NOT AUTHORIZED FOR DISTRIBUTION
BY OR TO ANY PERSON WITHIN THE UNITED STATES

Eganov Asset Management Stocks & Derivatives Strategies S.P.

SUB-FUND SUPPLEMENT

A Segregated Portfolio designated in respect of CAYMAN EMERGING MANAGER PLATFORM SPC, an exempted segregated portfolio company incorporated with limited liability under the laws of the Cayman Islands and registered as a mutual fund under the Mutual Funds Law of the Cayman Islands.

INVESTMENT MANAGER:

Emerging Asset Management Ltd.
TJ Pearman Building
3 Burnaby Street
Hamilton HM12
Bermuda

ADMINISTRATOR:

Apex Fund Services Ltd.
TJ Pearman Building
3 Burnaby Street
Hamilton HM 12
Bermuda

This document is supplied for the personal use of the recipient only. Under no circumstances should it be copied or distributed to any other person other than the recipient's accounting, investment, legal, tax or other advisors.

January 17, 2013

CAYMAN EMERGING MANAGER PLATFORM SPC.

THE SUB-FUND SUPPLEMENT

THIS SUPPLEMENT DATED JANUARY 17, 2013 (THE "SUPPLEMENT") IS SUPPLEMENTAL TO, FORMS PART OF AND SHOULD BE READ IN CONJUNCTION WITH THE PRIVATE OFFERING MEMORANDUM FOR CAYMAN EMERGING MANAGER PLATFORM SPC. (THE "COMPANY") (THE "MEMORANDUM"). DISTRIBUTION OF THIS SUPPLEMENT IS NOT AUTHORIZED UNLESS IT IS ACCOMPANIED BY A COPY OF THE MEMORANDUM. ALL DEFINED TERMS USED HEREIN AND NOT OTHERWISE DEFINED SHALL HAVE THE SAME RESPECTIVE MEANINGS AS SET FORTH IN THE MEMORANDUM.

A copy of this Supplement has been delivered to the Cayman Islands Monetary Authority. Copies of the Memorandum are available during usual business hours on any weekday (Saturdays, Sundays and holidays excepted), on behalf of the Company, free of charge, from the offices of the Investment Manager (as hereinafter defined).

The Eganov Asset Management Stocks & Derivatives Strategies S.P. (hereinafter the "Sub-Fund') is a segregated portfolio designated in respect of the Company, a company incorporated under the laws of the Cayman Islands as a segregated portfolio company.

The shares in the Sub-Fund (hereinafter the "Sub-Fund Shares") are offered pursuant to the terms of the Memorandum and this Supplement and are issued by the Sub-Fund, it being the designated name of this segregated account of the Company.

The directors of the Company (the "Directors") do not expect that an active secondary market will develop in the Sub-Fund Shares. No application has been made for the listing of the Sub-Fund Shares on any stock exchange; however, the Directors reserve the right to do so in the future. The Directors, whose names appear in the Memorandum, accept full responsibility for the information contained in this Supplement and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The information contained in this Supplement should be read in the context of, and together with, the information contained in the Memorandum and distribution of this Supplement is not authorized unless accompanied by or supplied in conjunction with a copy of the Memorandum.

In making an investment decision, investors must rely on their own examination of the Company and the Sub-Fund and the terms of the offering, including the merits and risks involved. No assurance can be given that the Company's or the Sub-Fund's investment objective will be achieved.

CONTENTS PAGE

DEFINED TERMS

Business Day: a day on which banks in Moscow, Russia and New York City, USA and the New York and RTS Stock Exchanges are all open for business and such other days as the Directors may designate as Business Days from time to time;

Company: Cayman Emerging Manager Platform SPC., a Cayman Islands Segregated Portfolio Company;

Dealing Day: the first Business Day of each month or any other date determined by the Directors in their sole discretion;

High Water Mark: with respect to each share class of the Sub-Fund Shares shall mean the Net Asset Value of the relevant share class of the Sub-Fund as of the end of the most recent calendar quarter for which a performance fee was paid or payable to the Investment Advisor, or if no performance fee has been paid since the inception of Investment by the Investment Advisor, then the initial Net Asset Value of such share class of the Sub-Fund Shares;

Investment Manager: Emerging Asset Management Ltd., TJ Pearman Building, 3 Burnaby Street, Hamilton HM12, Bermuda serves as investment manager of the Company in respect of the Sub-Fund.

Net Asset Value: The Net Asset Value of each class of Sub-Fund Shares in the Company is determined by reference to the market prices of the underlying assets in the Sub-Fund attributable to such class at the close of business on the “Valuation Day” (the Business Day immediately preceding each Dealing Day). Assets for which market prices are not readily available will be valued as determined by the Directors after consultation with the Investment Manager. Fees and expenses of the Sub-Fund will be accrued on a daily basis and subtracted from the assets of the Company in determining the Net Asset Value of each class of the Sub-Fund Share. The Net Asset Value of each class of Sub-Fund Share calculated by dividing the value of the total net assets of that class (i.e. the value of the assets and cash, less liabilities and estimated cost of realization) by the number of shares in issue of that class. The resultant Net Asset Value per Sub-Fund Share is then adjusted to two decimal places.

The assets of the Company shall be valued as follows:

1. the value of any cash on hand or on deposit, bills, demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof, unless, in any case, the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making any reasonable reductions in order to reflect the fair value of such assets;

2. investment in other funds shall be valued at their Net Asset Value as reported or otherwise obtained. Estimated Net Asset Values may be used where final Net Asset Value have not become available.

3. securities bid on an official stock exchange or dealt in on a regulated market which operates regularly and is recognized and open to the public shall be valued at the last available price or, if such securities are dealt in on several markets, at the last available

price on the main market of the relevant security. If the last available price is not representative, the securities shall be valued on the basis of the probable sales price determined prudently and in good faith by or on behalf of the Board of Directors;

4. securities not listed or dealt in on a stock exchange or regulated market which operates regularly and is recognized and open to the public shall be valued on the basis of the probable sales price determined prudently and in good faith by or on behalf of the Board of Directors;

5. securities denominated in currencies other than the US Dollar shall be converted at the last available exchange rate.

Net New Appreciation: shall mean the difference, if any, between (i) the Net Asset Value of the relevant share class of the Sub-Fund as of the end of such calendar quarter (without reduction for any performance fees paid or payable to the Investment Advisor for such calendar quarter or dividends declared or paid as of the end of such calendar quarter) minus (ii) the Net Asset Value of such share class of the Sub-Fund as of the end of the most recent calendar quarter for which a performance fee was paid or payable to the Investment Advisor, with such amount reduced by the amount of the performance fee paid or payable for such prior calendar quarter and also reduced by any dividends declared or paid as of or subsequent to the end of such prior calendar quarter through the first day of the calendar quarter referred to in clause (i) above and increased by the amount of all additional share purchases since the end of the most recent calendar quarter for which a performance fee was paid. For purposes of calculating the first performance fee payable to the Investment Advisor, clause (ii) shall mean the initial Net Asset Value of the applicable share class of the Sub-Fund at the beginning of Investment. For purposes of calculating Net New Appreciation, extraordinary fees and expenses and taxes shall be excluded;

Redemption Date: the first Business Day of each month or any other date determined by the Directors in their sole and absolute discretion;

Subscription Date: the first Business Day of each month or any other date determined by the Directors in their sole and absolute discretion;

Shareholder: means a registered holder of Sub-Fund Shares, which have not been redeemed;

Valuation Date: means the last Day of each month any other date determined by the Directors in their sole and absolute discretion.

KEY FEATURES

The Offering:	The Company is offering non-voting, participating, redeemable shares par value $0.001 per share which, at the discretion of the Directors, may be issued as Sub-Fund Shares. The Sub-Fund Shares will be offered on the Subscription Date.
Offer Price:	The Sub-Fund Shares will be issued on each Subscription Date, at a price of $1,000 per Sub-Fund Share initially and at the Net Asset Value for subsequent Subscription Dates. See "THE OFFERING."
Investment Manager:	Emerging Asset Management Partners Ltd., TJ Pearman Building, 3 Burnaby Street, Hamilton HM12, Bermuda has been appointed to serves as investment manager of the Company in respect of the Sub-Fund.
Investment Advisor:	The Investment Manager has appointed Eganov Asset Management Partners, an Exempted Company incorporated in the Cayman Islands, to serve as the Investment Advisor (the "Investment Advisor") of the Sub-Fund.
Custodian/Prime Broker	The Investment Manager has appointed a number of brokers to the Sub-Fund and will, at launch, use at least two of the following four brokers, Exante Malta limited, Otkritie Securities Limited, BCS Financial Group and Interactive Brokers LLC as the Custodian/Prime Brokers to the Sub-Fund. The Investment Manager may, from time to time, terminate existing Custodian/Prime Brokers and appoint others.
Investment Objective of the Sub-Fund:	The investment objective of the Sub-Fund is to achieve capital gains in the Net Asset Value of the Sub-Fund Shares.
Minimum Initial Subscription and Minimum Subsequent Subscription:	The minimum initial subscription amount for new investors in the Sub-Fund Shares is US$100,000 or the equivalent in any other reference currency and the minimum additional subscription amount is US$10,000. The Directors, in their sole and absolute discretion, may accept or reject all or any portion of any subscriptions and reduce, increase or waive the minimum subscription.

Subscription Procedure: Prospective investors must complete and execute a Subscription Agreement and deliver the same to the Administrator. Subscription Agreements must generally be received by the Administrator at least two (2) Business Days prior to the relevant Subscription Date (or such shorter period as may be determined by the Directors in their sole and absolute discretion). All investors must also make arrangements with the Administrator for the transmission of their subscription funds at least five (5) Business Days prior to the relevant Subscription Date before 5:00 p.m (New York time).

Redemptions: The Sub-Fund Shares may be redeemed upon at least ten (10) calendar days' written notice to the Administrator on the first day of any month and any other day as designated by the Directors in their sole and absolute discretion (each, a "Redemption Date"). Redemption requests should be submitted to the Administrator for processing before the Redemption Date deadline for processing and payment of redemption proceeds will be made as outlined below. Sub-Fund Shares are redeemed at Net Asset Value per Sub-Fund Share. The minimum redemption amount should be not less than $10,000 but partial redemptions may not reduce a Shareholder's investment to less than the applicable minimum investment amount.

The Sub Fund may suspend redemptions in certain limited circumstances as described in the Memorandum such as the Sub Fund not having assets sufficient in the view of the Directors to discharge its liabilities on the relevant Redemption Date.

Redemption Proceeds: Unless redemptions have been suspended or redemption payments are delayed, redemption proceeds allocable to Sub-Fund Shares will generally be paid within thirty (30) calendar days of the relevant Redemption Date. Under certain circumstances as set forth in the Memorandum, the Sub-Fund may limit or suspend redemptions and/or delay payment of redemption proceeds to redeeming Shareholders. No interest will be paid by the Sub-Fund on redemption proceeds pending distribution to Shareholders. The Sub-Fund will pay redemption proceeds in kind at the request of an investor subject to the approval of the Directors.

Eligible Investors: The Sub-Fund Shares are offered only to Non-U.S. Persons

SUMMARY OF FEES AND EXPENSES

Organizational and Initial Offering Costs:	The organizational and initial offering costs of the Sub-Fund will be borne by the Sub-Fund and amortized on a straight line basis over the first twelve (12) months following the commencement of the Sub-Fund's investment activities.
Administration Fee:	The Sub-Fund will pay the Administrator (as hereinafter defined) an administrative fee based upon the Net Asset Value of the Sub-Fund. The Administrator's fee payable by the Sub-Fund will be charged on a sliding scale and subject to a monthly minimum amount. In addition, the Sub-Fund will reimburse the Administrator's out-of-pocket expenses as invoiced.
Investment Manager's Management Fee:	The Sub-Fund will pay the Investment Manager a management fee, payable monthly in arrears, in an amount equal to $1/12^{th}$ of 0.25% of the Net Asset Value of each class of the Sub-Fund Shares (0.25% annually) subject to a minimum of US$500 per month (US$6,000 per annum).
Investment Advisor's Advisory Fee:	The Sub-Fund will pay the Investment Advisor an advisory fee, payable monthly in arrears, in an amount equal to $1/12^{th}$ of 2.0% of the Net Asset Value of each class of the Sub-Fund' Shares (2.0% annually).
Investment Advisor's Performance Fee:	As of the end of each fiscal quarter, the Investment Advisor will be entitled to receive a performance fee equal to 20% of the Net New Appreciation (as hereinafter defined), if any, achieved by each share class of each class of the Sub-Fund Shares during the quarter subject to the High Water Mark (as hereinbefore defined).
Distribution Fees	The Sub Fund may appoint Distributors to market and promote the Sub-Fund. The Distributors may charge investors an upfront placement fee up to a maximum of 5% of the total investment. The Investment Advisor may also pay fees to Distributors out of its investment advisory fee.

GENERAL

Dividends:	The Sub Fund does not anticipate paying any dividends in respect of the Sub-Fund Shares.

Access to Information:	Prospective investors are urged to contact the Investment Manager with any questions they may have concerning any aspect of the Company or the offering of the Sub-Fund Shares.
Reports:	Shareholders will receive monthly performance summaries and annual audited financial statements of the Sub-Fund in respect of the Sub-Fund Shares from the Administrator.

KEY APPOINTMENTS

Administrator and Transfer Agent	Apex Fund Services Ltd. T.J. Pearman Building 3 Burnaby Street Hamilton HM12 Bermuda Tel: +1 441 292 2739 Fax: +1 441 292 1884 info@apex.bm
NAV Calculation Agent	Apex Fund Services Ltd. T.J. Pearman Building 3 Burnaby Street Hamilton HM12 Bermuda Tel: +1 441 292 2739 Fax: +1 441 292 1884 info@apex.bm
Auditor	PricewaterhouseCoopers Cayman Islands 5th Floor Strathvale House 90 North Church Street PO Box 258 Grand Cayman KY1-1104 Cayman Islands Tel:+1 345 949 7000 Fax:+1 345 949 7352
Legal Advisor (Cayman Islands Law)	Emburys Queensgate House 113 South Church Street PO Box 10161 Grand Cayman KY1-1002 Cayman Islands Tel: +1 345 769 4501 Fax: +1 345 769 4503

THE COMPANY AND THE SUB-FUND

The Company is an exempted segregated portfolio company incorporated in May 2011 for an unlimited duration and is registered as a mutual fund with the Cayman Islands Monetary Authority. As a matter of Cayman Islands law, provided that the conditions laid down in the Companies Law are complied with, assets attributable to each segregated portfolio of the Company shall only be available to creditors in respect of that segregated portfolio and the assets of that segregated portfolio shall be protected from creditors of the Company who are not creditors in respect of that segregated portfolio. The Sub-Fund is a segregated portfolio of the Company.

Additional segregated portfolios may be created with the same or different investment objectives and on the same or different terms from time to time as the Directors may determine.

INVESTMENT OBJECTIVE

The objective of the Sub-Fund is to achieve capital gains in the Net Asset Value of the Sub-Fund Shares through the appointment of the Investment Advisor by the Investment Manager to implement investment strategies as described herein and through the appointment of the Investment Manager to closely monitor and control risk in relation to the assets of the Sub-Fund.

The Sub-Fund seeks to achieve capital gain through the investment in securities or financial instruments, such as options, futures and shares.

There can be no assurance that the Sub-Fund will achieve its investment objective or that an investor will not lose some or all of the assets invested in the Company. See "RISK FACTORS" set forth in the Memorandum and in this Supplement.

THE OFFERINGThe Sub-fund Shares are being offered pursuant to the Memorandum and the Supplement.

The minimum subscription amount, which the Company may accept pursuant to this offering, is US$100,000. The minimum additional subscription amount for existing investors in the Company is US$10,000. The Directors, in their sole and absolute discretion, may accept or reject all or any portion of any subscriptions and reduce, increase or waive the minimum subscription amounts. There is no maximum aggregate amount of proceeds, which the Company may accept pursuant to this offering of Sub-Fund Shares.

The Sub-Fund Shares are initially being offered at $1,000 per Share and subsequently at the Net Asset Value of the Sub-Fund Shares on the subscription date.

The Sub-Fund Shares are not offered to, and may not be purchased by, any U.S. Person.

INVESTMENT STRATEGY

A number of strategies will be utilised as follows:

1. The options and futures strategy (DTS)

The options and futures strategy is the sale of time value of options, futures and ETFs. The implementation of the strategy is carried out through the sale or purchase of one month options, index options, futures, index futures or ETFs in the last week of the expiration period.

Options traded on S&P 500 options are used in the strategy, but other index options may be used as well.

The "straddle" option combination may be utilised (where put and call options are bought and sold with the same strike prices at different premium values), or, more likely, the "strangle" combination (where put and call options are bought and sold with different strike prices at different premium values) with profits generated on the expiry of the options through the difference in premiums earned over premiums paid.

The Investment Advisor will, according to the market conditions, decide on a monthly basis the value and risk position of options sold within the portfolio. Part of the options positions may be closed or modified by changing the strike price.

Positions in other trade instruments (such as index futures) may be opened depending on market conditions in order to hedge possible losses. Depending on market conditions positions in futures may be long as well as short.

2. The stocks strategy (MM)

The stocks strategy is to invest in long and short positions, opening positions which display ascending and descending trend identified respectively. Trend evaluation is carried out through the use of historical data (from 30 minutes to one trading day increments). Positions are closed when the target stock price is achieved. Transactions can be closed after one trading session or may stay open for up to one calendar month. The strategy may use leverage to achieve greater exposure to the market.

The stocks strategies

- The strategies work with the following conditions:
    - The existence of a consistent uptrend of no less than 3 Business Days and sideways trend of at least 2 Business Days.
- The following orders are set after the purchase or sale of a share:
    - Stop order
    - Limit order
    - Market order

The closing of positions is carried out using stop, market or limit orders.
The strategy may use the options for hedging of risks.

3. **Volatility strategy (BSV)**

The strategy consists of two option strategies with the RTS Index futures as an underlying asset.

The first strategy is the volatility sale. The positions are opened during a month from 3 to 30 days before the expiration date and closed one day before the expiration date.

The second is the delta hedging strategy. The delta hedging operates using futures as hedges against an underlying position and are carried out during periods of high volatility in order to reduce risk.

INVESTMENT RESTRICTIONS

The Sub-Fund will not acquire controlling shareholdings in companies.

The Sub-Fund will not invest in real estate.

The Sub-Fund will only invest in instruments that are traded on organised exchanges.

LEVERAGE

Leverage may be utilized in investments by the Investment Advisor for the Sub-Fund. Various financing arrangements may be employed from time to time. This financing may be critical to the success of any of the investment strategies implemented in Investment for the Sub-Fund. There is no limit on the leverage which may be used although leverage generally expected to be within a range of 0 – 100 per cent of the Sub-Fund's net asset value.

The description of the Investment Advisor's investment strategy and leverage mechanisms for the Sub-Fund is general and not intended to be exhaustive. The exact details are proprietary and may vary over time. There is no assurance that the Investment Advisor's investment strategy will be profitable or that an investor will not lose some or all of its investment in the Company. See "Risk Factors" in the Memorandum and "PRINCIPALRISK FACTORS" below.

PRINCIPAL RISK FACTORS

All investments involve some level of risk. Simply defined, risk is the possibility that you will lose money or not make money. Principal risk factors for the Sub-Fund are discussed below. Before you invest, please make sure you understand the risks that apply to the Sub-Fund.

The markets, in which the Sub-Fund trades are speculative, highly leveraged and involve a high degree of risk. The Investment Advisor's trading involves a significant risk of incurring substantial losses. Only persons who are able to independently evaluate the merits and risks of investing in the Sub-Fund should consider making an investment in the Sub-Fund. Among the risks, which the Sub-Fund wishes to call to the particular attention of prospective investors, are the following:

THESE RISK FACTORS MAY NOT BE A COMPLETE LIST OF ALL RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE SUB-FUND. THERE IS NO GUARANTEE THAT IMPLEMENTATION OF THE INVESTMENT OBJECTIVE OR STRATEGY WITH RESPECT TO THE ASSETS OF THE SUB-FUND WILL NOT RESULT IN LOSSES TO HOLDERS OF PARTICIPATING SHARES.

Business and Regulatory Risks of Investment in Sub-Funds

Legal, tax and regulatory changes could occur during the term of the Sub-Fund that may adversely affect the Sub-Fund. The regulatory environment for hedge funds is evolving, and changes in the regulation of hedge funds may adversely affect the value of investments held by the Sub-Fund. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Sub-Fund could be substantial and adverse.

Risks of Execution of Investment Strategies

The Sub-Fund will invest in a number of securities and obligations that entail substantial inherent risks. Although the Sub-Fund will attempt to manage those risks through careful research, on-going monitoring of investments and appropriate hedging techniques, there can be no assurance that the securities and other instruments purchased by the Sub-Fund will in fact increase in value or that the Sub-Fund will not incur significant losses.

Stock Risk

Stock prices have historically risen and fallen in periodic cycles. U.S. and foreign stock markets have experienced periods of substantial price volatility in the past and may do so again in the future.

Short Sales.

Short sales by the Sub-Fund that are not made "against the box" create opportunities to increase the Sub-Fund's return but, at the same time, involve special risk considerations and may be considered a speculative technique. Since the Sub-Fund, in effect, profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, the value of Shares will tend to increase more when the securities it has sold short decrease in value, and to decrease more when the securities it has sold short increase in value, than otherwise would be the case if it had not engaged in such short sales.

Short sales theoretically involve unlimited loss potential, as the market price of securities sold short may increase continuously, although the Sub-Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Sub-Fund might have difficulty purchasing securities to meet its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales. Short sales may be used with the intent of hedging against the risk of declines in the market value of the Sub-Fund's long portfolio, but there can be no assurance that such hedging operations will be successful.

Derivatives

The Sub-Fund may purchase and sell options or enter into other derivative transactions. Such investments would not include review or approval by the CFTC (U.S. Commodity Futures Trading Commission) of any offering memorandum or the trading strategies of the Sub-Fund. These transactions may be used for any purpose, including hedging purposes and to increase the possibility of achieving gains or minimising losses from any level of movement in the price of the underlying securities or group of securities. Use of derivatives in general presents additional risks. If used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent a hedge fund from achieving the intended hedge effect or expose it to the risk of loss. Risks associated with options or instruments and with the instruments themselves may differ from the risks associated with underlying assets. Derivative instruments may not be liquid in all circumstances, so that in volatile markets a hedge fund may not be able to close out a position without incurring a loss. No assurance can be given that short sales, hedging, leverage and other techniques and strategies used by the Sub-Fund will not result in material losses.

Futures and Options Trading is Speculative and Volatile

Futures and option contract prices are highly volatile. Price movements of contracts are influenced by, among other things: changing supply and demand relationships; trade, fiscal, monetary, and exchange control programs and policies of governments; political and economic events and policies; changes in interest rates and rates of inflation; currency devaluations and revaluations; and emotions of the marketplace and currency devaluations and revaluations. Governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often intended to influence prices directly.

Trading of Options

Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, underlying futures or other instrument for a specific price at a certain time or during a certain period. An option on a futures contract is the right, purchased for a certain price, to either buy or sell the underlying futures contract during a certain period of time for a fixed price. Options trading require many of the same skills, as does successful futures contract trading. However, since specific market movements of the underlying futures contract must be predicted accurately, the risks involved are somewhat different. For example, if the Sub-Fund buys an option (either to sell or buy a futures contract), the Sub-Fund will pay a “premium” representing the market value of the option. Unless the price of the futures contract underlying the option changes and it becomes profitable to exercise or offset the option before it expires, the Sub-Fund may lose the entire amount of the premium. Conversely, if the Sub-Fund sells an option (either to sell or buy a futures contract), the Sub-Fund will be credited with the premium but will have to deposit margin due to the Sub-Fund’s contingent liability to take or make delivery of the underlying futures contract in the event the option is exercised. The writing of an option involves the risk of losing the entire investment or substantially more than the entire investment, thereby causing significant losses to the Sub-Fund in a relatively short period of time. The ability to trade in or exercise options may be restricted in the event that trading in the underlying futures contract becomes restricted.

Option Writing Risk

Writing (selling) call options limits the opportunity to profit from an increase in the market value of stocks in exchange for up-front cash (premium) at the time of selling the call option. When the Sub-Fund writes stock index (or related exchange-traded fund (“ETF”)) call options, it receives cash but limits its opportunity to profit from an increase in the market value of the index beyond the exercise price (plus the premium received) of the option. In a rising market, the Sub-Fund could significantly underperform the market, and these Sub-Funds’ option strategies may not fully protect.

Futures and Options Trading is Highly Leveraged

Because of the low margin deposits normally required in futures contract trading (typically between 2% and 15% of the value of the interest purchased or sold), an extremely high degree of leverage is typical of a futures contract trading account. As a result, a relatively small price movement in a futures contract may result in immediate and substantial losses to the Sub-Fund. For example, if at the time of purchase 10% of the price of a contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract were then closed out, result in a loss of the margin deposit before taking into account any transaction costs. A decrease of more than 10% in the price of the contract would result in a loss of more than the total margin deposit. Thus, like other leveraged investments, any purchase or sale of a futures contract may result in losses in excess of the amount invested. The sale of options on futures contracts presents the same risks. When the market value of a particular open position changes to a point where the margin on deposit in the Sub-Fund’s account does not satisfy the applicable maintenance margin requirement imposed by the Sub-Fund’s clearing broker, the Sub-Fund will receive a margin call from the clearing broker. If the Sub-Fund does not satisfy the margin call within a reasonable time (which may be as brief as a few hours), the clearing broker may close out the Sub-Fund’s position.

Futures and Options Trading May Be Illiquid

It is not always possible to execute a buy or sell order at the desired price or to close out an open position, due to market illiquidity. Such illiquidity can be caused by intrinsic market conditions, the interrelationship between or among markets, or extrinsic factors like the imposition of daily price fluctuation limits.

Most United States commodity exchanges limit fluctuations in certain futures contract prices by regulations referred to as “daily price fluctuation limits” or “daily limits.” Pursuant to such regulations, during a single trading day (or part thereof), no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in such contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices in various futures contracts have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Investment Advisor from promptly liquidating unfavourable positions and subject the Sub-Fund to substantial losses. While daily limits may reduce or effectively eliminate the liquidity of a particular market, they do not limit ultimate losses, and may in fact substantially increase losses because they may prevent the liquidation of unfavourable positions.

In addition, the Investment Advisor may not be able to execute trades at favourable prices if little trading in the particular futures or option contract is taking place. Under some circumstances, the Sub-Fund might be required to accept or make delivery of the commodity underlying a particular futures contract if the position cannot be liquidated prior to its expiration date. In addition, if the Investment Advisor deems it to be in the Sub-Fund’s best interest, it may make or take delivery of an underlying commodity on behalf of the Sub-Fund. In the case of futures contracts that provide for cash settlement in lieu of physical delivery, such as options on Standard & Poor’s 500 Stock Price Index (“S&P 500”) futures contracts, the Investment Advisor may routinely allow contracts to expire without entering into an offsetting transaction to liquidate the position. It is also possible that an exchange or the CFTC may suspend or limit trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. Similarly, trading in options on a particular futures contract may become restricted if trading in the underlying futures contract has become restricted. During periods in October 1987, 1988 and 1997, for example, trading in certain stock index futures and options contracts was too illiquid for markets to function efficiently and was for a short time actually suspended.

In response to the stock market crash in 1987, the Chicago Mercantile Exchange, which is the exchange on which S&P 500 futures contracts and options on futures contracts are traded, and other exchanges which trade stock index futures contracts and options on futures contracts, have adopted rules referred to as “circuit breakers.” Originally, circuit breakers provided for an automatic halt in trading for a period of time that was triggered whenever the Dow Jones Industrial Average declined by a certain number of points. However, in October of 1997 trading was halted as a result of circuit breakers, and as a result of this halt, the Chicago Mercantile Exchange and other exchanges have based circuit breakers on percentage declines instead of point declines. There has been limited experience with the effect of circuit breakers on liquidity and prices in the stock index futures markets; thus, the full impact of these rules cannot be determined at this time.

Recent Developments in Global Credit and Equity Markets

Global credit and equity markets have recently experienced significant market events, including decreasing liquidity and declining market values. Increasing credit and valuation problems in debt markets and the mass liquidation of investment portfolios across all markets, among other factors, have generated extreme volatility and illiquidity in worldwide capital markets. This volatility and illiquidity has extended to the global credit and equity markets generally and has been exacerbated by, among other things, growing uncertainty regarding the extent of the problems in the mortgage industry and financial institutions, decreased risk tolerance by investors, significantly tightened availability of credit and global deleveraging. The continuation of current market conditions and uncertainty and further deterioration could result in further declines in the market values of the investment assets held by the Sub-Fund. The duration and ultimate effect of current market conditions cannot be predicted, nor is it known whether or the degree to which such conditions may worsen. Such declines could prevent the Sub-Fund from successfully executing its investment strategy or may require the Sub-Fund to dispose of investments at a loss while such adverse market conditions prevail.

Market risk

The market value of a security may fluctuate, sometimes rapidly and unpredictably. These fluctuations, which are often referred to as "volatility," may cause a security to be worth less than it was worth at an earlier time. Market risk may affect a single issuer, industry, commodity, sector of the economy, or the market as a whole. Market risk is common to most investments.

Liquidity risk

Certain fund holdings, such as commodity-linked notes and swaps, may be difficult or impossible to sell at the time and the price that the Sub-Fund would like. The Sub-Fund may have to lower the price, sell other holdings instead or forgo an investment opportunity. Any of these could have a negative effect on sub-fund management or performance.

The risk that the Sub-Fund may make investments that may be illiquid or that may become less liquid in response to market developments or adverse investor perceptions. Liquidity risk may also refer to the risk that the Sub-Fund will not be able to pay redemption proceeds within the allowable time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. To meet redemption requests, the Sub-Fund may be forced to sell securities at an unfavourable time and/or under unfavourable conditions.

Counterparty Credit Risk

Participants in exchange-based markets are usually subject to account segregation and minimum capital requirements, and the exchanges themselves are often backed by clearing organization requirements and have the feature of daily settlement and mark-to market valuation procedures. The Sub-Fund may be subject to credit risk which is the risk that the issuer or the guarantor of a debt security, or the counterparty to a derivatives contract, will be unable or unwilling to make timely payments of interest or principal, or to otherwise honour its obligations. Credit risk is greater for lower-rated securities. These debt securities and similar unrated securities have speculative elements or are predominantly speculative credit risks. Investments in foreign securities also are subject to increased credit risk because of the difficulties of requiring foreign entities, including issuers of sovereign debt obligations, to honour their contractual commitments, and because a number of foreign governments and other issuers are already in default.

Counterparty Creditworthiness
Commodity exchanges provide centralized market facilities for trading in futures contracts relating to specified commodities. Each of the commodity exchanges in the United States has an associated "clearinghouse." Once trades made between members of an exchange have been confirmed, the clearinghouse becomes substituted for the clearing member acting on behalf of each buyer and each seller of contracts traded on the exchange and in effect becomes the other party to the trade. Thereafter, each clearing member firm party to the trade looks only to the clearinghouse for performance. Clearinghouses do not deal with customers, but only with member firms, and the "guarantee" of performance under open positions provided by the clearinghouse does not run to customers. If the Sub-Fund's commodity broker becomes bankrupt or insolvent, or otherwise defaults on such broker's obligations to the Sub-Fund, the Sub-Fund may not receive all amounts owing to it in respect of its trading, despite the clearinghouse fully discharging all of its obligations.

Rehypothecation and Transfer of Ownership of Assets

The Prime Broker(s) and/or their respective group entities may borrow, lend or otherwise use the Sub-Fund's money, investments and other assets for its or their own purposes and may take such investments as collateral. Such assets will cease to be the property of the Sub-Fund and in the event of an insolvency of that Prime Broker may be available to creditors of that Prime Broker. As a result, the Sub-Fund may not be able to recover such assets in full.

Absence of Operating History

- The Sub-Fund is a newly organized entity and does not have an operating history upon which investors may base an evaluation of its likely performance.
- The Sub-Fund's results will depend upon the availability of suitable investment opportunities for the Sub-Fund and the performance of the Sub-Fund's investments.

No Guarantee
There is no guarantee that implementation of the investment objective or strategy with respect to the assets of the Sub-Fund will be successful. Significant or total loss to Participating Shareholders is possible.

Investment Advisor's Trading Strategies Designed for Longer Time Horizon
The Investment Advisor's trading strategies are constructed to perform optimally over longer periods of time. An investment in the Sub-Fund is not an appropriate investment for investor who may need to withdraw funds from the Sub-Fund in less than three years.

Investment in Sub-Fund Should Represent Risk Capital
Because the trading strategies utilized by the Investment Advisor inherently contain great risk, the funds you invest in the Sub-Fund should consist solely of "risk capital" and should not be targeted for children's education, home purchase, retirement, health or any of life's critical needs.

Types of Futures and Options Contracts Primarily Traded by the Sub-Fund Are Limited
The Investment Advisor's style of trading is most likely to succeed in volatile markets having substantial liquidity. In the event that this market loses its liquidity, the trading methods and strategies employed by the Investment Advisor on behalf of the Sub-Fund may not be as successful as anticipated by the Investment Advisor.

Reliance on Mr. Eganov, Mr. Pimenov, Mr. Khasyanov and Mr. Zaitcev

There can be no assurance that the Trading Programs of the Investment Advisor will be profitable, or that they will continue to be available to the Sub-Fund. The Investment Advisor depends on the services of its trading principals, Mr. Eganov, Mr. Pimenov, Mr. Khasyanov and Mr. Zaitcev. If such services were not available to the Investment Advisor, the continued ability of the Investment Advisor to render services to clients might be subject to substantial uncertainty, and the services of the Investment Advisor could be terminated completely. The Investment Advisor will alter the trading programs it uses on behalf of the Sub-Fund if and when it determines that a change is in the best interests of the Sub-Fund, and may do so without prior approval by, or notice to, the Shareholders of the Sub-Fund.

Computer Infrastructure
The computer infrastructure of the Fund may be vulnerable to security breaches. Any such problems could jeopardize confidential information transmitted over the Internet, cause interruptions in our operations or give rise to liabilities to third parties. Concerns over the security of Internet transactions and the safeguarding of confidential Sub-Fund information could also inhibit the use of our systems to conduct transactions over the Internet. To the extent that Sub-Fund activities involve the storage and transmission of proprietary information and Fund information, security breaches could expose us to a risk of financial loss, litigation and other liabilities. Sub-Fund control policies may not protect us against all of such losses and liabilities. Any of these events, could have a material adverse effect on the Fund and result in operational losses or lack of functionality to conduct Fund business.

You Must Not Rely on the Past Performance of the Investment Advisor in Deciding Whether to Purchase Shares

The future performance of the Sub-Fund is entirely unpredictable, and the past performance of the Investment Advisor is not necessarily indicative of the Sub-Fund's future results.

No Independent Counsel
No independent counsel has been selected to represent the interests of the Shareholders and there have been no negotiations between the Investment Advisor and any Shareholder in connection with the terms of the offering of the Shares.

Limited Ability to Liquidate Investment in Shares
There is no public market for the transfer of Shares. An investment in the Sub-Fund provides limited liquidity because the Shares are not freely transferable. A Shareholder ordinarily may

require the Sub-Fund to redeem all or a portion of its Shares as of the close of business on the first day of any calendar month at the Net Asset Value per Share. However, the right to obtain payment on redemption is contingent upon the receipt by the Sub-Fund of 5 (or fewer in the discretion of the Directors) days' written notice and the actual redemption value of the Shares may differ significantly from their value when redemption is requested. The Sub-Fund may suspend the calculation of Net Asset Value and redemptions in certain extraordinary circumstances.

Limitations on Distributions and Redemption Rights

The Directors do not intend to make distributions to the Shareholders but intend to reinvest substantially all of the Sub-Fund's income and gains for the foreseeable future. There are limitations on the Shareholders' rights to redeem Shares in the Sub-Fund. Moreover, the Sub-Fund has the right to provide for contingent liabilities, and upon redemption by a Shareholder to withhold a certain portion of the redeeming Shareholder's proceeds for such reserves. These provisions could be invoked, for example, if the Sub-Fund were involved in litigation.

Auditors' Limitation of Liability

The Auditors, in common, have severely limited their liability under the terms of their engagement, which will limit the Sub-Fund's rights of possible recourse against the Auditors.

Possible Effect of Redemptions on the Value of the Shares

Substantial redemptions of Shares could require the Sub-Fund to liquidate investments more rapidly than otherwise desirable in order to raise the necessary cash to fund the redemptions and, at the same time, achieve a market position appropriately reflecting a smaller equity base. Illiquidity in the markets could make it difficult for the Sub-Fund to liquidate positions on favourable terms, and may result in losses to the Sub-Fund that decreases the value of outstanding Shares.

Ability to Suspend Redemption Rights

Under certain circumstances, the Directors may suspend a Shareholder's right to redeem all or part of its Shares. This may occur if it becomes difficult to value the Sub-Fund's investments, if the Sub-Fund is unable to liquidate its investments or if the Directors determine that the redemption would have an adverse effect on the remaining Shareholders. **If redemption rights are suspended, the Shares subject to the redemption request will not be redeemed and will continue to be subject to market and other risks**.

Status Following Redemption

After the date a Share is redeemed, but before the proceeds are paid, a redeeming Shareholder is a creditor of the Sub-Fund. If the value of the Sub-Funds' assets diminish during that period, it is possible that the Sub-Fund would not have sufficient assets to meet all of its obligations including the payment of all or a portion of amounts owed to redeeming Shareholders.

Sub-Fund Assets Valued in U.S. Dollars

The Sub-Fund primarily trades finance instruments that are denominated, maintains its assets, and calculates it's Net Asset Value, including for purposes of redemptions, in U.S. Dollars.

Consequently, investors in the Sub-Fund are subject to the risk of exchange-rate fluctuations between the value of the U.S. Dollar and of their native currency.

The foregoing description of risk factors does not purport to be a complete explanation of the risks involved in investing in the Sub-Fund. Prospective investors should read this entire Memorandum, attempt to familiarize themselves with the trading described herein and consult with their own advisors, before determining whether to invest in the Shares. In addition, as the Sub-Fund's investment program or market conditions change or develop over time, an investment in the Sub-Fund may be subject to risk factors not currently contemplated or described in this Memorandum.

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

INVESTMENT MANAGER

Pursuant to a Investment Management Agreement by and among the Company, (on behalf of the Sub-Fund) (the "Investment Management Agreement"), the Investment Manager, Emerging Asset Management Ltd., serves as the Investment Manager of the Company in respect of the Sub-Fund. Peter Hughes and John Bohan are the directors of the Investment Manager.

Mr. Peter Hughes is the Managing Director of Apex Fund Services Ltd., a specialist Management and Administration company, which provides management services to the Finance industry, specializing in the administration of collective investment schemes and investment holding companies founded in 2003. He qualified as a chartered accountant in 1994 and is a currently a fellow of the Institute of Chartered Accountants in England and Wales. Between 2000 and 2003 he was the Chief Financial Officer of FMG Fund Managers Limited. He has many years experience in the financial services industry.

Mr. John Bohan is the Managing Director of Apex Fund Services (Ireland) Ltd., a specialist Management and Administration company, which provides management services to the Finance industry, specializing in the administration of collective investment schemes and investment holding companies founded in 2003. He qualified as a certified accountant in 1999 and became a fellow of the Chartered Association of Certified Accountants in early 2004. He has worked in management positions with Apex Fund Services Ltd., in Bermuda, Citigroup, BNT-Alternative Investment Services and bank of Ireland Asset Management with many years experience in the financial services industry.

INVESTMENT ADVISOR

Pursuant to an Investment Advisory Agreement by and among the Company, (on behalf of the Sub-Fund) (the "Investment Advisory Agreement"), the Investment Manager and the Investment Advisor, Eganov Asset Management Partners serves as the Investment Advisor of the Company in respect of the Sub-Fund. The Investment Advisor is incorporated in the Cayman Islands with registered number HS-272740 The Investment Advisor's role is to advise the Investment

Manager and implement the investment strategies as described herein with respect to the assets allocated by the Investment Manager to the Sub-Fund.

Mr. Eganov, Mr. Pimenov, Mr. Khasyanov and Mr. Zaitcev are the principals of the Investment Advisor.

Denis Eganov, Portfolio Manager
Mr. Eganov is the Founder and Managing Director of Eganov Investments Ltd. (Cyprus) where he manages investment projects and proprietary capital in the Russian & US markets. Prior to setting up Eganov Investments Ltd., Denis was a Deputy Chairman of the Board at Uniastrum Bank for six years, where he launched and managed the Bank's funds in Russia (150 funds with more than $150 Million in AUM). Before moving to Uniastrum Bank Mr. Eganov was a Head of Asset Management (1999-2003) and a Fixed Income Trader (1997-1999) in several investment companies.

Mr. Eganov received his Master of Engineering from Kazan National Research Technological University in 1997 and after that earned his Master's Degree in Economics from the Financial University under the Government of the Russian Federation in 2002. In addition, Denis has gained two qualification certificates from Russia's Federal Financial Markets Service.

Andrey Pimenov, Portfolio Manager
Mr. Pimenov is responsible for creating & developing the Dynamically Transformable Strangle (DTS) investment strategy for Eganov Investments Ltd. from 2009. During 2010 and 2011 Mr. Pimenov was Deputy Chairman of the Board at Yaroslavl Land Bank, where he was responsible for managing and investment portfolio invested in the Russian Market. During 2009-2010 Mr. Pimenov was a branch manager of Troika Dialog Investment Company. Before moving to Troika, he co-managed funds in Uniastrum Bank with Denis Eganov from 2004. During 2000-2004 Andrey was an Equity Trader in an investment company, where he started investment strategies development & research.

Mr. Pimenov received his Master of Mathematics from the Yaroslavl State University in 2002 and after that earned his Master's Degree in Economics from the International academy of business and new technologies in 2011. In addition, Andrey has gained a qualification certificate from Russia's Federal Financial Markets Service.

Mansur Khasyanov, Portfolio Manager

Mr. Khasyanov is responsible for creating the equity investment strategy and MM trading systems for Eganov Investments Ltd. He specializes in trading and portfolio valuating methods, including software development for NASDAQ and S&P500 stock data processing. Before moving to Eganov Investments, Mansur was a Computation & Workflow Automation trainer. He has over 15 years experience in statistical data processing, mathematical modeling and computerization for the technical and financial needs. Mr. Khasyanov received his Ph.D and Master of Engineering from Bauman Moscow State Technical University (BMSTU).

Dmitrii Zaitcev

In 2000 Mr. Zaitcev graduated from the International Institute of Management "LINK" – financial and information management within the "professional manager" program. He acted as an independent trader on the MICEX an RTS from 2000 to 2009. Since 2009, he has worked at Eganov Investments Ltd and uses futures and option strategies in trade.

The Investment Advisory Agreement sets forth the Investment advisory services to be provided by the Investment Advisor. The Investment Advisory Agreement provides that, to the extent permitted by applicable law, the Investment Advisor will not be liable, in damages or otherwise, for any act or omission unless constituting gross negligence, willful misconduct or bad faith in the performance of its duties under such agreement. The Investment Advisor, the Investment Manager and the Company (on behalf of the Sub-Fund) as applicable, may terminate the Investment Advisory Agreement effective at the close of business on the last day of any fiscal year by giving not less than thirty (30) days prior written notice. No party may assign the Investment Advisory Agreement without the prior written consent of the other parties, except that the Investment Advisor may freely assign its rights and obligations to any other entity directly or indirectly controlled by it or its principals. The investment advisory services of the Investment Advisor will be non-exclusive and the Investment Advisor is free to and does provide investment advisory services for others.

REPORTS

An annual audited financial statement of the Company will be sent to Shareholders in respect of the Sub-Fund Shares which report is expected to be delivered to Shareholders within one hundred and twenty (120) days of the end of each fiscal year (or as promptly as practicable thereafter). The first audited report will be issued for the first fiscal year, which reflects at least six (6) months investment activity. Unaudited monthly reports which state the Net Asset Value of the Sub-Fund Shares of the Company and the receiving Shareholder's Sub-Fund Shares will be sent to Shareholders for each calendar month, which statements are expected to be delivered to Shareholders as soon as practicable after the end of each calendar month.

DIVIDEND POLICY

The Company is not precluded from paying dividends on the Sub-Fund Shares, but it is not anticipated that it will do so.

SPECIFICS OF CERTAIN FEES AND EXPENSES

Organizational and Initial Offering Fees and Expenses

The Investment Advisor has advanced all fees and expenses incurred in connection with the organization of the Sub-Fund and the initial offer and sale of Sub-Fund Shares, including, without limitation, fees and expenses of attorneys and accountants, printing costs and promotional expenses. The Investment Advisor may also advance payment for certain services related to the Sub-Fund such as the monthly minimum fees paid to the administrator until the Sub-Fund has substantially higher assets than the minimum required to launch the Sub-Fund.

Following the commencement of its investment activities, the Sub-Fund will reimburse the Investment Advisor, as applicable, for the total of such fees and expenses. While the financial statements of the Sub-Fund will be prepared in conformity with International Financial Reporting Standards as a guideline, the organizational fees and expenses of the Sub-Fund will be amortized over the first twelve (12) months of its existence because the Investment Manager believes such treatment is more equitable than expensing the entire amount of the organizational fees and expenses immediately.

Administration Fees

The Company, on behalf of the Sub-Fund, has appointed Apex Fund Services Ltd. (the "Administrator") to serve as the administrator of the Sub-Fund pursuant to an Administration Agreement between the Company (on behalf of the Sub-Fund) and the Administrator (the "Administration Agreement"). Under the Administration Agreement, the services provided by the Administrator include the following: (i) the maintenance of the Share Registers for the Sub-Fund relating to Share ownership and the redemption of Shares; (ii) receipt of requests for redemption; (iii) authorization of redemption payments; and (vi) other services as agreed on by the parties. The Administrator maintains the principal Share Register of the Company in its office in Bermuda.

The Administrator will also perform various services as the NAV Calculation Agent include the following: (i) maintenance of the books and records of the Company including computation of the interim Net Asset Value; (ii) coordination of the annual audit; (iii) preparation of shareholder account statements; and (vi) other services as agreed on by the parties.

The fees payable to the Administrator are based on their standard schedule of fees charged by the Administrator for similar services as outlined in the Administration Agreement.

Under the Administration Agreement, the Administrator will not, in the absence of gross negligence, willful default or fraud on the part of the Administrator, be liable to the Company or to any investor for any act or omission, in the course of, or in connection with, providing services to the Sub-Fund or for any loss or damage which the Company may sustain or suffer as the result of, or in the course of, the discharge by the Administrator of its duties pursuant to the Administration Agreement.

Under the Administration Agreement, the maximum liability of the Administrator to the Company, its shareholders, or to others, for any reason relating to services rendered shall be limited to the fees paid for such services giving rise to the liability, except to the extent finally determined by a court of competent jurisdiction to have resulted from gross negligence, wilful misconduct, breach of fiduciary duty or reckless disregard of duties. The Administrator shall have no obligation to review, monitor or otherwise ensure compliance with the investment policies, restrictions or guidelines or any other term or condition within any of the offering documents nor will they be responsible for any investment decisions of the Company or the Sub-Fund all of which decisions will be made by the Investment Manager and Investment Advisor.

Investment Manager's Management Fee

The Sub-Fund will pay the Investment Manager a management fee payable monthly in arrears, in an amount equal to $1/12^{th}$ of 0.25% of the Net Asset Value of each class of the Sub-Fund Shares (0.25% annually) subject to a minimum of US$500 per month (US$6,000 per annum). For purposes of calculating the management fee, Net Asset Value is determined before reduction for the Investment Manager's management fee, the Investment Advisor's management fee or performance fee accrued or payable as of such calendar month-end and before giving effect to any subscriptions, dividends or redemptions accrued or paid as of such calendar month-end. If a Shareholder redeems all or some of its Sub-Fund Shares, the Investment Management Agreement is terminated or the Sub-Fund is dissolved as of any day other than the end of a calendar month, the Investment Manager will be paid a pro-rated management fee based upon the ratio that the number of days through the date of such event bears to the total number of days in the calendar month.

Investment Advisor's Advisory Fees

The Sub-Fund will pay the Investment Advisor an advisory fee, payable monthly in arrears, in an amount equal to $1/12^{th}$ of 2.0% of the Net Asset Value of each share class of the Sub-Fund Shares (2.0% annually). For purposes of calculating the management fee, Net Asset Value is determined before reduction for the management fee or performance fee accrued or payable as of such calendar month-end and before giving effect to any subscriptions, dividends or redemptions accrued or paid as of such calendar month-end. If a Shareholder redeems all or some of its Sub-Fund Shares, the Investment Advisory Agreement is terminated or the Sub-Fund is dissolved as of any day other than the end of a calendar month, the Investment Advisor will be paid a pro-rated management fee based upon the ratio that the number of days through the date of such event bears to the total number of days in the calendar month. Pursuant to the Investment Advisory Agreement, the Investment Advisor may elect to defer the receipt of all or a portion of the management fees payable to it.

Investment Advisor's Performance Fees

Commencing upon the close of business on the last Business Day of the first calendar quarter following the commencement of investment activities, and upon each calendar quarter thereafter, the Sub-Fund shall pay the Investment Advisor 20% of the Net New Appreciation (as hereinafter defined), if any, achieved by each share class of the Sub-Fund during such calendar quarter.

For purposes of calculating the Investment Advisor's performance fees with respect to any share class of the Sub-Fund for any calendar quarter, "Net New Appreciation" shall mean the difference, if any, between (i) the Net Asset Value of the relevant share class of the Sub-Fund as of the end of such calendar quarter (without reduction for any performance fees paid or payable to the Investment Advisor for such calendar quarter or dividends declared or paid as of the end of such calendar quarter) minus (ii) the Net Asset Value of such share class of the Sub-Fund as of the end of the most recent calendar quarter for which a performance fee was paid or payable to the Investment Advisor, with such amount reduced by the amount of the performance fee paid or payable for such prior calendar quarter and also reduced by any dividends declared or paid as of or subsequent to the end of such prior calendar quarter through the first day of the calendar quarter referred to in clause (i) above and increased by the amount of all additional share purchases since the end of the most recent calendar quarter for which a performance fee was paid. For purposes of calculating the first performance fee payable to the Investment Advisor, clause (ii) shall mean the initial Net Asset Value of the applicable share class of the Sub-Fund at the beginning of Investment. For purposes of calculating Net New Appreciation, extraordinary fees and expenses and taxes shall be excluded.

If at any time the Net Asset Value of any share class of the Sub-Fund is below the High Water Mark, no performance fee will be charged to such share class of the Sub-Fund until such share class of the Sub-Fund's Net Asset Value has reached or exceeded the High Water Mark as of a performance fee calculation date.

The performance fee will be calculated and deducted as a liability in the calculation of the Net Asset Value of each share class of the Sub-Fund on the valuation day.

The High Water Mark with respect to each share class of the Sub-Fund shall mean the Net Asset Value of the relevant share class of the Sub-Fund as of the end of the most recent calendar quarter for which a performance fee was paid or payable to the Investment Advisor, or if no performance fee has been paid since the inception of Investment by the Investment Advisor, then the initial Net Asset Value of such share class of the Sub-Fund.

Adjustment Due to Deficit and Premium Subscriptions

(a) Deficit Subscriptions

Where an investor subscribes for Shares at a time when the Net Asset Value per Share is less than the high water mark then an adjustment is required to reduce inequalities that may otherwise result to the respective subscriber or to the Investment Advisor. The high water mark is the greater of:

(i) the highest Net Asset Value per Share on the last day of any Performance Period; and

(ii) the Initial Offer price per Share.

Where Shares are subscribed for at a time when the Net Asset Value per Share is less than the high water mark, such new Shareholders will in effect, be required to pay an equivalent Performance Fee with respect to any subsequent appreciation in the Net Asset Value per Share of those Shares until the high water mark has been reached. This will be achieved by the sub-fund having the power to redeem a portion of that Shareholder's holding for a consideration equivalent to the Performance Fee at the end of each Performance Period which amount shall be paid directly to the Investment Advisor and not to the respective Shareholder. After the high water mark has been achieved, the Performance Fee will be calculated and levied in the same manner as for all other Shares. No Performance Fee will be accrued for existing Shareholders until the high water mark has been recovered.

(b) Premium Subscriptions

Where Shares ("Premium Shares") are purchased at a time when the Net Asset Value per Share is greater than the high water mark (a "Premium Subscription"), the prospective investor is required to pay an additional sum equal to the accrual then in place per Share in respect of the Performance Fee (an "Equalisation Credit"). The Equalisation Credit is designed to ensure that all Shareholders have the same amount of capital at risk per Share.

The Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the Fund subsequent to the subscription. In the event of a decline in the Net Asset Value per Share, the Equalisation Credit due to the Shareholder will reduce in line with the Performance Fee accrual for other Shares namely by an amount equal to 20 per cent of the amount of the loss on a per Share basis until the Equalisation Credit is exhausted. Subsequent appreciation in the value of the Premium Shares will result in a recapture of any Equalisation Credit lost due to such reductions, but only to the extent of the previously lost Equalisation Credit up to the amount paid at subscription.

Once a performance fee is assessed, it is not refundable if the relevant share class of the Sub-Fund incur losses thereafter. Pursuant to the Investment Advisory Agreement, the Investment Advisor may elect to defer the receipt of all or a portion of the performance fees payable to it.

If for any reason, Sub-Fund is dissolved or the Investment Advisory Agreement is terminated as of a date other than the last day of a calendar quarter, the performance fees shall be calculated and paid to the Investment Advisor as if such date were the last day of the then current calendar quarter.

CUSTODY AND PRIME BROKERAGE

The Sub-Fund Custodians/Prime Brokers will be paid fees by the Sub-Fund on normal commercial terms.

SUBSCRIPTIONS

Persons wishing to subscribe for the Sub-Fund Shares should complete the Subscription Agreement attached to the Memorandum, which includes, among other things, representations that the subscriber is a Non-U.S. Person as such term is defined under the caption "THE OFFERING" in the Memorandum. Completed Subscription Agreements and the appendixes attached thereto must be received by the Administrator (by facsimile with the original Subscription Agreement and the appendixes attached thereto sent via airmail, with a copy sent via facsimile to the Investment Manager), together with a wire transfer for the full amount of the subscription, at least five (5) Business Days prior to a Subscription Date.

A Subscription Date means the first Business Day of each calendar month and/or such other days as the Directors may designate from time to time.

Subscription monies must be paid by wire transfer and should be remitted net of bank charges Currency in accordance with the wire transfer instructions set forth in the Subscription Agreement. Failure to remit the full amount due will be treated as a subscription for the amount remitted.

A subscription for Sub-Fund Shares will not be processed and Sub-Fund Shares will not be allotted until receipt of notification that a prospective Shareholder's funds have been cleared in the full amount of the subscription. The Company reserves the right to reject any subscription or to accept only part of a subscription for any reason. If a subscription is not accepted or is accepted only in part, the amount paid on the subscription or the balance thereof will be returned without interest and returned at the risk of the prospective Shareholder. Fractions (up to four decimal places) of Sub-Fund Shares may be issued.

Share certificates will not be issued. Sub-Fund Share ownership will be reflected in book entries recorded by the Registrar and Transfer Agent.

REDEMPTIONS

Unless redemptions have been suspended or redemption payments have been delayed, Sub-Fund Shares in any share class may be redeemed by a Shareholder at the Net Asset Value per Sub-Fund Share in such share class as of each Redemption Date by sending a written notice of redemption to the Administrator, except as noted below. Redemption requests must be received by the Administrator at least ten (10) Business Days prior to any Redemption Date in order to be acted on as of that Redemption Date unless the Directors, acting in their sole and absolute discretion, waive any of such conditions.

Sub-Fund Shares are redeemed at Net Asset Value per Sub-Fund Share. The minimum redemption amount should be not less than $10,000 but partial redemptions may not reduce a Shareholder's investment to less than the applicable minimum investment amount.

The Directors, in their sole and absolute discretion, may waive any of the foregoing restrictions. A Redemption Date means the first Business Day of each calendar month and/or such other days as the Directors may designate from time to time.

If the number and value of Sub-Fund Shares to be redeemed is not specified, a redemption notice will be assumed to apply to all Sub-Fund Shares held by the redeeming Shareholder. Subject to certain restrictions and unless redemptions have been suspended, net redemption proceeds will be paid either by wire transfer (at the expense of the redeeming Shareholder) of the redemption amount to the account designated by the Shareholder in the request for redemption or by sending a check for the amount to the address specified by the Shareholder. Subject to the Articles of Association of the Company, redemption proceeds will generally be paid within thirty (30) calendar days of the relevant Redemption Date. Prospective Shareholders should be aware that the relevant redemption price will be based on unaudited accounts.

In accordance with the Articles of Association of the Company and as set out in the Memorandum, the Directors may suspend or defer redemptions and may delay redemption payments under certain circumstances. The Company may find it necessary upon the request for redemption by a Shareholder to set up a reserve for determined contingent liabilities and withhold all or a certain portion of the Shareholder's redemption proceeds. The right of a Shareholder to redeem Sub-Fund Shares is contingent upon the Company and the Sub-Fund having assets sufficient in the view of the Directors to discharge its liabilities on the relevant Redemption Date.

The Company has the right to cause the mandatory redemption of Sub-Fund Shares acquired or held by any Shareholder at any time as determined by the Directors in their sole and absolute discretion for any reason.

CONFLICTS OF INTEREST

Peter Hughes is a Director of the Company, Investment Manager and the Administrator. He also has ownership interests in the Investment Manager and Administrator. Rayal Bodden is a Director of the Company and is an employee of an affiliate of the Administrator.

It is understood that directors, officers, agents and shareholders of the Investment Manager are or may be interested in the Investment Advisor as directors, officers, shareholders or otherwise, and that directors, officers or shareholders and agents of the Investment Advisor are or may be interested in the Investment Manager as directors, officers, shareholders or otherwise and that the Investment Advisor may have material interests in relation to investments held by the Company, for example, as recipients of remuneration for transactions or beneficiaries of aggregation of transactions or allocation of bargains executed under this Agreement or as a result of other customers being involved in transactions in such investments. It is hereby acknowledged that no person so interested shall be liable to account for any benefit to any other party by reason solely of such interest, which will not necessarily be separately disclosed at the time when particular transactions are entered into except where required by the Laws.