in circumstances which do not result in this Memorandum being a “prospectus” as defined in the Companies Ordinances of Hong Kong (Cap. 32) (the “CO”) or which do not constitute an offer or an invitation to the public for the purposes of the SFO or the CO. The offer of the Participating Shares is personal to the person to whom this Memorandum has been delivered by or on behalf of the Fund, and a subscription for Participating Shares will only be accepted from such person. No person to whom a copy of this Memorandum is issued may issue, circulate or distribute this Memorandum in Hong Kong or make or give a copy of this Memorandum to any other person. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Memorandum, you should obtain independent professional advice.

### **FOR PROSPECTIVE SHAREHOLDERS IN INDIA**

This issue is being made strictly on a private placement basis. This Memorandum is not a prospectus or a statement in lieu of a prospectus. It is not, and should not be deemed to constitute an offer to the public in general. It cannot be acted upon by any person other than the person to whom it has been specifically addressed. Multiple copies hereof given to the same entity shall be deemed to be offered to the same person.

The information contained in this Memorandum is believed by the Manager to be accurate in all material respects as of the date hereof. The Manager does not undertake to

update this Memorandum to reflect subsequent events. This Memorandum has been prepared to provide general information about the Fund to prospective investors evaluating the proposal to subscribe for the Participating Shares and it does not purport to contain all the information that any such prospective investor may require. Prospective investors should conduct their own due diligence, investigation and analysis of the Manager and the Fund.

Prior to applying for the Participating Shares, prospective investors should verify if they have the necessary power and competence to apply for the Participating Shares under their constitutional documents as well as all relevant laws and regulations in force in India, including relevant foreign exchange restrictions and neither the Manager nor the Fund shall be responsible for any filings required to be made by the Indian investor. They should also consult their own tax advisers on the tax implications of the acquisition, ownership and sale of Participating Shares, and income arising thereon.

Although the information contained herein has been obtained from sources that are reliable to the best of the Manager's knowledge and belief, the Manager makes no representation as to the accuracy or completeness of any information contained herein or otherwise provided by the Manager. Neither the Manager nor any officer or employee of the Manager accept any liability whatsoever for any direct or consequential loss arising from any use of this Memorandum or its contents.

The Participating Shares have not been registered or listed in any securities exchanges.

#### **FOR PROSPECTIVE SHAREHOLDERS IN INDONESIA**

This numbered Memorandum is for the exclusive use of the person named on the front cover of this Memorandum. If the number on the front cover of this Memorandum does not appear in red, there is a presumption that this Memorandum has been improperly reproduced and circulated, in which case the Fund and its affiliates disclaim any responsibility for its content or use. This Memorandum may not be photocopied, reproduced or distributed, in whole or in part, to any other person at any time. Distribution of this Memorandum to any person other than in compliance with the terms of this Memorandum is unauthorized. If the offeree does not proceed with the transaction or if it is so requested, it will return this Memorandum to the Manager promptly. Participating Shares will not be offered or sold, directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, nationals or corporations, wherever located, or entities or residents in Indonesia in a manner which constitutes a public offering of the Participating Shares under the laws and regulations of Indonesia.

#### **FOR PROSPECTIVE SHAREHOLDERS IN IRELAND**

This Memorandum and the information contained herein are private and confidential and are for the use on a confidential basis only by the persons to whom such material is addressed. This Memorandum may not be reproduced, redistributed or passed on to any other person or published in whole or in part for any purpose. The offering of the Participating Shares is being extended to a small number of persons resident in Ireland by way of private placement. This Memorandum does not constitute an invitation to the public in Ireland, or any section thereof, to subscribe for or purchase any shares or other securities in any company,

and accordingly is not a prospectus within the meaning of the Prospectus Directive Regulations. This Memorandum does not constitute an offer or solicitation to anyone other than the addressee and does not constitute a facility for participation by the public in Ireland within the meaning of the Unit Trusts Act, 1990.

### **FOR PROSPECTIVE SHAREHOLDERS IN THE ISLE OF MAN**

No public offering of Participating Shares is being made to investors resident in the Isle of Man. Participating Shares are being offered only to institutional investors and a limited number of other investors in the Isle of Man. The Fund is not subject to approval in the Isle of Man and investors are not protected by any statutory compensation arrangements in the event of the Fund's failure. The Isle of Man Financial Supervision Commission does not vouch for the financial soundness of the Fund or for the correctness of any statement made or opinion expressed with regard to it.

### **FOR PROSPECTIVE SHAREHOLDERS IN ISRAEL**

The Participating Shares have not been registered and are not expected to be registered under the Israeli Securities Law — 1968 (the “Securities Law”) or under the Israeli Joint Investment Trust Law - 1994. Accordingly, the Participating Shares will only be offered and sold in Israel pursuant to applicable private placement exemptions, to either (i) qualified investors described in Section

15A(b)(1) of the Securities Law or (ii) to 35 or fewer offerees as determined for purposes of the Securities Law. If any recipient in Israel of a copy of this Memorandum is not qualified as such, such recipient should promptly return this Memorandum to the Fund. Neither the Fund nor the Manager is a licensed investment marketer under the Law for the Regulation of Provision of Investment Advice, Marketing Investments and Portfolio Management – 1995 (the “Investment Advisor Law”) and neither the Fund nor the Manager maintains insurance as required under such law. Accordingly, the Participating Shares will only be offered and sold in Israel to parties which qualify as “eligible customers” for purposes of Section 3(a)(11) of the Investment Advisor Law. The Fund and the Manager may be deemed to be providing investment marketing services but are not investment advisors for purposes of Israeli law. Any investment advice which may be deemed provided under Israeli law in connection with an investment in the Fund is deemed provided on a one time only basis and neither the Fund nor the Manager will provide any ongoing investment marketing services to the investor.

### **FOR PROSPECTIVE SHAREHOLDERS IN ITALY**

The Fund is not a UCITS fund. The offering of the Participating Shares in Italy has not been nor will it be authorized by the Bank of Italy and the *Commissione Nazionale per la Società e la Borsa*. The Participating Shares are offered upon the express request of the investor, who has directly contacted the Fund or its sponsor on the investor's own initiative. No active marketing of the Fund has been made nor will it be made in Italy, and this Memorandum has been sent to the investor at the investor's unsolicited request. The investor acknowledges and confirms the above and hereby agrees not to sell or otherwise transfer any Participating Shares or to circulate this Memorandum in Italy unless expressly permitted by, and in compliance with,

applicable law.

### **FOR PROSPECTIVE SHAREHOLDERS IN JAPAN**

No public offering of the Participating Shares is being made to investors resident in Japan and no securities registration statement pursuant to Article 4, paragraph 1, of the Financial Instruments and Exchange Law (the “FIEL”) has been made or will be made in respect to the offering of the Participating Shares in Japan. The Participating Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan unless they are offered or sold pursuant to an exemption from the registration requirements of, and in compliance with, the FIEL and any applicable laws and regulations of Japan. Neither the Financial Services Agency of Japan nor the Kanto Local Finance Bureau has passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of the Participating Shares in Japan or to investors resident in Japan.

### **FOR PROSPECTIVE SHAREHOLDERS IN JERSEY**

No public offering of Participating Shares is being made to investors resident in Jersey. Participating Shares are being offered only to a limited number of institutional and sophisticated individual investors in Jersey.

### **FOR PROSPECTIVE SHAREHOLDERS IN KUWAIT**

This Memorandum is not for general circulation to the public in Kuwait. The Participating Shares have not been licensed for offering in Kuwait by the Capital Markets Authority, the Kuwait Central Bank or any other relevant Kuwaiti governmental agency. The offering of the Participating Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 (as amended) and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Participating Shares is being made in Kuwait, and no agreement relating to the sale of the Participating Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Participating Shares in Kuwait.

### **FOR PROSPECTIVE SHAREHOLDERS IN LIECHTENSTEIN**

The Participating Shares have not been and will not be offered or sold, directly or indirectly, to the public in Liechtenstein. No public advertising or promotion was, is or may be carried out with respect to the Participating Shares in Liechtenstein. This Memorandum does neither constitute a public offering nor a complete or simplified prospectus as understood pursuant to the Liechtenstein Investment Undertakings Act. Thus, the Participating Shares may now and in the future not be offered to the public or by means of public advertising or promotion in Liechtenstein. By accepting this Memorandum, each Shareholder agrees irrevocably to the foregoing selling restrictions and conditions, concludes the subscription documents for the purchase of the Participating Shares on their grounds and agrees to fulfill these conditions. In case of reselling the Participating Shares to other persons in Liechtenstein, the Shareholder is obliged to transfer these obligations validly to any subsequent purchaser of such Participating Shares.

## **FOR PROSPECTIVE SHAREHOLDERS IN LUXEMBOURG**

No public offering of the Participating Shares is being made to investors resident in Luxembourg. The Participating Shares are being offered only to a limited number of sophisticated and professional investors in Luxembourg. The *Commission de Surveillance du Secteur Financier* of Luxembourg has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of the Participating Shares to investors resident in Luxembourg.

## **FOR PROSPECTIVE SHAREHOLDERS IN MONACO**

No public offering of Participating Shares is being made to investors resident in Monaco. Participating Shares are being offered only to a limited number of institutional investors (i.e., duly licensed banks and portfolio management companies), capable of understanding the risks of their investment. The *Commission de Contrôle des Activités Financières* of Monaco has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of Participating Shares to investors resident in Monaco.

## **FOR PROSPECTIVE SHAREHOLDERS IN MEXICO**

The offering made pursuant to this Memorandum does not constitute a public offering of securities under Mexican law and therefore is not subject to obtaining the prior authorization of the Mexican National Banking and Securities Commission or the registration of Participating Shares with the Mexican National Registry of Securities.

## **FOR PROSPECTIVE SHAREHOLDERS IN THE NETHERLANDS**

Where an offer is made exclusively to qualified investors within the meaning of section 1:1 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*), the Manager is not under an obligation to have this Memorandum approved by the Dutch Authority for the Financial Markets or by a competent authority of another member state of the European Economic Area in accordance with Prospectus Directive 2003/71/EC and Prospectus Regulation 809/2004/EC.

## **FOR PROSPECTIVE SHAREHOLDERS IN NEW ZEALAND**

No public offering of the Participating Shares is being made to investors in New Zealand. The Participating Shares are being offered to investors in New Zealand pursuant to exemptions from the prospectus requirements under the Securities Act of 1978. The New Zealand Financial Markets Authority has not passed upon the accuracy or adequacy of this Memorandum or otherwise approved or authorized the offering of the Participating Shares to investors resident in New Zealand.

## **FOR PROSPECTIVE SHAREHOLDERS IN NORWAY**

This Memorandum does not constitute an invitation or a public offer of securities in the Kingdom of Norway. It is intended only for the original recipient and is not for general

circulation in the Kingdom of Norway. The offer herein is not subject to the prospectus requirements laid down in the Norwegian Securities Trading Act. This Memorandum has not been nor will it be registered with or authorized by any governmental body in Norway.

### **FOR PROSPECTIVE SHAREHOLDERS IN PORTUGAL**

This offering is addressed only to institutional investors, as so qualified pursuant to the Portuguese Securities Code (Decree Law 486/99 dated November 13, 2000, as amended), and a limited number of identified investors, and does not qualify as marketing of participation units in undertakings for collective investments, as per Article 1 No. 3 ex vi Article 15 of the Undertakings for Collective Investment Law.

### **FOR PROSPECTIVE SHAREHOLDERS IN QATAR**

The Participating Shares described in this Memorandum have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Memorandum has not been reviewed or registered with the Qatari Central Bank or any other Qatari government authorities and does not constitute a public offer of securities in the State of Qatar under Qatari law. Therefore, this Memorandum is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any person other than the intended recipient hereof.

### **FOR PROSPECTIVE SHAREHOLDERS IN THE RUSSIAN FEDERATION**

Under Russian law, the Participating Shares may be considered securities of a foreign issuer. Neither the Fund nor this Memorandum has been, or is intended to be, registered with the Federal Service for Financial Markets of the Russian Federation, and hence the Participating Shares are not eligible for advertising, initial placement and public circulation in the Russian Federation. The information provided in this Memorandum (including any amendment or supplement thereto or replacement thereof) is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer the Participating Shares in the Russian Federation to or for the benefit of any Russian person or entity.

This Memorandum is not to be distributed or reproduced (in whole or in part) in the Russian Federation by the recipients of this Memorandum. This Memorandum has been distributed on the understanding that its recipients will only participate in the issue of the Participating Shares outside the Russian Federation on their own account and undertake not to transfer, directly or indirectly, the Participating Shares to the public in the Russian Federation.

### **FOR PROSPECTIVE SHAREHOLDERS IN SAUDI ARABIA**

Neither this Memorandum nor the Participating Shares have been approved, disapproved or passed on in any way by the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia, nor has the Fund received authorization or licensing from the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia to market or sell the Participating Shares within the Kingdom of Saudi Arabia. This Memorandum does not constitute and may not be used for the purpose of an offer or invitation.



No services relating to the Participating Shares, including the receipt of applications and the allotment or redemption of the Participating Shares, may be rendered by the Fund within the Kingdom of Saudi Arabia.

### **FOR PROSPECTIVE SHAREHOLDERS IN SINGAPORE**

This Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Memorandum and any other document or material in connection with the offer, sale, or invitation for subscription or purchase of Participating Shares may not be circulated or distributed, nor may Participating Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than an institutional investor pursuant to Section 304 of the Securities and Futures Act (“SFA”), pursuant to an offer that is made on terms that Participating Shares are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, or pursuant to and in accordance with the conditions of any other applicable provisions of the SFA.

### **FOR PROSPECTIVE SHAREHOLDERS IN SOUTH AFRICA**

Neither this Memorandum nor the Participating Shares have been approved, disapproved or passed on in any way by the Financial Services Board or any other governmental authority in South Africa, nor has the Fund received authorization or licensing from the Financial Services Board or any other governmental authority in South Africa to market or sell Participating Shares within South Africa. This Memorandum is strictly confidential and may not be reproduced, used for any other purpose or provided to any person other than the intended recipient.

### **FOR PROSPECTIVE SHAREHOLDERS IN SOUTH KOREA**

Neither the Fund nor any of its affiliates is making any representation with respect to the eligibility of any recipients of this Memorandum to acquire the Participating Shares under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Participating Shares are being offered and sold in Korea only to persons prescribed by Article 301, Paragraph 2 of the Enforcement Decree of the Financial Investment Services and Capital Markets Act, and none of the Participating Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea. Furthermore, the Participating Shares may not be re-sold to Korean residents unless the purchaser of the Participating Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Participating Shares.

### **FOR PROSPECTIVE SHAREHOLDERS IN SPAIN**

The Participating Shares may not be offered or sold in Spain except in accordance with the requirements of applicable Spanish law and the interpretations thereof by the Comisión Nacional del Mercado de Valores (the “CNMV”). This Memorandum is neither verified nor

registered with the CNMV, and therefore no marketing or advertising activity, as defined by Act 35/2003, of 4 November, on collective investment schemes, with respect to the Participating Shares will be carried out in Spain.

### **FOR PROSPECTIVE SHAREHOLDERS IN SWEDEN**

This Memorandum has not been nor will it be registered with or approved by *Finansinspektionen* (the Swedish Financial Supervisory Authority). Accordingly, this Memorandum may not be made available, nor may the Participating Shares offered hereunder be marketed and offered for sale in Sweden, other than under circumstances which are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) *om handel med finansiella instrument*) nor to constitute fund operations in Sweden under the Swedish Investment Funds Act (2004:46) (Sw. lag (2004:46) *om investeringsfonder*). Accordingly, the offering of the Participating Shares will only be directed to persons in Sweden who subscribe for Participating Shares for a total consideration of at least €100,000 per investor.

### **FOR PROSPECTIVE SHAREHOLDERS IN SWITZERLAND**

Under the Collective Investment Schemes Act of June 23, 2006 (the “CISA”), the offering, sale and distribution of units in foreign collective investment schemes in or from Switzerland are subject to authorization by the Swiss Financial Market Supervisory Authority. The concept of “foreign collective investment schemes” covers, *inter alia*, foreign companies and similar schemes (including those created on the basis of a collective investment contract or a contract of another type with similar effects) created for the purpose of collective investment, whether such companies or schemes are closed-ended or open-ended. Units in a foreign investment scheme which has not been authorized by the Swiss Financial Market Supervisory Authority may only be promoted in or from Switzerland; provided that no public solicitation, offering or advertising is carried out by persons operating in or from Switzerland. There are reasonable grounds to believe that the Fund would be characterized as a foreign collective investment scheme from a Swiss legal point of view. As the Participating Shares have not been and cannot be registered or authorized for distribution under the CISA, any offering of the Participating Shares, and any other form of solicitation of investors in relation to the Fund (including by way of circulation of offering materials or information, including this Memorandum), must be made by way of private placement, e.g., by limiting the offering to investors considered as qualified investors as defined in the CISA and in Circular 08/8 Public Offering of the Swiss Financial Market Supervisory Authority dated November 20, 2008. Failure to comply with the above-mentioned requirements may constitute a breach of the CISA.

### **FOR PROSPECTIVE SHAREHOLDERS IN TAIWAN**

The Participating Shares have not been registered in the Republic of China, nor is approval by the Financial Supervisory Commission, Executive Yuan, the Republic of China (“FSC”) compulsory. Subscribers should review the financial information and relevant documents, consult with an independent consultant, and bear the risks of this investment. Subscribers within the territory of the Republic of China are required to meet certain

requirements set forth in the Rules Governing Offshore Funds and conditions promulgated by the FSC. Subscribers cannot resell the Participating Shares (except in accordance with resale restrictions) nor solicit any other purchasers for this offering.

### **FOR PROSPECTIVE SHAREHOLDERS IN THE UNITED ARAB EMIRATES (ABU DHABI AND DUBAI)**

By receiving this Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that neither this Memorandum nor the Participating Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates (“UAE”), the Emirates Securities and Commodities Authority or any other authority in the UAE, nor has the entity conducting the placement in the UAE received authorization or licensing from the Central Bank of the UAE, the Emirates Securities and Commodities Authority or any other authority in the UAE to market or sell the Participating Shares within the UAE. No services relating to the Participating Shares, including the receipt of applications and/or the allotment or redemption of such Participating Shares, have been or will be rendered within the UAE by the Fund. Nothing contained in this Memorandum is intended to constitute UAE investment, legal, tax, accounting or other professional advice. This Memorandum is for the information of prospective investors only and nothing in this Memorandum is intended to endorse or recommend a particular course of action. Prospective investors should consult with an appropriate professional for specific advice rendered on the basis of their situation. No offer or invitation to subscribe for Participating Shares or sale of Participating Shares has been or will be rendered in, or to any persons in, or from, the Dubai International Finance Centre.

### **FOR PROSPECTIVE SHAREHOLDERS IN THE UNITED KINGDOM**

The Fund is not a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (the “FSMA”). The promotion of the Fund and the distribution of this Memorandum in the United Kingdom is accordingly restricted by law.

This Memorandum is being issued in the United Kingdom by the Fund to, and/or is directed at, persons to or at whom it may lawfully be issued or directed under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 including persons who are authorised under the FSMA (“authorised persons”), certain persons having professional experience in matters relating to investments, high net worth companies, high net worth unincorporated associations or partnerships, trustees of high value trusts and persons who qualify as certified sophisticated investors. The Participating Shares are only available to such persons in the United Kingdom and this Memorandum must not be relied or acted upon by any other persons in the United Kingdom.

In order to qualify as a certified sophisticated investor a person must a) have a certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with a particular type of investment and b)

have signed, within the last 12 months, a statement in a prescribed form declaring, amongst other things, that he qualifies as a sophisticated investor in relation to such investments.

This Memorandum is exempt from the general restriction in Section 21 of the FSMA on the communication of invitations or inducements to engage in investment activity on the grounds that it is being issued to and/or directed at only the types of person referred to above.

The content of this Memorandum has not been approved by an authorised person and such approval is, save where this Memorandum is directed at or issued to the types of person referred to above, required by Section 21 of the FSMA.