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Document No. _____

CONFIDENTIAL OFFERING MEMORANDUM

**Relating to Redeemable Non-Voting Shares
Par Value U.S. \$0.01 per Share of**

LW NATURAL RESOURCES OPPORTUNITIES FUND LTD.

(Incorporated as an exempted company with limited liability in the Cayman Islands)

January 2011

Minimum Investment: US\$100,000.00

Investment Manager:

LW Investment Management Ltd.
c/o
Walkers Corporate Services Limited
Walker House
87 Mary Street, George Town
Grand Cayman KY1 - 9005, Cayman Islands

Administrator:

Kaufman Rossin Fund Services LLC
2699 S. Bayshore Drive, 9th Floor
Miami, FL. 33133
305-857-6842

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CONFIDENTIAL MEMORANDUM
LW NATURAL RESOURCES OPPORTUNITIES FUND LTD.

SUMMARY

Fund Structure

LW Natural Resources Opportunities Fund Ltd. (the “Fund”) is a Cayman Islands exempted company with limited liability that was incorporated in December 2007. The Fund is a “feeder” fund in a “master-feeder” fund structure. The master fund is LW Emerging Markets Opportunities Master Fund Ltd., a Cayman Islands exempted company with limited liability (the “Master Fund”). The Fund will invest all of its assets in the Master Fund other than assets necessary for the payment of fees and expenses. The Fund has been formed principally for certain non-U.S. investors. Currently, the Fund is the only feeder fund of the Master Fund. In the future, one or more additional parallel feeder funds may be established in order to facilitate investments by certain other investors.

The Fund may engage in any activity that is not prohibited or limited by the Cayman Islands Companies Law, as amended. There can be no assurance that the Fund will achieve its objective or that substantial losses will not be incurred.

The Fund is offering its ordinary, participating non-voting shares (the “Shares”) to certain qualified investors who are each capable of evaluating the merits and risks of an investment in the Fund, based on each of their respective business and investment experiences.

Investment Objective

The Master Fund’s primary investment objective is to seek capital appreciation by investing primarily in equity securities of publicly listed natural resource companies operating in emerging markets, particularly in Latin America. The Master Fund will also invest in fixed-income securities of natural resource companies, fixed-income securities of commodity producing countries, in distressed securities of governments and corporate entities in developed countries, and in local currencies that offer compelling arbitrage opportunities. The term “emerging markets,” as it is used in this confidential offering memorandum (the “Memorandum”), means those countries that are generally considered to be developing countries by the World Bank and other international agencies. However, the determination of which countries qualify as emerging markets will be made at the discretion of LW Investment Management Ltd. (the “Investment Manager”). There can be no assurance that the Master Fund’s investment objective will be met.

Investor Prerequisites

The Fund is offering its Shares to certain qualified investors. An investor must have prior business and investment experience so that the investor is capable of evaluating the merits and risks of a prospective investment in the Fund. An investor must be able to bear the economic risk of the investment for an indefinite period and an investor must have limited need for liquidity in the investment.

The Fund is not currently offering Shares to investors who are in the United States or who are U.S. Persons (as defined under Section 902(k) of Regulation S under the United States Securities Act of 1933). Further, none of the Shares may be offered or sold, directly or indirectly, in the United States or to U.S. Persons unless approved by the Fund’s board of directors (the “Board of Directors”). However, the Fund may, in the future, arrange for the private placement of Shares to investors who are in the United States or

who are U.S. Persons if, among other things, before the acquisition of such Shares a completed subscription agreement is delivered to, and accepted by, the Fund's administrator.

The minimum initial subscription for Shares in the Fund is US\$100,000 and the minimum additional subscription amount is US\$100,000, subject generally to the discretion of the Board of Directors to accept lesser amounts. Prospective investors should carefully read this Memorandum. No person has been authorized in connection with this offering to give any information or make any representations other than as contained in this Memorandum. However, the contents of this Memorandum should not be considered to be legal or tax advice and each prospective investor should consult with independent counsel and advisers as to all matters concerning an investment in the Fund.

Kaufman Rossin Fund Services LLC (the "Administrator") acts as Administrator of the Fund and the Master Fund pursuant to a separate Administration Agreement. The Administrator is not a related entity of the Fund or Master Fund.

FOR RESIDENTS OF ALL JURISDICTIONS

THE PURCHASE OF SHARES IN THE FUND IS HIGHLY SPECULATIVE AND INVOLVES A SIGNIFICANT DEGREE OF RISK. SEE “RISK FACTORS”.

SHARES ARE SUITABLE ONLY FOR SOPHISTICATED INVESTORS WHO ARE NON-U.S. PERSONS, AS DETERMINED BY THE INVESTMENT MANAGER IN ITS SOLE DISCRETION, FOR WHOM AN INVESTMENT IN THE FUND DOES NOT CONSTITUTE A COMPLETE INVESTMENT PROGRAM AND WHO FULLY UNDERSTAND AND ARE WILLING TO ASSUME THE RISKS INVOLVED IN THE FUND’S INVESTMENT PROGRAM. THE FUND’S INVESTMENT PRACTICES, BY THEIR NATURE, MAY BE CONSIDERED TO INVOLVE A SUBSTANTIAL DEGREE OF RISK.

A FILING HAS BEEN MADE WITH THE CAYMAN ISLANDS MONETARY AUTHORITY FOR THE FUND TO BE REGULATED AS A MUTUAL FUND UNDER CAYMAN ISLANDS LAW. INVESTORS SHOULD NOTE THAT REGISTRATION OF THE FUND AS A MUTUAL FUND DOES NOT IN ANY WAY MEAN OR IMPLY THAT THE FUND’S ACTIVITIES ARE APPROVED OR GUARANTEED BY THE CAYMAN ISLANDS GOVERNMENT.

QUALIFIED INVESTORS MUST HAVE SUCH KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS WILL ENABLE THEM TO EVALUATE THE MERITS AND RISKS OF A PROPOSED INVESTMENT IN THE FUND, AND BE ABLE TO BEAR THE ECONOMIC RISK OF A COMPLETE LOSS OF THIS INVESTMENT. THE FUND WILL BE THE SOLE JUDGE AS TO WHETHER OR NOT AN INDIVIDUAL OR ENTITY POSSESSES THESE QUALIFICATIONS, BASED UPON, AMONG OTHER THINGS, THE INVESTOR’S QUESTIONNAIRE AND THE REPRESENTATIONS OF THE INVESTOR IN THE SUBSCRIPTION AGREEMENT. ACCORDINGLY, THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SHARES TO ANY INDIVIDUAL OR ENTITY UNLESS SUCH INDIVIDUAL OR ENTITY POSSESSES THESE QUALIFICATIONS.

THERE WILL BE NO PUBLIC OFFERING OF THE SHARES IN THE FUND. NO OFFER TO SELL (OR SOLICITATION OF AN OFFER TO BUY) IS BEING MADE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE INFORMATION OF THE PERSON TO WHOM IT HAS BEEN DELIVERED ON BEHALF OF THE FUND.

THE INVESTMENT MANAGER IS EXEMPT FROM REGISTRATION WITH THE COMMODITY FUTURES TRADING COMMISSION (THE “CFTC”) AS A COMMODITY POOL OPERATOR (“CPO”) PURSUANT TO AN EXEMPTION UNDER CFTC RULE 4.13(a)(4), FOR POOLS (A) WHOSE SHARES ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND ARE OFFERED AND SOLD WITHOUT MARKETING TO THE PUBLIC IN THE UNITED STATES AND (B) WHOSE PARTICIPANTS ARE LIMITED TO CERTAIN QUALIFIED ELIGIBLE PERSONS AND ACCREDITED INVESTORS. THE INVESTMENT MANAGER IS ALSO EXEMPT FROM REGISTRATION WITH THE CFTC AS A COMMODITY TRADING ADVISER PURSUANT TO RULE 4.14(A)(5). THEREFORE, UNLIKE A REGISTERED CPO, THE INVESTMENT MANAGER IS NOT REQUIRED TO DELIVER A DISCLOSURE DOCUMENT (AS DEFINED IN THE CFTC RULES) OR A CERTIFIED ANNUAL REPORT TO INVESTORS. THIS MEMORANDUM IS NOT REQUIRED TO BE AND HAS NOT BEEN FILED WITH THE CFTC. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR THIS MEMORANDUM.

THE CONTENTS OF THIS MEMORANDUM SHOULD NOT BE CONSIDERED TO BE LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN COUNSEL AND ADVISERS AS TO ALL MATTERS CONCERNING AN INVESTMENT IN THE FUND.

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE FOR THESE SECURITIES TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THESE SECURITIES, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

TO HELP THE U.S. GOVERNMENT AND OTHER GOVERNMENTS FIGHT THE FUNDING OF TERRORISM AND MONEY LAUNDERING ACTIVITIES, U.S. FEDERAL LAW MAY NOW OR IN THE FUTURE REQUIRE THE FUND TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES EACH INVESTOR. WHEN THE INVESTOR SUBSCRIBES FOR A SHARE, THE DIRECTORS OF THE FUND WILL ASK FOR THE INVESTOR'S NAME, ADDRESS AND OTHER IDENTIFYING INFORMATION RELATED TO THE INVESTOR (WHICH MAY INCLUDE INFORMATION RELATED TO THE INVESTOR'S BENEFICIAL OWNERS AND CONTROLLING PERSONS).

IN NO EVENT SHOULD THIS MEMORANDUM BE DUPLICATED OR TRANSMITTED TO ANYONE OTHER THAN THE PROSPECTIVE INVESTOR TO WHOM IT WAS DIRECTED BY WRITTEN COMMUNICATION OF THE OFFEROR. NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHALL BE EMPLOYED IN THE OFFERING OF THE SHARES EXCEPT FOR THIS MEMORANDUM AND STATEMENTS CONTAINED HEREIN. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION, OR GIVE ANY INFORMATION, WITH RESPECT TO THE SHARES, EXCEPT THE INFORMATION CONTAINED HEREIN.

THIS MEMORANDUM CONTAINS A SUMMARY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND (AND OF OTHER DOCUMENTS REFERRED TO HEREIN), WHICH DOES NOT PURPORT TO BE COMPLETE. THE SUMMARY IS SUBJECT TO AND QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE FUND AND OTHER DOCUMENTS. COPIES ARE AVAILABLE AT THE FUND'S REGISTERED OFFICE AND SHOULD BE REVIEWED FOR COMPLETE INFORMATION CONCERNING THE RIGHTS, PRIVILEGES AND OBLIGATIONS OF THE SHAREHOLDERS OF THE FUND.

ALL REFERENCES TO "\$" HEREIN ARE TO U.S. DOLLARS.

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE FOR THESE SECURITIES TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THESE SECURITIES, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS:

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFERING, AND THERE WILL NOT BE ANY OFFERING, OF THE SHARES TO THE PUBLIC IN THE CAYMAN ISLANDS. NO INVITATION MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE FOR THE SHARES UNLESS AND UNTIL THE SHARES ARE LISTED ON THE CAYMAN ISLANDS STOCK EXCHANGE. NEITHER CIMA NOR ANY OTHER GOVERNMENTAL AUTHORITY IN THE CAYMAN ISLANDS HAS PASSED UPON OR APPROVED THE TERMS OR MERITS OF THIS MEMORANDUM OR THE SHARES.

NOTICE TO RESIDENTS OF EU MEMBER STATES:

THE EUROPEAN UNION PROSPECTUS DIRECTIVE (203/71/EC), AS IMPLEMENTED BY THE MEMBER STATES OF THE EUROPEAN UNION, CONTAINS VARIOUS EXEMPTIONS FROM THE PROSPECTUS REQUIREMENTS ARISING UNDER THE PROSPECTUS DIRECTIVE AND UNDER THE SECURITIES LAWS OF THE EUROPEAN UNION MEMBER STATES. TO THE EXTENT SUCH EXEMPTIONS APPLY TO THE OFFERING OF SHARES, THE FUND RESERVES THE RIGHT TO OFFER THE SHARES IN ACCORDANCE WITH SUCH EXEMPTIONS, NOTWITHSTANDING REFERENCES HEREIN TO ANY OTHER PROVISION OF THE SECURITIES LAWS OF ANY EUROPEAN UNION MEMBER STATE.

LW NATURAL RESOURCES OPPORTUNITIES FUND LTD.

GLOSSARY OF TERMS

Unless the context otherwise requires, the terms defined below shall, for the purposes of this Memorandum and the accompanying Memorandum and Articles of Association, have the meanings herein specified.

“**Administrator**” means Kaufman Rossin Fund Services LLC.

“**Affiliate**” means any person that directly or indirectly controls, is controlled by, or is under common control with, the person in question.

“**Articles**” means the Fund’s memorandum and articles of association, as amended from time to time.

“**Asset Value**” means the fair market value of all of the assets of the Fund as of the date on which such determination is made.

“**Board of Directors**” means the board of directors of the Fund.

“**Business Day**” means any day other than Saturdays and Sundays and days on which banks are obligated or authorized to close for business in the Cayman Islands, or in New York.

“**Class**” means a class of Shares designated by the Board of Directors.

“**Close of Business**” means 4:00 p.m., New York City time or such earlier or later time on any Business Day as the Board of Directors may determine from time to time.

“**Closing Net Asset Value**” means the Net Asset Value (adjusted for any subscriptions or redemptions, and dividends due and, where applicable, interest accrued but not yet paid and all Management Fees accrued and/or paid to the Investment Manager with respect to the Shares) on the Valuation Day as of which an Incentive Fee is to be paid to the Investment Manager; provided, however, that the “Closing Net Asset Value” shall include the realized capital gains and losses, accrued interest income and dividends payable, and unrealized capital appreciation and unrealized capital depreciation of the Fund’s capital account in the Master Fund that relates to the Shares less certain expenses and reserves associated with the operation of the Fund and other account assets over the calendar month.

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time.

“**Fiscal Quarter**” means each three-month period ending on March 31, June 30, September 30, and December 31 of each year.

“**Fiscal Year**” means the Fund’s taxable year, which shall end on December 31 of each calendar year or such other taxable year of the Fund for the purposes of the Code as may be adopted by the Board of Directors, including any period of less than 12 calendar months which is considered a taxable year for purposes of the Code.

“**Fund**” means LW Natural Resources Opportunities Fund Ltd.

“**Incentive Fee**” means the incentive fee paid to the Investment Manager.

“**Initial Series**” means the Shares issued upon any Series’ initial offering.

“Investment Manager” means LW Investment Management Ltd.

“IRS” means the United States Internal Revenue Service.

“Management Fee” means a fee that will be charged to the Fund and paid to the Investment Manager as of the end of each calendar month based on a percentage of the Net Asset Value of the Fund.

“Memorandum” means this Memorandum, as amended or supplemented from time to time.

“Master Fund” means LW Emerging Markets Opportunities Master Fund Ltd.

“Net Asset Value” as that term is applied to the Fund, shall be the dollar amount derived by subtracting (i) the liabilities of the Fund from (ii) the Asset Value. The “Net Asset Value per Share” will be equal to the Net Asset Value of the relevant Class divided by the number of outstanding Shares in such Class.

“Net Capital Appreciation” means the dollar amount determined by subtracting the Opening Net Asset Value of the relevant class from its Closing Net Asset Value, provided that Net Capital Appreciation may not be a negative number.

“OFAC” means the U.S. Department of Treasury’s Office of Foreign Assets Control.

“Opening Net Asset Value” means the Net Asset Value (adjusted for any subscriptions or redemptions, and dividends due and, where applicable, interest accrued but not yet paid and all Management Fees accrued and/or paid to the Investment Manager with respect to the Shares) on the same day in the previous calendar month as the Valuation Day as of which an Incentive Fee was paid to the Investment Manager; provided, however, that the “Opening Net Asset Value” shall include the realized capital gains and losses, the accrued interest income and dividends payable, and unrealized capital appreciation and unrealized capital depreciation of the Fund’s capital account in the Master Fund that relates to the Shares ending on such prior Valuation Day less certain expenses and reserves associated with the operation of the Fund and other account assets over the calendar month ending on such prior Valuation Day.

“Prime Broker” means Jefferies & Company, Inc. and any other prime broker(s) for the Master Fund.

“Series” means the series of Shares into which the Classes may be sub-divided.

“Shares” means the ordinary, non-voting participating shares of the Fund each having a par value of \$0.01 per share.

“Shareholder” means a person recorded in the Fund’s share register as owning Shares in the Fund.

“Subscription Agreement” means the subscription agreement attached hereto.

“Subscription Day” means the Business Day following the Valuation Day or such other days as the Board of Directors may determine from time to time.

“U.S.” means the United States of America.

“U.S. Person” means a “U.S. Person” as defined under Section 902(k) of Regulation S under the Securities Act.

“Valuation Day” means the last Business Day of each calendar month or such other date or dates as the Board of Directors shall from time to time determine.

SUMMARY OF OFFERING TERMS

The following is a summary of certain information set forth more fully elsewhere in this Memorandum and the accompanying Articles. This summary should be read in conjunction with such detailed information.

The Fund:

LW Natural Resources Opportunities Fund Ltd. is a Cayman Islands exempted company with limited liability that was incorporated in December 2007. The Fund is a “feeder” fund in a “master-feeder” fund structure. The master fund is LW Emerging Markets Opportunities Master Fund Ltd., a Cayman Islands exempted company with limited liability. The Fund will invest all of its assets in the Master Fund other than assets necessary to pay fees and expenses. The Fund has been formed principally for certain non-U.S. investors. The Fund is currently the only feeder fund of the Master Fund. In the future, one or more additional parallel feeder funds of the Master Fund may be established. (See “The Fund”).

Investment Objective:

The Master Fund’s primary investment objective is to seek capital appreciation by investing primarily in equity securities of publicly listed natural resource companies operating in emerging markets, particularly in Latin America. The Master Fund will also invest in fixed-income securities of natural resource companies, fixed-income securities of commodity producing countries, in distressed securities of governments and corporate entities in developed countries, and in local currencies that offer compelling arbitrage opportunities. There can be no assurance that the Master Fund’s investment objective will be met. (See “Investment Objective”).

Investment Manager:

The Fund and the Master Fund have appointed LW Investment Management Ltd., a Cayman Islands exempted company with limited liability, to act as their investment adviser and to provide them with continuous professional investment supervision. In addition to the Fund and the Master Fund, the Investment Manager and/or its affiliates may manage other investment vehicles and accounts under terms that differ from the terms entered into with the Fund, the Master Fund and/or any of their respective investors. (See “The Investment Manager”). With respect to the Fund, the Investment Manager may appoint sub-advisers from time to time at its sole discretion. The directors of the Fund shall approve the appointment of any sub-advisers that are affiliates of the Investment Manager. Any such sub-advisers will be compensated from amounts received by the Investment Manager from the Fund for advisory services provided and will not result in additional fees charged to investors.

Administrator:

The Fund and the Master Fund have appointed Kaufman Rossin Fund Services LLC to act as Administrator of the Fund and the Master Fund pursuant to a separate Administration Agreement. The Administrator is not a related entity of the Fund or Master Fund. Subject to the supervision and control of the Board of Directors, the Administrator will perform all general administrative tasks for the Fund, including keeping financial records, and calculating the Performance Fee and the Net Asset Value per Share based on information supplied by the Investment Manager and the Prime Broker,

maintaining the shareholder register, and handling subscriptions and redemptions. However, the Administrator will have no authority to make investment decisions affecting the selection of the Master Fund's portfolio assets. The Fund and the Master Fund will pay the Administrator a fee in return for services provided. The Administrator may also be reimbursed for the reasonable out-of-pocket expenses incurred by it in connection with its services to the Fund, including, without limitation, postage and telephone expenses. (See "Administrator")

Eligibility of Investors:

The Shares will be offered only to Eligible Investors. Eligible Investors are investors whose business and investment experience makes them capable of evaluating the merits and risks of their prospective investment in the Fund and who can afford to bear the economic risk of their investment for an indefinite period and have limited need for liquidity in their investment.

In order to ensure compliance with these requirements, no Share or any part thereof may be transferred by an investor without the prior written consent of the Directors, which may be withheld in their sole discretion. (See "Investor Suitability"). Each investor will be required to provide to the Administrator a properly completed and signed Subscription Agreement. (See "Subscriptions – Eligible Investors").

Subscriptions:

The Fund is offering up to 5,000,000 shares. The minimum subscription amount will be US\$100,000, although such requirement may, if permitted under applicable law, be waived by the Board of Directors in its sole discretion. The Fund may accept contributions in kind, subject to the sole discretion of the Board of Directors. Investors who purchase Shares will be admitted on the first Subscription Day of the calendar month following the Administrator's acceptance of their Subscription Agreement.

The Shares of each Series will be issued at \$1,000 per Share. Shares are issued only in registered, book-entry form. The Fund will initially offer a single Class of Shares and may offer additional Classes in the future. In addition, the Fund will issue a different Series on each Subscription Day. The issuance of different Series will permit the Fund to track the relative investment performances experienced by Shareholders who subscribed for Shares on different Subscription Days throughout each Fiscal Quarter. At the end of each Fiscal Quarter, each Series of the Fund generally will be re-designated and converted into a single Series (per Class), after payment of any Incentive Fees.

The Fund may engage placement agents to offer and sell the Shares. Such placement agents may receive from the Investment Manager, as a referral fee, a portion of the Management Fees and/or Incentive Fees paid by the Fund.

The Fund reserves the right to reject any subscription, in whole or in part, for any reason. (See "Admission of Shareholders")

Restrictions on Transferability:

Shares are not transferable without the prior written consent of the Board of Directors and may not be transferred or resold except as permitted under applicable law. (See "Admission of Shareholders - Registration and Transfer

of Shares and Certificates”)

Redemptions:

Shareholders will have the right to redeem any or all of their Shares as of the last Business Day of any calendar month by providing written notification at least 30 days prior to the redemption to the Administrator. The redemption price of a Share within any Series will be the Net Asset Value per Share for that Series as calculated as of the Close of Business of the effective date of the redemption.

Redemptions of Shares will be paid within five Business Days from the date the Fund receives the withdrawn amounts from the Master Fund, which is expected to occur within 30 days of the effective date of redemption, subject to delay if the Directors, in their sole discretion, determine that such delay is necessary in order to avoid any adverse impact on the Master Fund.

For redemptions of 90% or more of the aggregate Net Asset Value of an investor's Shares, the Fund will pay approximately 90% of the redemptions proceeds within 5 Business Days from the date the Fund receives the redeemed amounts from the Master Fund, and may withhold up to 10% of such proceeds, with the balance of any amounts withheld, subject to any necessary adjustments, payable as soon as practicable following the completion of the Fund's audited financial statements for the Fiscal Year ending during the time such redemption occurred.

Unless the Directors otherwise determine in their absolute discretion, if one or more redemption requests are received in a calendar month that would, if satisfied, result in the redemptions of an amount equal to more than 20% of the total net asset value of the Master Fund, the Fund will reduce the amount of each redemption request pro rata so that redemption requests represent in aggregate an amount equal to no more than 20% of the total net asset value of the Master Fund; *provided, however*, that priority will be given to redemption requests received, but not completely processed in respect of prior redemptions. Other limitations on redemptions may exist as a result of redemption restrictions imposed by the Master Fund.

In addition, the Fund may hold back a reasonable and appropriate portion of a redemption to account for the Fund's share of any contingent liabilities in, or fees or expenses charged by, the Master Fund. The Fund also may withhold taxes from any withdrawal to the extent required by applicable law. (See “Redemptions”)

Compulsory Redemption:

The Directors, may, at any time and for any reason or no reason, require any Shareholder (or his or her permitted assignee, if any) to redeem all or a portion of such Shareholder's investment in the Fund upon at least five calendar days' written notice. Any such compulsory redemption shall be effected at the applicable Net Asset Value per Share determined on the date of redemption. Any such mandatory redemption may create adverse tax and/or economic consequences to the Shareholder. (See “Redemptions”)

Restricted New Issues:

The Fund may from time to time purchase securities in public offerings made

through member firms of The Financial Industry Regulatory Authority (“FINRA”). FINRA member firms are not permitted to sell certain new issues (“Restricted New Issues”) to accounts in which certain persons involved in the securities industry (“Restricted Persons”) have a significant beneficial interest. In order to enable the Fund to participate in Restricted New Issues, the Fund will require each shareholder to provide information to enable the Fund to determine whether the shareholder is a Restricted Person. The Fund may be sub-divided into separate sub-Classes to identify whether the holder is eligible to participate in Restricted New Issues, and the profits and losses associated with such investments will be specially allocated exclusively to the sub-Class issued to shareholders who have certified that they are not Restricted Persons (the “Unrestricted Class”).

Recent amendments to the FINRA rules permit Restricted Persons to have in the aggregate up to a 10% participation in Restricted New Issues. If the ownership of a Class by Restricted Persons exceeds the 10% threshold, the Fund will be authorized to allocate such Restricted New Issues among the shares of Restricted Persons, including shareholders affiliated with the Investment Manager, in any manner it determines to be equitable and practical.

Valuation:

The Net Asset Value will be equal to the value of the Fund’s capital account in the Master Fund that relates to the Shares, less certain expenses, liabilities and reserves associated with the operation of the Fund. The Net Asset Value will be determined by the Administrator, except when determination of Net Asset Value has been suspended by the Directors. (See “Valuation”).

Operating and Other Expenses:

All offering and organizational expenses of the Fund were paid by the Investment Manager. The Fund will reimburse the Investment Manager for such organizational expenses. The Fund’s organizational and offering expenses, to the extent the Directors deem appropriate, may be, for accounting purposes, amortized by the Fund for up to a 60 month period. Although such amortization may not be consistent with the generally accepted accounting principles applied in the U.S., the Directors believe that amortizing the organizational expenses in this manner is more equitable than requiring the initial investors in the Fund to bear the organizational costs of the Fund.

The Fund expects to redeem capital from the Master Fund or use subscription funds in order to pay for operating expenses of the Fund. The Fund will also bear its pro rata share of the Master Fund’s operational expenses, including, without limitation, the fees and out-of-pocket expenses of the Master Fund’s administrator, auditor and board of directors.

The Investment Manager, the Administrator and the Registrar will each bear the costs of providing their respective services to the Fund and the Master Fund, including their general overhead, salary and office expenses. (See “Operating and Organizational Expenses”).

Management Fee and

The Investment Manager will be paid a Management Fee by the Fund at the end of each calendar month equal to 1/12th of 2% of the Net Asset Value of

Incentive Fee:

the Fund as of such calendar month end. All fees are charged monthly in arrears.

The Fund will also pay the Incentive Fee to the Investment Manager, calculated and payable quarterly in arrears, equal to 20% of the Net Capital Appreciation of the Shares. The Net Asset Value per Share will reflect a proportionate share of the accrued Management Fees and Incentive Fees, if any. Notwithstanding the foregoing, the Investment Manager will not be paid any Incentive Fee with respect to particular Shares until the Net Asset Value of such Shares has exceeded the High Water Mark. In the sole discretion of the Investment Manager, the Incentive Fee may be waived, reduced, rebated or shared with certain investors. (See “Management Fee and Incentive Fee”).

Dividends:

Any distributions made by the Master Fund, including distributions made to the Fund, will be made in the sole discretion of the Directors. No distributions are presently anticipated. The Fund will not pay any dividends unless it has received a distribution from the Master Fund. To the extent that a dividend may be paid, however, such dividend will only be paid in compliance with any applicable law. (See “Dividend Policy”).

Leverage:

The Master Fund may enlarge the size of its assets through the use of leverage (up to a 1.5:1 ratio to Asset Value). The use of leverage will increase the volatility of the Master Fund’s returns and will compound any negative returns. The risks associated with leveraging will be indirectly shared by the Fund. (See “Investment Strategy and Policies– Leverage”).

Prime Brokerage Arrangements:

The Prime Broker for the Master Fund will effect all purchases and sales of securities and investments on behalf of the Master Fund. The Master Fund has designated Jefferies & Company, Inc. as the Prime Broker. The Master Fund’s assets will be held by Jefferies & Company, Inc. or, in certain circumstances, other brokers and dealers executing investment transactions. (See “Prime Brokerage Arrangement”).

Listing:

The Shares are not listed on any exchange. However, the Fund reserves the right to submit an application for the Shares to be listed on securities exchanges or qualified for quotation on inter-dealer quotation systems at the discretion of the Directors.

Risk Factors:

Investment in the Fund involves significant risks. Each prospective Shareholder should carefully consider the risk factors inherent in an investment in a Fund engaging in operations of the type described in this Memorandum or permitted under the Articles. (See “Risk Factors”)

Conflicts of Interest:

The Investment Manager and the Fund will be subject to actual and potential conflicts of interest arising out of the activities of the Investment Managers and its affiliates. (See “Conflicts of Interest”)

Income Tax Considerations:

All persons interested in purchasing Shares bear the responsibility of informing themselves of any income tax or other tax consequences relevant to their particular circumstances in connection with the subscription, holding or redemption of the Shares or the receipt of dividends, if any, paid thereon.

Prospective investors are not to construe contents of this Memorandum or any prior or subsequent communications from the Fund or any of its directors, officers or agents as legal or tax advice. Each investor should consult his own financial adviser, counsel and accountant as to tax matters and related matters concerning his investment.

For additional income tax information specific to the United States, the Cayman Islands and the European Union, see “Certain Tax Considerations.”

Fiscal Year and Reports to Shareholders:

The Fund will have a 31 December Fiscal Year-end. As soon as reasonably practicable after the end of each Fiscal Year, and in any case within 120 calendar days of the Fiscal Year end, the Fund will send audited financial statements of the Fund to Shareholders. In addition, at least quarterly, the Fund may also send un-audited interim reports to Shareholders.

THE FUND

The Fund is a Cayman Islands exempted company with limited liability that was incorporated in December, 2007. The Fund's registered office is located at c/o Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1 – 9005, Cayman Islands. The Fund may engage in any activity that is not prohibited or limited by the Cayman Islands Companies Law, as amended.

The Fund is a “feeder” fund in a “master-feeder” fund structure. The master fund is LW Emerging Markets Opportunities Master Fund Ltd., a Cayman Islands exempted company with limited liability (the “Master Fund”). The purpose of the Master Fund is to achieve trading and administrative efficiencies. Under this structure, the Fund will invest substantially all of its assets in the Master Fund. The Fund has been formed principally for certain non-U.S. investors. Currently, the Fund is the only feeder fund of the Master Fund. In the future, one or more additional parallel feeder funds may be established in order to facilitate investments by certain other investors.

INVESTMENT OBJECTIVE

The Fund will invest substantially all of its assets in the Master Fund. The Master Fund's primary investment objective is to seek capital appreciation by investing primarily in equity securities of publicly listed natural resource companies operating in emerging markets, particularly in Latin America. The Master Fund will also invest in fixed-income securities of natural resource companies, fixed-income securities of commodity producing countries, in distressed securities of governments and corporate entities in developed countries, and in local currencies that offer compelling arbitrage opportunities. Securities are generally traded on stock exchanges, generally located in the country where the issuing company is organized. The term “emerging markets,” as it is used in this Memorandum, means those countries that are generally considered to be developing countries by the World Bank and other international agencies, although the determination of which countries qualify as emerging markets will be made solely at the discretion of the Investment Manager.

There is no guarantee, explicit or implied, that the Master Fund or the Fund will achieve their investment objectives. Potential investors are cautioned that an investment in the Fund contains an element of risk. See “Risk Factors.”

INVESTMENT STRATEGY AND POLICIES

Natural Resources and Emerging Markets Investments

Under normal market conditions, the Investment Manager intends to invest most of the Master Fund's total assets in securities and financial instruments of companies in the natural resources sector operating in emerging markets. The Investment Manager will attempt to diversify the Master Fund's portfolio investments through concentration limits, which will generally restrict the Master Fund's portfolio to no more than 20% of Asset Value invested in the securities of any single corporate issuer, and no more than 10% of Asset Value invested in private equity or non-listed securities. These investment guidelines are calculated at the time of investment, and the Investment Manager will not be required to sell assets if these investment guidelines are exceeded due to changes in market values or sales of other assets. The Master Fund will focus primarily on Latin American markets, but may also invest in markets based in Eastern Europe, Russia, Asia and some African countries.

The types of “emerging markets investments” in which the Master Fund may invest include, but are not limited to (i) equity securities, (ii) loans and loan participations, (iii) sovereign and private debt, (iv) convertible securities, (v) high yield and distressed securities, and (vi) foreign currency transactions. Certain types of emerging markets investments are described below.

Equity Securities. The Master Fund has a strong sector preference and invests primarily in stocks of companies in the mining and energy sectors operating mainly in emerging markets. The Master Fund may invest in newly privatized entities, entities expected to be privatized, unlisted private sector equity securities and listed public and private sector equity securities, subject to the investment guidelines discussed above.

Loans and Loan Participations. The Master Fund may invest in existing loans by purchasing loans from existing lenders. Such loans may be fixed or floating rate loans arranged with borrowers in emerging markets. The Master Fund may also invest in loan participations. Loan participation represents the right to receive from a lender a fixed percentage of principal and interest payments (and, in some circumstances, fees) on a loan, but, generally, does not represent a direct loan to the underlying borrower. Loan participation is a contractual right sold by a lender to a participant; as a result, the participant has neither a creditor nor a contractual relationship with the borrower. In addition, a participant in a syndicated loan typically does not have voting rights, which are retained by the lender. The right of the Master Fund to receive a given percentage of payments of principal and interest pursuant to a loan participation is contingent upon the receipt by the lender of underlying payments from the borrower. Consequently, by purchasing loan participation, the Master Fund assumes the credit risk of both the borrower and, secondarily, the lender that is selling the participation. In the event of default by the underlying borrower, the purchaser of loan participation has no rights against such borrower, and must rely upon the lender to enforce its rights in collateral and security, if any, and to collect principal and interest. Similarly, the rights of a loan participant may be severely restricted in the event of a restructuring or a renegotiation of the underlying loan.

Sovereign and Private Debt. It is anticipated that the Master Fund will invest in sovereign and private debt. Sovereign debt may include securities that the Investment Manager believes are likely to be included in any restructurings of the external debt obligations of issuers of the country in question. The ability of a sovereign entity to make payments on sovereign debt, the market value of such debt and the inclusion of sovereign debt in any future restructurings may be affected by a number of other factors, including such sovereign entity’s balance of trade and access to international financing; cost of servicing such obligations, which may be affected by changes in international interest rates; and level of international currency reserves, which may affect the amount of foreign exchange available for external debt payments.

Private sector debt securities generally fall into three broad categories: dollar-denominated debt securities traded in international markets, including markets outside the emerging markets in which such securities were issued; non-dollar-denominated debt securities that are primarily traded in the emerging market in which they were issued; and loan participations and assignments usually bought at a discount. The Master Fund may invest in securities of such issuers regardless of such securities’ ratings. While temporary investments may be made for cash management purposes or as part of a defensive investment strategy, investments in debt securities will be made generally in order to realize capital appreciation and/or current income.

Convertible Securities. It is also anticipated that the Master Fund will invest in convertible securities. Convertible securities are bonds, debentures, notes, preferred stock or other securities which may be converted into or exchanged for common stock of the same or a different issuer for a certain pre-arranged price, known as the “conversion price.” Convertible securities therefore have characteristics of both debt

securities and equity securities. Convertible securities generally have higher yields than common stocks but lower yields than comparable debt securities, are generally less volatile than the common stocks in which they are convertible due to their fixed income characteristics, and carry potential for capital appreciation if the value of the underlying common stock increases. Like debt securities, the value of convertible securities may be influenced by interest rates. Convertible securities that are convertible into a stock the price of which is close to or in excess of the conversion price at which the security may be converted into such stock may trade similarly to the underlying stock.

High Yield and Distressed Securities. The Master Fund may invest in high yield and distressed debt and equity securities. High yield securities typically consists of below investment grade debt securities purchased in the public markets and privately negotiated subordinated debt and equity securities issued by below investment grade companies in connection with leveraged transactions such as management buyouts, acquisitions, re-financings, recapitalizations and later-stage growth capital financings. High yield securities may include secured or unsecured, senior or subordinated debt, with or without equity components, convertible securities and related derivatives, derivative instruments such as credit default, total return and interest rate swaps, as well as other derivatives generally used by institutions to hedge or take risk in high yield markets.

Foreign Currency Transactions. The Master Fund may also engage in currency exchange transactions in the spot (*i.e.* cash) and forward markets. A forward currency exchange contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. The Master Fund may combine forward currency exchange contracts with investments in securities denominated in currencies other than the U.S. dollar for hedging or other purposes. The Master Fund also may maintain short positions in forward currency exchange transactions, which would involve the Master Fund agreeing to exchange an amount of a currency it did not currently own for another currency at a future date in anticipation of a decline in the value of the currency sold relative to the currency the Master Fund contracted to receive in exchange. The Master Fund may also purchase and sell call and put options on foreign currency for hedging or other purposes, and may purchase and sell currency futures contracts and options thereon.

Other Investment Activities

In addition to investing in emerging market investment, as described above, the Investment Manager may use the Master Fund's assets, if the Investment Manager deems such use to be in the best interest of the Master Fund, to engage in securities lending, repurchase agreements, when issued and delayed delivery transactions, standby commitment agreements, and temporary investments.

Hedging Techniques

The Investment Manager may employ a variety of investment techniques, such as the purchase of options on indices, stocks and commodities, forward contracts, currency options, interest rate swaps, caps, collars, floors, and credit default swaps, to hedge against market and currency risks, although at the present time suitable hedging instruments may not be available with respect to certain emerging markets investment or currencies on a timely basis and on acceptable terms. However, even if hedging instruments are available, the Investment Manager will only engage in hedging activities from time to time and no assurance can be given that any such transaction will fully hedge the intended portion of the Master Fund's market or currency loss exposure.

Leverage

The Master Fund may use leverage (up to a 1.5:1 ratio to Asset Value) to enhance the returns of the strategy. The Prime Broker will generally provide leverage at a fixed rate spread above the rate received by the Prime Broker on short stock balances. This low cost financing allows the Master Fund to effectively borrow money at a rate substantially lower than the expected returns on the proposed investments. The use of leverage has the ability to magnify expected returns, both positive and negative, on the portfolio.

INVESTMENT METHODOLOGY

In making its decisions to invest in specific emerging markets securities, the Investment Manager will conduct extensive fundamental analysis of global and regional markets, issuers or credits and industries. Fundamental analysis can be broken down into two general approaches that are typically referred to as “Top Down” and “Bottom Up.” The Investment Manager may utilize both or either approaches, depending on market conditions, in making investment decisions.

In a “Top Down” approach, the Investment Manager will explore the relative condition of the geographic market or sectors within a particular geographic market and identify the principal drivers that govern performance, to a varying degree, of investment opportunities within each such geographic market or sector. Once drivers are identified, the Investment Manager then explores which investments are likely to outperform others.

In a “Bottom Up” approach, the Investment Manager will review operational, financial, and statistical data of individual investment opportunities within a geographic market or sector in an effort to generally identify what may be under-valued or over-valued opportunities. Once respective candidates are identified, the Investment Manager then applies fundamental analysis of the particular investment to validate preliminary views.

The Investment Manager supports this analysis with an extensive network of contacts and local expertise in various emerging markets that allows the manager access to timely information and the benefit of versatility in coping with the new trends and market conditions. The Investment Manager also assesses the regional investment and economic environment by examining a region’s dependence on external factors (e.g., foreign investment flows), regional levels of indebtedness, regional inflation and interest rates and regional social and political developments. This analysis provides the Investment Manager with a strong sense of global and regional macro-economic trends and a fundamental outlook for its investment strategy.

RISK FACTORS

Prospective investors should be aware that the purchase of the Shares, and therefore an investment in the Master Fund, involves significant risks. The success of the Fund and the Master Fund will depend entirely upon the skill and expertise of the Investment Manager and the performance of its investment strategy. There can be no assurance that the Fund and the Master Fund will achieve their investment objectives. Prospective investors should consider the risk factors set forth below in determining whether an investment in the Fund is a suitable investment. The following list is not intended to represent a complete list of all risks attendant to an investment in the Fund and the Master Fund.

Inability to Meet Investment Objective

The Fund is intended for long-term investors who can accept the risks associated with investing primarily in emerging markets investments. The possibility of partial or total loss of Fund capital will exist, and prospective investors should not subscribe unless they can readily bear the consequences of such loss. The Fund and the Master Fund are new funds, with a limited operating history.

Natural Resources and Emerging Markets Investment Risks

The Master Fund intends to invest the majority of its capital outside the United States primarily in dollar denominated securities. These investments involve special risks compared with investing exclusively in the United States. Non-U.S. securities markets generally are not as developed or efficient as those in the United States. Also, volume and liquidity levels in most foreign securities markets are lower than in the United States. In addition, the following risks should be considered:

Natural Resources. It is anticipated that the Master Fund will invest in companies involved in the natural resources sector including with respect to oil, gas, copper and gold, among other natural resources. Environmental laws, that may be presently in existence or that may come into effect in the future, as well as supply constraints, may negatively impact such investments.

Political, Social and Economic Factors. Many emerging markets are subject to a greater degree of economic, political, and social instability than is the case in the United States and Western Europe, which significantly increases the risk of, and could significantly adversely affect the value of, investments in emerging markets.

Legal System. Many of the countries in emerging markets generally are subject to laws and legal standards that differ materially from those applicable to U.S. companies. These standards have a material impact on the general economic and political environments in each of the countries, as well as the businesses conducted in emerging markets.

Reporting Standards. Emerging markets issuers are frequently subject to accounting, auditing and financial standards that differ significantly from those applicable to the United States, Western European or Japanese issuers. In emerging markets generally, there is substantially less publicly available information about issuers than in more developed markets.

Foreign Currency and Exchange Rates. The Master Fund's investments in emerging markets will generally be exposed to significant foreign currency risk. First, investments that are denominated in local currencies may be adversely affected if the U.S. dollar appreciates relative to these currencies. Second, the ability to convert freely between the U.S. dollar and the local currencies may be restricted or limited from time to time. Third, in some instances, exchange rates and currency conversion may be controlled directly or indirectly by governments or selected entities. Finally, hedging many emerging market currencies may be impractical or expensive.

Investment and Repatriation Restrictions. Foreign investment in several of the countries in emerging markets is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude investment in certain countries and may increase expenses of the Master Fund.

Inflation. Many of the economies in emerging markets have experienced substantial, and in some periods extremely high, rates of inflation for several years. Inflation and rapid currency fluctuations have had and may continue to have negative effects on the economies of certain countries in emerging markets. Wage and price controls have been imposed at times in certain countries in an attempt to control inflation.

Sovereign Debt. Securities issued by an emerging markets government, its agencies, instrumentalities or its central bank (“Sovereign Debt”) involve significant risk. Sovereign Debt issued by many emerging markets is considered to be below investment grade, and should be viewed as speculative with respect to the issuing government’s ability to make payments of interest and principal. Certain countries have not been able to make payments of interest on or principal of Sovereign Debt as such payments have come due. At times, certain emerging markets have declared moratoriums on the payment of principal and/or interest on outstanding debt.

There may be limited legal recourse in the event of default. Sovereign Debt obligations differ from those of private entities in that generally remedies from defaults may have to be pursued in the courts of the defaulting party itself, which may be especially difficult in an emerging market. Bankruptcy, moratorium and other similar laws applicable to issuers of Sovereign Debt may be substantially different in emerging markets than in other countries.

Hedging Transactions

The Master Fund may utilize financial instruments such as options on indices, stocks and commodities, forward contracts, currency options, interest rate swaps, caps, collars, floors, and credit default swaps to seek to hedge against fluctuations in the relative values of its emerging markets investment positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of a position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus offsetting the decline in the positions’ value. Such hedge transactions also limit the opportunity for gain if the value of the position should increase.

Restriction on Transferability

Shareholders may not sell, transfer, exchange, assign, pledge, hypothecate, or otherwise dispose of their Shares (or any portion thereof) without the consent of the Board of Directors. Furthermore, with limited exceptions transferees may not be U.S. Persons within the meaning of Regulation S promulgated under the Securities Act of 1933. Moreover, Shareholders may not redeem any Shares except on a monthly basis. There is no public market for the Shares, and no public market is expected to develop.

Mandatory Redemption

The Fund is entitled to repurchase the Shares of any Shareholder at any time if the Fund determines that it is likely that the Shareholder is not a qualified investor, where the continued participation of a Shareholder would be reasonably likely to be unlawful or harmful or injurious to the business or reputation of the Fund or the Master Fund or any entity affiliated with the Fund of Master Fund, or for any reason or no reason whatsoever.

Foreign and Withholding Taxes

Certain foreign investments may be subject to taxes, including withholding taxes, or to changes in the rates or methods of taxation applicable to the Master Fund, or to the entities in which the Master Fund has invested. Although all attempts will be to do so, the Master Fund may not adequately consider or understand the impacts of such taxes when deciding on and structuring investments.

Leverage

The Master Fund may use leverage. The use of leverage creates opportunities for greater total return, but also increases the risk of losses. A relatively small movement in the market prices of the instruments held by the Master Fund can result in immediate and substantial loss to the Master Fund. Purchasing on margin increases the risk of having to sell at a time when market prices are declining in order to meet margin calls. Also, the Master Fund may at times not be able to obtain financing at desired levels or on desired terms. This could adversely affect the Master Fund's returns.

Rating Criteria for Debt Securities

No rating criteria have been established for many of the debt securities in which the Master Fund may invest. Securities of emerging markets issuers often are not rated at all for creditworthiness and are considered to be speculative. The Master Fund may purchase debt securities that are in default or that the Investment Manager believes will be in default.

Illiquidity

The Investment Manager may have difficulty disposing of certain securities because there may be a thin trading market for such securities. Reduced secondary market liquidity may have an adverse impact on market price and the ability to dispose of particular issues when necessary to meet liquidity needs or in response to specific economic events such as deterioration in the creditworthiness of the issuer. To the extent that illiquid investments restrict the Master Fund's ability to raise cash when needed, such illiquidity may result in borrowings by the Master Fund in order to meet short-term cash requirements, including those created by redemptions of Shares.

Loan Participations

Investment in loan participations involves certain risks additional to those associated with direct loans. A loan participant has no contractual relationship with the borrower of the underlying loan. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the loan agreement in the event of a default and may not have the right to object to amendments or modifications of the terms of such loan agreement. A participant in a syndicated loan generally does not have voting rights, which are retained by the lender. In addition, a loan participant is subject to the credit risk of the lender as well as the borrower, since a loan participant is dependent upon the lender to pay to it its percentage of payments of principal and interest received on the underlying loan.

Legal and Regulatory Risks

Except as expressly stated in this Memorandum (i) the Fund and Master Fund have not applied for registration as a mutual fund or other regulated entity; (ii) the Investment Manager has not applied for registration as an investment manager or investment adviser; and (iii) the Shares have not been registered for sale under the laws of any jurisdiction. To the extent that any of the foregoing registrations were required but not obtained, such failure to register could have severe adverse consequences.

Exchange Rate Risk

The Fund's Net Asset Value and the Net Asset Value of the Shares will be calculated in U.S. dollars. Each Shareholder, and not the Fund, will bear the risk of any foreign currency exposure resulting from changes, if any, in the value of the U.S. dollar relative to the value of the currency of the country in which each Shareholder maintains its net worth.

Suitability Standards

Because of the risks involved, investment in the Fund is only suitable for sophisticated investors who are able to bear the loss of substantial portion or even all of the money they invest in the Fund, who understand the high degree of risk involved, believe that the investment is suitable based upon their investment objectives and financial needs and have no need for liquidity of investment.

Executing Broker-Dealer

The Master Fund may retain LW Securities, S.A. (“LW Securities”), a broker-dealer with which the Investment Manager is affiliated, to execute and receive commissions on certain portfolio transactions for the Master Fund. Although the Investment Manager may firmly believe that the fees charged by LW Securities are at or below applicable market rates, the use of LW Securities to execute transactions for the Master Fund may result in some instances in higher commissions, greater spreads or less favorable net prices, on transactions for the Master Fund than might otherwise be the case if the Investment Manager selected brokers or dealers on a competitive basis. Commissions received by LW Securities will indirectly or directly benefit the Investment Manager as well as directly benefit the Investment Manager’s members. The Master Fund, in its discretion, may retain several different broker-dealers.

Prime Broker

The Master Fund has retained Jefferies & Company, Inc. as Prime Broker. The Master Fund, however, may retain other entities to serve as Prime Broker. The securities in margin accounts maintained with the Prime Broker and any securities for which the Master Fund has not fully paid together with all attendant ownership rights may be loaned to the Prime Broker or to others, or may be used by the Prime Broker as collateral for their general loans. Such assets may become available to third party creditors of the Prime Broker.

CONFLICTS OF INTEREST

Because the Investment Manager receives a Management Fee based on the Net Asset Value of the Fund, there is a potential conflict of interest between the responsibility of the Investment Manager to maximize profits from investment and trading and the possible desire of the Investment Manager to avoid taking risks that might reduce the Net Asset Value of the Fund and, consequently, reduce the Management Fee payable to the Investment Manager. In addition, the right of the Investment Manager to receipt of all or a portion of the Incentive Fee may create an incentive for the Investment Manager to cause the Master Fund to make investments that involve more risk or are more speculative than would otherwise be the case if the Investment Manager was allocated only a fixed amount as a fee.

The Investment Manager may act as an adviser or consultant to one or more other entities or individuals, including affiliates and employees of affiliates, that have investments which may be substantially similar to the investments of the Master Fund, or which employ an investment strategy similar to the investment strategy employed by the Master Fund. The advice and securities recommendations that the Investment Manager may give to these other accounts and the securities that the Investment Manager may buy or sell for these other accounts may differ from the advice and recommendations that the Investment Manager gives to the Master Fund, and the securities bought or sold for the Master Fund, even if these other accounts employ substantially the same investment strategy as does the Master Fund. The Investment Manager cannot guarantee that trades for these other accounts will not be different from or opposite to or entered ahead of trades entered into by or for the Master Fund. The performance of the Master Fund’s

investments could be adversely affected by the manner in which the Investment Manager enters particular orders for all such accounts.

Frequently, the Master Fund and one or more of these other accounts may be prepared to purchase, or may desire to sell, the same security at approximately the same time. Because of market fluctuations, the prices obtained on such transactions within a single day may vary substantially. In such a case, some accounts would receive the benefit of the more favorable prices while others would not. In order to more equitably allocate the effects of such market fluctuations, for certain transactions, the Investment Manager will endeavor to use a procedure commonly referred to as “averaging” or “batching.” In some cases, it is possible that batching the Master Fund’s orders with those of other accounts may affect adversely the price paid or received by the Master Fund or the size of the position purchased or sold by the Master Fund, although in many cases, this practice of batching orders may result in brokerage cost savings and block transactions effected at more favorable prices.

The Investment Manager and/or its Affiliates and their respective directors, officers, employees and agents may, from time to time, engage in trading and investment activities for their own accounts which may be similar to or different from trading and investment activities of the Master Fund. The Investment Manager is not prohibited from taking positions on behalf of the Master Fund in companies in which its partners, officers, or directors may have invested or may invest in the future, provided the investment of Fund assets is made in good faith in the reasonable belief that the Master Fund will benefit thereby, and the investment is believed to be consistent with the Master Fund’s investment objectives.

DIRECTORS

The Board of Directors shall consist of at least two, but not more than ten, members and will, pursuant to applicable law, have ultimate responsibility for managing the Fund. Pursuant to the Investment Management Agreement and the Administrative Agreement, the Directors have delegated the day-to-day operations of the Fund to the Investment Manager, the Administrator and the Registrar. The Directors will procure investment advisory, administrative, custodial, legal, accounting and other required services for the Fund. The Directors will review the performance of the Investment Manager, the Administrator and the Registrar on a periodic basis. The Articles of Association do not stipulate a retirement age for a Director and do not provide for retirement of any Director and there is no shareholding qualification for any Director. The Directors are empowered to exercise all of the borrowing powers of the Fund. The address of all of the Directors, for the purposes of the Fund, is the office of the Administrator. In addition, there are no service contracts in existence or proposed between the Fund and any Directors.

Each of the Directors also serves as a Director of the Master Fund. As such, the Directors may be deemed to have a potential conflict of interest with respect to their holding office as a Director for both the Fund and the Master Fund, which will be engaging in a series of transactions as described herein. To the extent that a potential dispute arises between the Fund and the Master Fund, the Directors shall use their best efforts to resolve such a dispute in the best interests of the holders of interests in each of the Master Fund and the Fund to the extent reasonable and practicable.

The Directors, each of which serves as a Director of the Master Fund, of the Fund are:

Neil Malloy. Mr. Malloy is currently the Chairman of International Briquettes Holding (IBH), a company listed on the Venezuelan stock exchange which produces and trades reduced iron briquettes. Before acting as Chairman of IBH, Mr. Malloy was the President and CEO of IBH from 2002 to 2008. Mr. Malloy worked for Siderurgica Venezolana “Sivensa” S.A. from 1977 to 2002, and served as a Vice-President and CFO of Sivensa from 1982 to 2002. Mr. Malloy is a board member of several public and private companies in Latin America. Mr. Malloy received a

degree in Political Science from the University of Pennsylvania in 1969 and an MBA from the University of Michigan in 1975.

Carlos Zalles. Mr. Zalles is the President and Chief Investment Officer of LW Investment Management Ltd., a position he assumed in February 2008. Previously, Mr. Zalles was founder and CEO of LW Securities, a boutique investment bank formed in 1995 under the name Andino Capital Markets (ACM). At ACM, Mr. Zalles had direct responsibility over asset management, trading and distribution activities. Between 1987 and 1995, Mr. Zalles, a founding partner of VestcorPartners, developed and managed the trading and brokerage services of the firm throughout Latin America. From 1980 to 1987, he worked at Bank of America, where he was VP and Senior Credit Officer for Mexico and Venezuela, responsible for local Corporate Banking relationships and the Distressed Asset Group. He started his career in 1975 at American Security Bank in Washington DC, where he ultimately became Head of Latin America. Mr. Zalles received a B.S. in Business Administration from Georgetown University. He is a member of the Board of Advisors of Georgetown's McDonough School of Business.

Nico Civelli. Mr. Civelli incorporated his own consulting company, Niconsult Ltd., in 2005 and has acted as an independent financial advisor in Zurich where he has been involved in different corporate finance and money management activities. Additionally, he consults for a well-known private fund management company in Zurich specialized in the natural resource sector. Having lived in Vancouver for almost 18 months and having dual citizenship, Mr. Civelli brings cross-cultural expertise as well as experience in natural resource ventures. After studying at the Universities of Zurich and St Gallen he finished his Master's degree in applied finance at the University of Southern Queensland in Australia. Before and during his studies he worked for several independent money managers and a private Bank in Zurich.

Jose Javier Llanos, CFA. Mr. Llanos started his career at Vestcor Partners in the corporate finance area executing financial advisory and debt structuring and privatization transactions. Since 1994, Mr. Llanos has participated in the sourcing and structuring team for major private equity funds in the Andean region. Mr. Llanos graduated as a Civil Engineer with high honors at Universidad Santa María in Venezuela and holds a MBA from Instituto de Estudios Superiores de Administración (IESA) in Venezuela. Mr. Llanos has participated in the General Manager Program at Harvard Business School, Harvard University. In addition, Mr. Llanos holds the CFA designation awarded by the CFA Institute.

Gonzalo Alonso. Mr. Alonso is a principal of ActiValores, a leading Venezuelan investment bank, which he joined in 1989. Before joining ActiValores, Mr. Alonso held various positions in the Finance Division of Procter & Gamble of Venezuela, specializing in the management of Investment Portfolios. Mr. Alonso was President of the Venezuelan Brokerage House Association for two consecutive periods. He was alternate Director of the Caracas Stock Exchange for three consecutive periods. In 2007 he joined Alqvemy Group, a firm based in Barcelona (Spain), which is focused in Corporate Finance, Fund Raising and Investment Advising. He holds a degree in Materials Engineering (Universidad Simon Bolivar, Caracas) and graduated from PAG (Advanced Management Program, IESA, Caracas). Mr. Alonso holds dual citizenship from Spain and Venezuela and currently resides in Barcelona, Spain.

Roberto Zalles. Mr. Zalles has over 30 years of experience in financial services focused primarily on the Andean countries. He held senior positions at Citibank N.A. and Bear Stearns in New York during the 1980s and 1990s and more recently, Mr. Zalles has been running his own financial consulting firm in Peru, providing advisory services to major US investment banks and regional corporations and serving on the Boards of Directors of several companies in the region. Mr. Zalles has also been active in the mining industry where he was a Director and President of

the COMSUR/MINERA group, owner and operator of several tin, gold, zinc, silver and lead mines in Bolivia and Argentina. Mr. Zalles holds an Economics degree from Yale University. Currently, Mr. Zalles holds the position of managing director of LW Securities' office in Peru.

Luis Baertl. Mr. Baertl is the founder of Peru Copper, Inc. and the owner of the Toromocho Copper Molybdenum Project. He is also a director of Fundacion San Pedro and the chairman of Administradora de Canales del Maipo. Previously, Mr. Baertl served as the Vice-President of BHP Billiton and served as a team leader in the structuring and implementation of the Codelco/BHP Billiton joint venture. With Billiton, Mr. Baertl has also served as the Vice-President of Billiton Base Metals and the Director of Corporate Development. In addition, Mr. Baertl was formerly the Vice-President Mining Head of the southern Andean region for Citibank, the Mining Head for Chase Manhattan Bank Western Hemisphere, and the Chile Vice-President of Corporate Finance for Chase Manhattan Bank Western Hemisphere. Mr. Baertl studied extractive metallurgy at the University of Lima, Peru.

The Fund will reimburse each Director for the travel and other reasonable out-of-pocket expenses incurred in connection with his services. The Directors may also receive annual director's fees. The Directors have not entered into a service contract as Directors with the Fund, nor is any such contract proposed. A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is interested; provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any interest of his therein. A Director may vote in respect of any contract or arrangement or any proposal whatsoever in respect of which he has an interest, having first disclosed such interest.

In addition, the Fund's Articles of Association provide that the Directors, officers and agents of the Fund shall be indemnified out of the assets of the Fund from and against all actions, proceedings, costs, charges, losses, damages, liabilities and expenses incurred or sustained in or about the conduct of the Fund's business or affairs or in the execution or discharge of duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred in defending (whether successfully or otherwise) any civil proceedings concerning the Fund or its affairs in any court whether in the Cayman Islands or elsewhere. Furthermore, no Director, officer or agent of the Fund (but not including the Fund's auditor) shall be liable (i) for the acts, receipts, neglects, defaults or omissions of any other such Director or officer or agent of the Fund; (ii) by reason of his having joined in any receipt for money not received by him personally; (iii) for any loss on account of defect of title to any property of the Fund; (iv) on account of the insufficiency of any security in or upon which any money of the Fund shall be invested; (v) for any loss incurred through any bank, broker or other agent; (vi) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgment or oversight on his part or (vii) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of his office or in relation thereto, unless the same shall happen through his own dishonesty. Notwithstanding the foregoing, the Fund will not indemnify any Indemnified Person for any act or omission constituting gross negligence or willful misconduct.

As at the date hereof, none of the Directors, nor any connected person since incorporation has a direct or an indirect interest in the underlying assets or Share capital of the Fund. However, the Directors have invested in the Fund and may do so again in the future.

INVESTMENT MANAGER

LW Investment Management Ltd., a Cayman Islands exempted company with limited liability, serves as the Investment Manager for the Fund and the Master Fund. The Investment Manager shall regularly provide investment advice to the Fund and the Master Fund, and supervise the investment and

reinvestment of cash, securities or other property comprising the assets of the investment portfolio of the Master Fund. In addition, the Investment Manager may engage sub-advisers to provide advisory services to the Fund. Any such sub-advisers will be compensated by the Investment Manager from amounts received by the Investment Manager from the Fund, and investors will not be charged additional fees for this service. The Investment Manager is not registered with the U.S. Securities and Exchange Commission. The President and the Managing Director of the Investment Manager is Carlos Zalles (see “Directors” above for a biography). The registered address of the Investment Manager is c/o Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1 - 9005, Cayman Islands.

In addition to the Fund and the Master Fund, the Investment Manager and/or its affiliates may manage other investment vehicles and accounts. The Investment Manager and/or its affiliates may agree to terms with such other investment vehicles or accounts, or with the investors in such other investment vehicles or accounts, that differ from the terms entered into with the Fund, the Master Fund and/or any of their respective investors, including, without limitation, terms related to management fees, incentive allocations or fees, reporting, notice periods for redemptions of interests, redemption dates, redemption fees or other redemption terms.

The Investment Manager has sole investment discretion for the Fund and the Master Fund with respect to their assets and will make all decisions affecting such assets in accordance with their stated objective and policies. The Investment Manager will select investments for the Master Fund and will place purchase and sale orders for investments on behalf of the Master Fund. The Fund will pay the Investment Manager a Management Fee equal to 1/12th of two percent (2%) of the total month-end Net Asset Value of the Fund as of the last day of the relevant month, before deduction of any accrued Management Fee or Incentive Fee and any distributions or redemptions made during the relevant period. The Management Fee accrues monthly and is payable to the Investment Manager monthly in arrears. In the sole discretion of the Investment Manager, the Management Fee may be waived, reduced, rebated or shared with respect to certain investors.

The Investment Management Agreement provides that to the fullest extent permitted by law, the Fund shall indemnify the Investment Manager, any of its affiliates, and any of their respective members, managers, partners, directors, officers, or employees (each, an “Indemnified Person”) against any loss, cost or expense suffered or sustained by such Indemnified Persons by reason of (i) any acts, omissions or alleged acts or omissions arising out of, or in connection with, the Investment Management Agreement and/or any investment made or held by the Fund, including, without limitation, any judgment, award, settlement, attorneys’ fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim, provided that such acts, omissions or alleged acts or omissions upon which such actual or threatened action, proceeding or claim are based were not made in bad faith or did not constitute fraud, willful misconduct or gross negligence by such Indemnified Person, or (ii) any acts or omissions, or alleged acts or omissions, of any broker or agent of any such Indemnified Person, provided that such broker or agent was selected by such Indemnified Person with reasonable care. In addition, the Fund will advance to an Indemnified Person (to the extent that each has available assets and need not borrow to do so) attorneys’ fees and other costs and expenses incurred in connection with the defense of any action or proceeding arising out of such performance or non-performance, provided that in the event any such Indemnified Person receives any such advance, it shall reimburse the Fund for such fees, costs and expenses to the extent that it shall be determined that it was not entitled to indemnification under the Investment Management Agreement. Notwithstanding any of the foregoing to the contrary, the federal securities laws of the United States impose liability under certain circumstances even on persons who act in good faith, and nothing in this Memorandum constitutes a waiver or limitation of any rights the Fund may have under such laws.

MANAGEMENT FEE AND INCENTIVE FEE

The Fund will pay the Investment Manager the Management Fee, calculated and payable monthly in arrears, at an annual rate of 2% of the Net Asset Value of the Fund as of the last day of the relevant month, before deduction of any accrued Management Fee or Incentive Fee and any redemptions or distributions made during the relevant period. In the sole discretion of the Investment Manager, the Management Fee may be waived, reduced, rebated or shared with respect to certain investors.

The Fund will also pay the Investment Manager an Incentive Fee for each calendar quarter (or shorter period with respect to Shares purchased during a calendar quarter) calculated and paid quarterly, equal to 20% of the Net Capital Appreciation (after deducting the Management Fee) of each Class of the Fund, if any, during such quarter calculated on a per Share basis, provided that the high water mark requirement described below has been satisfied. The Incentive Fee, if any, will be deducted from the Net Asset Value of any Shares of the relevant Class that are redeemed prior to the end of a calendar quarter.

If the Net Asset Value per Share of the relevant Class has previously reached a level at which an Incentive Fee was paid (a “High Water Mark”), a further Incentive Fee will be paid with respect to Shares of such Class only with respect to the Net Capital Appreciation from the time of the previous payment of an Incentive Fee. If no Incentive Fee previously was paid, an Incentive Fee will be paid only after the Net Asset Value of the relevant Class appreciates beyond the initial Net Asset Value of such Class. In no event will an Incentive Fee be paid for recoupment of losses. Thus, if the Net Asset Value of a Class falls below its initial Net Asset Value, or the High Water Mark at which an Incentive Fee was paid (less the Incentive Fee paid at such level), no Incentive Fee will be paid to the Investment Manager. The Investment Manager will only be entitled to a further Incentive Fee with respect to Shares of such Class when and if the Net Asset Value increases beyond its initial Net Asset Value, or its Net Asset Value following payment of the previous Incentive Fee at the High Water Mark, as appropriate. For these purposes, the “Net Asset Value” shall mean the Net Asset Value as of the Valuation Day in question.

PRIME BROKERAGE ARRANGEMENT

The Master Fund has appointed Jefferies & Company, Inc. as its Prime Broker. The Master Fund has agreed to indemnify and hold harmless the Prime Broker from and against any or all losses, costs or expenses incurred in connection with the performance by the Prime Broker of its responsibilities under the Customer Agreement. Under the terms of the Customer Agreement, the securities in the margin accounts maintained with the Prime Broker and any securities for which the Master Fund has not fully paid together with all attendant ownership rights may be loaned to the Prime Broker or to others, or may be used by the Prime Broker as collateral for its general loans. The Customer Agreement may be terminated immediately by either party at any time on written notice to the other party.

The Master Fund’s assets will be held by the Prime Broker or other brokers and dealers executing investment transactions for the Master Fund. Except as provided above, these assets will be unavailable to third party creditors of the Prime Broker in the event of any of the Prime Broker’s bankruptcy or insolvency. The Prime Broker may also provide a variety of additional services including, without limitation, preparing documentation, obtaining consents, processing notices and payment instructions in the settlement of purchases and sales of investments, collecting and distributing interest and principal payments from counterparties and paying agents following settlement and safekeeping physical evidence of securities and documentation relating to all assets purchased by the Master Fund. While the Prime Broker will use its best efforts in the prompt collection of interest and dividends due to the Master Fund, it will not be liable for the delay or noncollectibility of any such interest or dividend payments.

ADMINISTRATOR

Background

The Fund and the Master Fund have entered into an Administration Agreement (the “Administration Agreement”) with Kaufman Rossin Fund Services LLC (the “Administrator”), to perform certain services, including keeping financial records, calculating the Net Asset Value per Share and the Performance Fee, maintaining the shareholder register, and handling subscriptions and redemptions on behalf of the Fund. The Administrator is a limited liability company organized in the state of Delaware. Its office is located at 2699 S. Bayshore Drive, 9th Floor, Miami, FL. 33133. The Administrator is not a related entity of the Fund or Master Fund.

The Fund and Master Fund have appointed the Administrator to act as registrar and transfer agent (the “Registrar”). The services provided by the Administrator, in the context of acting as Registrar, include the maintenance of a copy of the Investor Register representing the Fund’s records relating to ownership and the withdrawal of funds; receipt of requests for withdrawals; authorization of withdrawal payments; authorization of disbursements of management fees, commissions and other charges; and other services as agreed on by the parties. The Registrar maintains the principal Share Register of the Fund and Master Fund in its office in Miami, FL.

For the purpose of calculating the Net Asset Value of the Fund and Master Fund, as the case may be, the Administrator will rely on, and shall not be responsible for the accuracy of, financial data furnished to it by the Investment Manager, the Prime Broker and/or any independent third party pricing services. The Administrator will not be responsible or liable for the accuracy of information furnished by other persons in performing its services for the Fund and Master Fund. The Administrator in no way acts as guarantor or offeror of the Shares or any underlying investment, nor is it responsible for the actions of the Fund’s sales agents, the Prime Broker, any other brokers or the Investment Manager.

The fees payable to the Administrator are based on its standard schedule of fees charged by the Administrator for similar services. These fees are detailed in the Administration Agreement. The Administrator is also entitled to reimbursement of actual out-of-pocket expenses incurred on behalf of the Fund and Master Fund. It should be noted that the Fund and Master Fund may retain other affiliated or additional service providers to perform the administrative services that would otherwise be performed by the Administrator and such service providers may be located in the United States.

Administration Agreement

Pursuant to the Administration Agreement:

The Fund will indemnify the Administrator and its affiliates, and its and their directors, officers, employees, representatives, delegates, and agents from and against any and all claims, demands, actions and suits, and from and against any and all judgments, liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character (collectively “Losses”) arising out of or in any way relating to the Administrator’s performance of its obligations and duties under the Administration Agreement (or the performance by any affiliate to whom services are delegated), provided that this indemnification shall not apply to the extent any such Losses result from the Administrator’s (or such affiliates) own gross negligence, fraud or willful misconduct.

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

NOT BE RESPONSIBLE FOR MONITORING ANY INVESTMENT RESTRICTIONS OR COMPLIANCE WITH THE INVESTMENT RESTRICTIONS AND THEREFORE WILL NOT BE LIABLE FOR ANY BREACH THEREOF.

OPERATING AND ORGANIZATIONAL EXPENSES

All offering and organizational expenses of the Fund were paid by the Investment Manager. The Fund will reimburse the Investment Manager for such organizational expenses. The Fund's organizational and offering expenses, to the extent the Directors deem appropriate, may be, for accounting purposes, amortized by the Fund for up to a 60 month period. Although such amortization may not be consistent with the generally accepted accounting principles applied in the U.S., the Directors believe that amortizing the organizational expenses in this manner is more equitable than requiring the initial investors in the Fund to bear the organizational costs of the Fund.

The Fund expects to redeem capital from the Master Fund or use subscription funds in order to pay for operating expenses of the Fund. The Fund will also bear its pro rata share of the Master Fund's operational expenses, including, without limitation, the fees and out-of-pocket expenses of the Master Fund's administrator, auditor and board of directors.

The cost of any risk-management strategies utilized by the Fund and Master Fund with respect to one or more classes of Shares, including costs, expenses, commissions and fees of the counterparty will be borne by Shareholders holding such classes of Shares. The Investment Manager, the Administrator and the Registrar will each bear the costs of providing their respective services to the Fund and the Master Fund, including their general overhead, salary and office expenses.

INVESTOR SUITABILITY

The Shares are offered hereby by the Fund in a private placement only to Eligible Investors. Eligible Investors are investors whose business and investment experience makes them capable of evaluating the merits and risks of their prospective investment in the Fund and who can afford to bear the economic risk of their investment for an indefinite period and have limited need for liquidity in their investment.

Each prospective investor will be required to demonstrate and to represent, among other things, that (a) he or she is an Eligible Investor; (b) his or her overall commitment to investments which are not readily marketable is reasonable in relation to his or her net worth; (c) he or she is willing and able to bear the economic risk of his or her investment in the Fund, has no need for liquidity in his investment in the Shares and is able to sustain a complete loss of his investment in the Fund; (d) he or she has read this Memorandum for purposes of evaluating the risks of investing in the Fund; (e) he or she has substantial experience in making investment decisions of this type or is relying on his or her own tax counsel or other qualified adviser in making this investment decision; and (f) he or she is purchasing the Shares for his or her own account, for investment, and not with a view to resell.

These suitability standards represent minimum requirements for prospective investors, and the satisfaction of such standards does not necessarily mean that the Shares are a suitable investment for a prospective investor. Any placement agent of the Fund will agree to comply with these restrictions and that they will not take any action that will require the registration of the Shares in any jurisdiction.

It is the responsibility of each investor to verify that the purchase and payment for the Shares is in compliance with all relevant laws of the investor's jurisdiction of residence, citizenship and domicile.

This Memorandum shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Shares in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

The distribution of this Memorandum and the offering of Shares in certain jurisdictions may be restricted, and accordingly, prospective investors should inform themselves about and observe such restrictions, including legal, tax, financial, foreign exchange or other restrictions within their own countries, for the subscription, holding or redemption of Shares or the receipt of dividends, if any, paid thereon.

ADMISSION OF SHAREHOLDERS

The Offering

Investors who purchase Shares will be admitted on the first Subscription Day of the calendar month following the Fund's acceptance of their Subscription Agreement. The Administrator must receive a prospective investor's Subscription Agreement at least three (3) Business Days prior to the applicable date on which such investor desires to be admitted to the Fund, or at other times determined in the discretion of the Directors.

Subscription funds generally must be received by the Administrator at least two (2) Business Days prior to any Subscription Day on which an investor wants to invest. Subscription funds will not earn interest pending investment. Shareholders will be required to invest a minimum of US\$100,000, subject to the discretion of the Directors to accept lesser amounts as permitted under applicable law. Upon at least three (3) Business Days' prior written notice to the Directors, additional subscriptions will be permitted with a minimum US\$100,000 incremental investment, subject to the discretion of the Directors to accept lesser amounts. The Fund reserves the right to reject any subscription, in whole or in part. The Fund may issue Shares as consideration for a contribution in kind of assets of a type in which the Fund may invest, subject to the sole discretion of the Board of Directors.

The Shares of each Series will be issued at \$1,000 per Share. Shares are issued only in registered, book-entry form. Investors whose subscription applications are accepted by the Fund will be advised by the Administrator as to the number of the Shares they have purchased as soon as practicable following the Subscription Day as of which their subscriptions were accepted.

The Fund will initially offer a single Class of Shares and may offer additional Classes in the future. In addition, the Fund will issue a different Series on each Subscription Day. The issuance of different Series will permit the Fund to track the relative investment performances experienced by Shareholders who subscribed for Shares on different Subscription Days throughout each Fiscal Quarter. The different Series will also permit the Fund to issue Shares with varying fees, redemption terms and other features.

At the end of each Fiscal Quarter, each Series of the Fund generally will be re-designated and converted into a single Series (per Class) (after payment of any Incentive Fees). Such conversion will be effected at the prevailing Net Asset Value per Share of the respective Series; *provided, however*, that no re-designation and conversion will occur, if at the end of the Fiscal Quarter either (1) the Net Asset Value of such Series is below its prior high Net Asset Value or (2) the Net Asset Value of the Initial Series is below its prior high Net Asset Value.

In the event that the Investment Manager decides, in its sole discretion, that the Fund will invest through the Master Fund in public offerings of securities that would be deemed "new issues" under FINRA Rule 5130 (formerly the National Association of Securities Dealers Rule 2790) (the "New Issue Rule"), the

Investment Manager reserves the right to restructure the Shares into two classes. The first class of Shares would be held by investors subject to the New Issue Rule which would have no economic participation in “new issues” assets so that no profits associated with “new issues” are allocated to such class of Shares. The second class of Shares would be held by investors not subject to the New Issue Rule which would have full economic participation in “new issues” assets.

The Shares are not listed on any exchange. However, the Fund reserves the right to submit an application for the Shares to be listed on securities exchanges or qualified for quotation on interdealer quotation systems at the discretion of the Directors.

Placement of Shares

The Fund may engage placement agents to offer and sell the Shares. Such placement agents may receive from the Investment Manager, as a referral fee, a portion of the Management Fees and/or Incentive Fees paid by the Fund. Details of any referral fees relating to a particular investor will be provided to that investor upon request. All subscription funds received will be deposited directly into the Fund’s account.

Registration and Transfer of Shares and Certificates

The Shares will be issued only in registered form and share certificates will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application and receipt in cleared funds of their application monies. The Fund will not issue bearer Shares. The Registrar will maintain a current list of the registered names and addresses of the Fund’s Shareholders at the registered office of the Registrar.

Any transfer of shares must be effected in accordance with the Fund’s Articles of Association. Any transferee is required to furnish the same information which would be required in connection with a direct subscription in order for a transfer application to be considered by the Registrar. The Fund’s Articles of Association permit the Directors to decline to register any transfer of shares. However, the Fund will generally only refuse a transfer if such transfer would in the opinion of the Directors, (i) result in Shares being held in breach of the laws of any country or governmental authority, or (ii) subject the Fund or its Shareholders to any adverse tax or regulatory consequences under the laws of any country. Moreover, the Directors may also decline to register any transfer of Shares on which the Fund has a lien as a result of any debt, liability or engagement to or with the Fund by such Shareholder or his estate. All sales, trades and purchases of the Shares not expressly permitted in this Memorandum are prohibited. Violation of ownership and transfer restrictions may result in compulsory redemption. No fee will be charged for transfers.

The same warranties as outlined in the subscription agreement must be provided by any transferee. The Registrar will refuse any transfer to persons not providing such warranties. The minimum transfer that may be made is US\$100,000.

REDEMPTIONS

Shareholders will have the right to redeem any or all of their Shares as of the last Business Day of any calendar month by providing written notification to the Administrator at least 30 days’ prior to such redemption. The redemption price of a Share within any Series will be the Net Asset Value of the Series divided by the number of Shares in the Series, each as calculated as of the close of business of the effective date of the redemption.

Except in certain circumstances described under “Suspension of Issue and Redemption of Shares and Calculation of Net Asset Value” below, all amounts redeemed will be paid to the redeeming Shareholder within 5 Business Days from the date the Fund receives the redeemed amounts from the Master Fund, which is expected to occur within 30 days of the effective date of the redemption; *provided, however*, that with respect to redemptions of 90% or more of the aggregate Net Asset Value of an investor’s Shares, the Fund will pay approximately 90% of the redemptions proceeds, and may withhold up to 10% of such proceeds, within 5 Business Days from the date the Fund receives the redeemed amounts from the Master Fund, with the balance of any amounts withheld, subject to any necessary adjustments, payable as soon as practicable following the completion of the Fund’s audited financial statements for the Fiscal Year ended during which such redemption occurred.

The Directors, in their sole discretion, may hold back a reasonable and appropriate portion of a redemption (i) to account for any contingent liabilities in, or fees or expenses charged by, the Fund, including, without limitation, Management Fees, Incentive Fees and/or fees, expenses or liabilities related to, or resulting from, any litigation, (ii) to account for a redeeming Shareholder’s share of any contingent liabilities in, or fees or expenses charged by, the Master Fund, including, without limitation, any redemption fees and/or any fees, expenses or liabilities related to, or resulting from, any litigation, or (iii) if it is determined by the Directors that such hold back is necessary to avoid an adverse impact on the Fund and/or the Master Fund. The Fund or the Master Fund may also withhold taxes from any redemption to the extent required by the Internal Revenue Code or any other applicable law. Neither the Fund nor the Master Fund will pay interest on any withheld amounts. Any such amounts withheld shall be paid upon final determination of the contingency, which determination shall be made as promptly as is practicable insofar as the Directors are involved in making such determination.

Unless the Directors otherwise determine in their absolute discretion, if one or more redemption requests are received in a Fiscal Quarter that would, if satisfied, result in the redemptions of an amount equal to more than 20% of the total net asset value of the Master Fund, the Fund will reduce the amount of each redemption request pro rata so that redemption requests represent in aggregate an amount equal to no more than 20% of the total net asset value of the Master Fund; *provided, however*, that priority will be given to redemption requests received, but not completely processed in respect of prior redemptions. Other limitations on redemptions may exist as a result of redemption restrictions imposed by the Master Fund.

Shareholders may not be able to liquidate their investment in the event of emergency or for any other reason because there is not now any public market for Shares and it is not anticipated that one will develop. In-kind distributions may be permitted by the Directors, in their sole discretion.

VALUATION

Unless the Directors suspend the calculation of Net Asset Value (as provided herein), the Administrator will calculate Net Asset Value and Net Asset Value per Share (as such terms are defined below) in U.S. Dollars on each Valuation Day on the basis of the value of the account as of Close of Business on such date. A separate sub-capital account will be created for each Series of Shares offered by the Fund. All fees, expenses and liabilities that are identified solely with a particular share class or Series of Shares will be charged against that class or Series of Shares in computing its Net Asset Value. Other fees and expenses will be allocated pro rata among the classes or Series based on their respective Net Asset Values, as necessary. The Net Asset Value of each Class or Series will be equal to the value of the Fund’s capital account in the Master Fund that relates to such Class or Series less certain expenses, liabilities and reserves associated with the operation of the Fund. The Net Asset Value per Share will be equal to the Net Asset Value of the relevant Share Class as of the Valuation Day divided by the number of outstanding Shares in such class at the close of business on such date. Shares called for redemption on a

Valuation Day shall be deemed outstanding on such Valuation Day. Shares subscribed for on a Valuation Day shall not be deemed to be outstanding on such Valuation Day. The Net Asset Value per Share (except as noted below) will reflect a proportionate share of the accrued Incentive Fees, if any.

The Fund, as part of its investment in the Master Fund, will have a capital account that will initially be equal to its capital contribution. A separate sub-capital account will be created for each series of shares offered by the Master Fund. The Fund's capital accounts in the Master Fund generally will be (a) increased by the amount of any additional capital contributions made by the Fund and the Fund's share of net profits of the Master Fund, and (b) decreased by the amount of any redemptions made by the Fund, the Fund's share of net losses and deductions of the Master Fund, including the Fund's share of any fees and expenses incurred by the Master Fund, and all amounts distributed to the Fund.

The assets of the Master Fund will be recorded at their fair value, as determined in good faith by the Administrator based only upon the reports, prices, balances, data, advice, instructions and any other information of any kind whatsoever provided by the Master Fund, Prime Broker or the Investment Manager. The Administrator may rely solely on the valuations provided by the Prime Broker and/or the Investment Manager. Securities and other traded instruments and contracts generally will be marked to market.

Except as otherwise provided, the Net Asset Value per Share will be determined by or at the direction of the Administrator and made available at the offices of the Administrator at the address identified in this Memorandum. Net Asset Value will be expressed in dollars and the value of any assets or liabilities expressed in terms of currencies other than the dollar will be translated into dollars at the prevailing market rates as determined by the Administrator.

The Master Fund's current valuation policies with respect to certain types of assets are described below:

For instruments with limited liquidity, the mid-point between the bid and ask prices will be used, taking into consideration quotes from different traders (when more than one exists) and the likelihood of such traders completing a trade of a volume similar to the position held by the Master Fund with respect to such instruments.

The Master Fund invests in restricted securities, including securities of companies listed on the Toronto Stock Exchange and the Toronto Venture Exchange. For restricted shares of listed companies, the price of non-restricted listed shares is considered, along with the nature and length of the restriction. If the length of the restriction is less than or equal to four months, then the restricted shares may be priced at the same price as the non-restricted listed shares. In all other cases, a 10% discount on market prices will be applied.

Non-exchange traded instruments are valued at cost or, when possible, an alternative valuation method that makes use of as many market-derived parameters as possible is utilized (*e.g.*, for non-exchange traded warrants the Black-Scholes option pricing approach is applied, taking into consideration the total amount of shares, warrants and options outstanding).

Asset-backed lending structures are valued by considering information received regarding the credit standing of a borrower and, if available, the yield-to-maturity rate for any liquid traded debt that such borrower may have.

Private equity investments are generally valued at cost or at the price derived from the most recent placement. As discussed above, for non-exchange traded options and warrants, the Black-Scholes approach is used, taking into consideration the total amount of shares, warrants and options outstanding.

Prospective investors should be aware that situations involving uncertainties as to the valuation of the Master Fund's assets could have an adverse effect on Net Asset Value calculations if judgments regarding appropriate valuations made by the Investment Manager or the Administrator should prove incorrect. Absent bad faith or manifest error, the determination of the Net Asset Value will be conclusive and binding on all holders of Shares.

SUSPENSION OF ISSUE AND REDEMPTION OF SHARES AND CALCULATION OF NET ASSET VALUE

Subject to the prior approval of the Board of Directors and after consultation with the Investment Manager, the Administrator may suspend the calculation of Net Asset Value, the issuance of Shares and the right of each shareholder to redeem Shares:

1. during any period that Net Asset Value cannot practicably be determined on an accurate and timely basis (e.g., when any markets in which a significant portion of the Master Fund's assets is regularly quoted or traded is closed, other than for holidays, or trading thereon has been restricted or suspended, or market makers are unable to provide broker bids as to securities that comprise a significant portion of the Master Fund's assets and are not traded on an exchange or market);

2. during any period that, as a result of political, economic, military or monetary events or conditions or circumstances beyond the responsibility or control of the Fund or the Master Fund, disposal of the assets of the Master Fund or other transactions in the ordinary course of the Master 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 the Master Fund or the Fund and its shareholders; or

3. during any period that the Master Fund has suspended or restricted withdrawals of all or only some of its interests for any reason.

In the event of any such suspension, the Fund may withhold payment to any person who has tendered a redemption request until after the suspension has been lifted. Notice of suspension will be given to any shareholder that has tendered a redemption request and the redemption will be completed as of the first Valuation Day on which the calculation of Net Asset Value is resumed on the basis of Net Asset Value on such Valuation Day.

The issuance of Shares and the right of each shareholder to redeem Shares shall be terminated on a commencement of the winding up of the Fund.

INVESTMENT REPORTS/FINANCIAL STATEMENTS

Within 120 calendar days of the end of each Fiscal Year of the Fund (subject to reasonable delays), each Shareholder will receive audited financial statements of the Fund and tax information regarding the Fund necessary for the completion of the Shareholder's tax return. In addition, at least quarterly, the Fund may furnish each Shareholder un-audited financial reports.

CERTAIN TAX CONSIDERATIONS

Cayman Islands

There is, at present, no direct taxation in the Cayman Islands and interest, dividends and gains payable to the Fund and to the Master Fund will be received free of all Cayman Islands taxes.

Each of the Fund and the Master Fund is registered as an "exempted company" pursuant to the Companies Law (as amended) of the Cayman Islands. Each of the Fund and the Master Fund has received an undertaking from the Governor in Cabinet of the Cayman Islands to the effect that, for a period of twenty years from such date, no law that thereafter is enacted in the Cayman Islands imposing any tax or duty to be levied on profits, income or on gains or appreciation, or any tax in the nature of estate duty or inheritance tax, will apply to any property comprised in or any income arising under the Fund or the Master Fund, or to the respective Shareholders thereof, in respect of any such property or income.

European Union 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 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 [or Portfolio Fund]) become subject to the reporting regime (or the withholding tax regime) imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, if payment of such income is made by a paying agent established either in another Member State or in certain other jurisdictions which have agreed to introduce an equivalent reporting (or withholding tax) regime in respect of such payments.

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

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

United States

TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE UNITED STATES ("US") INTERNAL REVENUE SERVICE ("IRS"), PLEASE BE INFORMED THAT: (1) ANY US FEDERAL TAX ADVICE CONTAINED IN THIS MEMORANDUM (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), (2) ANY SUCH ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR

MARKETING OF THE TRANSACTIONS DESCRIBED HEREIN, AND (3) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The Fund will be treated as a corporation for US federal income tax purposes.

For the purposes of this section, "United States Person" shall have the meaning given to such term under the Code. Such term generally includes US citizens, resident aliens, corporations and partnerships created or organized in the US, and certain trusts that are controlled by United States Persons or are under the authority of a US court.

As a foreign corporation, the Fund generally will not be subject to US federal income taxation on income or gain realised by it from trading and investment activities provided that the Fund is not engaged in, and is not deemed to be engaged in, a US trade or business to which such income or gain is treated as effectively connected. The Fund should not be considered to be so engaged, so long as (i) the Fund is not considered a dealer in stock or securities and does not regularly offer to enter into, assume, offset, assign, or terminate positions in derivatives with customers, (ii) the Fund's US business activities (if any) consist solely of investing and trading in stock, securities, and derivatives for its own account, (iii) any entity in which the Fund invests that is treated as a disregarded entity or partnership for US federal income tax purposes is not engaged in, or deemed to be engaged in, a US trade or business, and (iv) neither the Fund nor any such entity owns any "United States real property interest" within the meaning of Section 897 of the Code. The Fund intends to conduct its affairs in a manner that meets such requirements, although there can be no assurance that it will be able to do so.

Even assuming the Fund is not engaged in, or deemed to be engaged in, a US trade or business, it will be subject to a 30 per cent. US withholding tax on the gross amount of (i) any US source interest income that falls outside the "portfolio interest" exception or other available exception to withholding tax, (ii) US source dividend income, and (iii) any other US source fixed or determinable annual or periodic gains, profits, or income. In the event that the Fund were engaged in, or deemed to be engaged in, a US trade or business in any year, the Fund (but not any of its shareholders) would be required to file a US federal income tax return for such year and pay tax on its income and gain that is effectively connected with such US trade or business at US corporate tax rates. In addition, the Fund may be required to pay a branch profits tax equal to 30 per cent. of the dividend equivalent amount for the taxable year.

US Taxation of Non-US Investors

Distributions from the Fund and gain realized upon the sale or other disposition of Ordinary Shares held as a capital asset should generally not be subject to US federal income tax, provided that the distributions or gain are not effectively connected with the conduct of a trade or business in the United States. However, in the case of an investor who is not a United States Person and who is a non-resident alien individual, such gain will be subject to United States tax at a rate of 30% 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 non-resident alien individual has previously established a different taxable year) and (ii) such gain is derived from US sources.

Generally, the source of gain upon the sale or other disposition of Ordinary 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 nonresident alien with respect to the United States being treated as a United States resident only for purposes of determining the source of income. Each potential individual investor who anticipates being present in the United States for 183 days

or more (in any taxable year) should consult his or her own tax advisor with respect to the possible application of this rule.

Gain realized by an investor that is not a United States Person and that is engaged in the conduct of a United States trade or business will be subject to US federal income tax upon the sale, exchange or redemption of Ordinary Shares if such gain is effectively connected with its United States trade or business.

Any distribution from the Fund may be subject to taxes in the investor's jurisdiction of domicile.

The above summary is based on advice received by the Fund regarding the Code, and the rules, regulations, and existing interpretations relating to them, any of which could be changed at any time. The above summary further assumes that the Fund will be treated as a corporation for US federal income tax purposes. The tax consequences for certain investors in the Fund may be other than as stated above. Investors considering an investment in the Fund must consult with their own tax advisors as to the United States federal, state, local and foreign tax consequences of such an investment.

CAPITALIZATION OF THE FUND

Ordinary Shares and Management Shares

The Fund has an authorized share capital of \$50,000 consisting of 4,999,900 non-voting redeemable Participating Shares of \$0.01 par value each, and 100 Management Shares of \$0.01 par value each. No capital of the Fund is under option or agreed, conditionally or unconditionally, to be put under option to any person. The Directors may issue the Shares in separate Series. Shares may be issued in one or more Classes, at the direction of the Board of Directors. On or before the allotment of any Shares, the Directors shall determine (on the basis of each investor's Subscription Agreement) the Series (or Class, if applicable) to which such Shares shall belong.

The Management Shares are voting, non-participating shares that are not redeemable and that have no right to any dividends or other distribution. On the liquidation of the Fund the holder of the Management Shares will be entitled to return of the par value of the share capital paid upon the issue of the Management Shares. The purpose of the Management Shares is to ensure that after all redemptions there remains at least one share in issue as required by Cayman Islands law. The holder of the Management Shares is entitled to receive notice of and attend all meetings of Shareholders and vote upon matters that come before such meetings. All the Management Shares are currently held by the Investment Manager.

Each Share participates ratably (according to its Net Asset Value per Share) with all other outstanding Shares in the Fund's assets and earnings and has the redemption rights described herein. No conversion or preemptive rights exist in connection with any Shares. All Shares, when duly issued, will be fully paid and non-assessable.

The Fund may issue further Shares, create additional classes, and increase its authorized capital, subject to the Fund's Articles of Association and Cayman Islands law. A copy of the Cayman Islands Companies Law, as amended, is available at the registered office for review. The Cayman Islands Companies Law, as amended, provides that certain activities of the Fund require the passing of ordinary resolutions or special resolutions of the Shareholders.

Voting

Only the holders of the Management Shares are entitled to vote on matters presented at a meeting of Shareholders, or otherwise requiring Shareholder action. The Shares are not entitled to vote at, to receive notice of, or attend general meetings of the Shareholders of the Fund; however, Shares do carry the right to vote at class meetings and participate in the profits and losses of the Fund.

Modification of Rights

The rights conferred upon the holders of the Shares of any Class or Series issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of such Shares of that Class or Series, be deemed materially adversely varied or abrogated by, *inter alia*, (i) the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them, (ii) the redemption or repurchase of any Shares, (iii) the passing of any Directors' resolution to change or vary any investment objective, investment technique and strategy and/or investment policy in relation to a Class or Series of Shares, (iv) any change to any minimum investment requirement, (v) the liquidation of the Fund and distribution of its assets, (vi) the vesting of the assets of the Fund in, or in trustees for, the Shareholders in specie, or (vii) any amendment determined by the Directors in their sole discretion as being necessary or desirable for the purpose of (a) clarifying any inaccuracy or ambiguity or reconciling any inconsistency as between or among any provisions of the Fund's Articles of Association and this Memorandum with respect to any Class or Series or (b) deleting or adding any provision required to be deleted or added by any governmental agency or official or in order to comply with any rule, law or regulation applicable to the Fund, or any other amendment similar to the foregoing that the Directors determine to be in the best interests of the Fund.

Alteration of Memorandum and Articles of Association

The Fund's Memorandum and Articles of Association may be altered by a special resolution of the Fund. Only the holder of the Management Shares shall be entitled to vote upon any such resolution although any alteration of the Fund's Memorandum and Articles of Association that constitutes a variation of the rights attaching to the Shares shall require the requisite level of consent from the holders of such Shares as described above under "Modification of Rights."

DIVIDEND POLICY

Any distributions made by the Master Fund, including distributions made to the Fund, will be made in the sole discretion of the Directors. No distributions are presently anticipated. The Fund will not pay any dividends unless it has received a distribution from the Master Fund. Any distributions made to the Fund by the Master Fund may, in the Board of Director's sole discretion, be distributed as dividends to the Shareholders of the Fund. All undistributed net investment income, if any, will be held by the Master Fund and reflected in the Net Asset Value. To the extent that a dividend may be paid, however, such dividend will only be paid in compliance with any applicable law and regulations.

WINDING UP

The Fund may at any time be wound up by special resolution of the holders of the Management Shares. On a winding up of the Fund, the assets available for distribution among the Shareholders shall be distributed among the Shareholders in proportion to the Net Asset Value per Share of the Class and Series held.

PRIVACY

The Fund does not disclose any nonpublic personal information about its investors or former investors to anyone, with the exception of the Fund's attorneys, accountants and auditors or as otherwise required by applicable law. However, in order to service Fund accounts and effect transactions, non-public personal information may be provided to third parties. The Fund requires all third party service providers and financial institutions with which it has contractual arrangements to protect the confidentiality of investor information and to use the information only for purposes related to the operation and management of the Fund.

REGULATION

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 the Mutual Funds Law. However, the Fund is not required to be licensed or to employ a licensed mutual fund administrator since the minimum aggregate investment purchasable by a prospective investor in the Fund exceeds US\$100,000.

The Master Fund is exempt from registration as a mutual fund and accordingly is not regulated in terms of the Mutual Funds Law.

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 document 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 a court to have the Fund wound up.

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

1. is or is likely to become unable to meet its obligations as they fall due;

2. 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;
3. is not being managed in a fit and proper manner; or
4. has appointed any person as a Director, manager or officer who 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.

LEGAL PROCEEDINGS

The Fund is not now, and has not been since the date of its incorporation, a party to any litigation, arbitration or other proceedings and is not aware of any pending or threatened litigation, arbitration or other proceedings against the Fund.

MONEY LAUNDERING

As part of the Fund's responsibility for the prevention of money laundering, the Fund will not accept the investment of funds by persons acting, directly or indirectly, in contravention of any applicable money laundering regulations or conventions of the United States, Cayman Islands, or any other applicable international jurisdiction, or on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Organization for Economic Cooperation and Development, Financial Action Task Force, U.S. Office of Foreign Assets Control, U.S. Federal Bureau of Investigation, U.S. Internal Revenue Service, or other similar or successor entities, all as such lists may be amended from time to time ("Prohibited Investments").

The Directors, the Administrator, the Registrar, the Investment Manager and any placement agent of the Fund may request such information as is necessary for verification that a proposed purchase of Shares in the Fund, whether made on an investor's own behalf or, if applicable, as an agent, trustee, representative, intermediary, nominee, or in a similar capacity on behalf of any other person or entity, nominee account or beneficial owner, whether a natural person or entity (each an "Underlying Beneficial Owner"), is not a Prohibited Investment. In the event of delay or failure by a proposed investor to produce any information required for verification purposes, the Fund may refuse to accept the subscription and the subscription monies relating thereto.

The Directors may request proposed or existing Shareholders to provide additional documentation verifying, among other things, such Shareholder's identity and the source of funds used to purchase its shares in the Fund. Depending on the circumstances of each application, a detailed verification might not be required where:

- (a) the applicant is a recognised financial institution which is regulated by a recognised regulatory authority and carries on business in a country listed in Schedule 3 of the Money Laundering Regulations (as amended) of the Cayman Islands (as amended)(a "Schedule 3 Country"); or
- (b) the application is made through a recognised intermediary which is regulated by a recognised regulatory authority and carries on business in a Schedule 3 Country. In this situation the Fund

may rely on a written assurance from the intermediary that the requisite identification procedures on the applicant for business have been carried out; or

- (c) the subscription payment is remitted from an account (or joint account) held in the applicant's name at a bank in the Cayman Islands or a bank regulated in a Schedule 3 Country. In this situation the Fund may require evidence identifying the branch or office of the bank from which the monies have been transferred, verify that the account is in the name of the applicant and retain a written record of such details.

The Directors may decline to accept a subscription or may cause the redemption of any such Shareholder from the Fund if this information is not provided or on the basis of such information that is provided.

The Directors may be required to provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the Shareholder that the information has been provided. In particular, if any person who is resident in the Cayman Islands has a suspicion that a payment to the Fund (by way of subscription or otherwise) contains the proceeds of criminal conduct that person is required to report such suspicion pursuant to the Proceeds of Crime Law (as amended) of the Cayman Islands.

The Directors will take such steps as they determine are reasonably necessary to comply with any applicable law, regulations, orders, directives or special measures. Each investor, by executing the subscription agreement consents and by owning Shares, is deemed to have consented to such steps, which may include the prohibition of further subscription for Shares in the Fund, depositing distributions to which such investor would otherwise be entitled into an escrow account, or causing the redemption of such investor from the Fund as well as disclosure by the Fund, or its agents, to third parties of information provided to the Fund pertaining to the Shareholder and, as applicable, the Underlying Beneficial Owners. The Directors, by written notice to any Shareholder, may suspend the redemption rights of such Shareholder if the Directors reasonably deem it necessary to do so to comply with anti-money laundering regulations applicable to the Fund, the Administrator, the Registrar, the Investment Manager, any placement agent of the Fund or any of the Fund's other service providers.

LEGAL REPRESENTATION

Morgan, Lewis & Bockius LLP, United States legal adviser to the Fund and the Master Fund, also acts from time to time as legal adviser to the Investment Manager. Walkers has been retained as Cayman Islands legal adviser to the Fund and the Master Fund. No separate counsel has been retained to act on behalf of the holders of Shares.

ADDITIONAL INFORMATION

This Memorandum contains a summary of the Memorandum and Articles of Association of the Fund (and of other documents referred to herein), which does not purport to be complete. The summary is subject to and qualified in its entirety by reference to the Memorandum and Articles of Association of the Fund and other documents. Copies of the following documents are available for inspection during normal business hours on any weekday (Saturday, Sunday and public holidays excepted) at the office of the Administrator for a period of fourteen (14) calendar days from the date of this Memorandum: (1) the Memorandum and Articles of Association of the Fund, as amended; (2) the Cayman Islands Companies Law, as amended; and (3) the Amended and Restated Memorandum and Articles of Association of the Master Fund.

DIRECTORY

LW NATURAL RESOURCES OPPORTUNITIES FUND LTD.

c/o

Kaufman Rossin Fund Services LLC
2699 S. Bayshore Drive, 9th Floor
Miami, FL. 33133

THE MASTER FUND

LW EMERGING MARKETS OPPORTUNITIES MASTER FUND LTD.

c/o

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Walker House
87 Mary Street, George Town
Grand Cayman KY1 - 9005, Cayman Islands

INVESTMENT MANAGER

LW INVESTMENT MANAGEMENT LTD.

c/o

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