

Wermuth USA Long Short Fund Limited

*(A Private International Collective Investment Scheme Established under
the Laws of Cyprus)*

PRIVATE OFFERING MEMORANDUM

●/●/2010

IMPORTANT NOTES

This Private Offering Memorandum is not a prospectus in accordance with the provisions of the Law 114 (I) / 2005 (“Law Providing for the conditions for making an offer to the public of securities, on the prospectus to be published 2005”) as to the requirements of the content of a prospectus.

This Private Offering Memorandum is dated, and is valid as at [●] and is based on information, law and practice as at that date. This Private Offering Memorandum is not intended to be distributed or published in the public. Neither the delivery of this Private Offering Memorandum (whether or not accompanied by any annual or half-yearly reports) nor the issue of shares shall, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Private Offering Memorandum .

The Company cannot be bound by an out of date Private Offering Memorandum when it has issued a new Private Offering Memorandum , and you should check with the Directors of the Company that this is the most recently published Private Offering Memorandum .

This Private Offering Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The Directors of the Company have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects at the date hereof and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

You should not treat the contents of this Private Offering Memorandum as advice relating to legal, taxation, investment or any other matters. If you are in any doubt about the contents of this Private Offering Memorandum or the consequences of acquiring, holding or disposing of shares issued by the Company, you should contact your independent financial adviser.

GLOSSARY OF TERMS

"Administrator"	Cyprofund Administration Services Limited will act as the administrator.
"Application Form"	The application issued by the Company for subscriptions of Participating Shares.
"Auditors"	Baker Tilly Klitou and Partners Ltd
"Business Day"	A business day in Cyprus, unless otherwise stated.
"Directors"	The members of the Board of Directors of the Company for the time being and any successors to such members as may be appointed from time to time.
"Company" / "Fund"	Wermuth USA Long Short Fund Limited
"Initial Offer Period"	The period during which Participating Shares are offered for subscription at a price as stated in Appendix 1 to this Private Offering Memorandum .
"Issue Price"	USD 100.00 for each Participating share
"Management Shares"	Voting Non-Redeemable Shares with a par value USD 100.00 each in the Company having the rights described on page 7 of this Private Offering Memorandum .
"Minimum investment"	An aggregate minimum initial investment for Participating Shares in the Company of not less than USD 100,000.
"NAV or Net Asset Value"	The amount determined in accordance with the Articles of Association by assessing the value of the assets of the Company on a Valuation Date less any accrued liabilities and expenses of the Company.
"NAV per Participating Share"	The amount determined on a Valuation Date by assessing the value on such date of the assets of the Company less any accrued liabilities or expenses of the Company and deducting there from the amount paid upon the issued and outstanding Participating Shares and dividing the amount so calculated by the total number of issued and outstanding Participating Shares. The resulting NAV per Participating Share is rounded up to two decimal places.
"Participation Shares"	Non-voting Participating redeemable Shares of the Company and offered hereunder on each Subscription Days at the NAV per Participating Share on the immediately preceding Valuation Date.
"Participating Shareholder"	The holder of Participating Shares from time to time.
"Portfolio"	The portfolio of assets and investments attributable to the Participating Shares.

"Redemption Date"	Any business day, as the directors determine, being a day on which Participating Shareholders, may redeem Participating Shares in accordance with the provisions of the Articles of Association.
"Redemption Price"	The price per share at which Participation Shares are redeemed calculated in the manner determined by the Articles of Association
"Share or Shares "	A Participating Share or Participating Shares in the Fund or as the context may require
"Subscription Days"	The last business day of the month or such other dates as determined by the Directors from time to time after the close of the Initial Offer Period at which Investors may subscribe for Participating Shares
"Subscription Price"	The price per share at which Participating Shares are issued after the close of the Initial Offer Period.
"Shareholder"	A person recorded as a holder of Participation Shares in the Company's register of shareholders.
"US Person"	<p>A "U.S. Person" as defined by Rule 902 of Regulation S under the Securities Act and does not include any "Non-United States person" as used in Rule 4.7 promulgated under the U.S. Commodity Exchange Act (as amended). "U.S. Person" is defined in Rule 902 of Regulation S under the Securities Act to mean:-</p> <ul style="list-style-type: none"> (a) any natural person resident in the United States; (b) any partnership or corporation organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a U.S. Person; (d) any trust of which any trustee is a U.S. Person; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and (h) any partnership or corporation if:-

(i) organised or incorporated under the laws of any foreign jurisdiction; and

(ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "U.S. Person" shall not include:-

(A) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;

(B) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person; if:-

(I) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and

(II) the estate is governed by non-United States law;

(C) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;

(D) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;

(E) any agency or branch of a U.S. Person located outside the United States if:

(I) the agency or branch operates for valid business reasons; and

(II) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

(III) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the Securities Act.

"Valuation Date"

The last business day of the month or such other day or days as the Directors may from time to time determine at which the Directors carry out a valuation of the property of the Company for the purpose of determining the price at which Shares may be issued, cancelled, sold or redeemed

"Sponsor"

The seed investor providing the initial financial support for the set up of the Fund

SUMMARY

The information on Wermuth USA Long Short Fund Limited set out in this summary should be read in conjunction with the full text of this Private Offering Memorandum and the Memorandum and Articles of Association from which it is derived.

Structure

Wermuth USA Long Short Fund Limited is an open-ended investment company incorporated in Cyprus as an international investment company with variable capital (“IVCC”) and with a limited liability. Its constitution is defined in its Memorandum and Articles of Association.

The Company will be registered as a regulated ICIS under the International Collective Investment Scheme Law (No 47 (I) of 1999) to be recognised as a private ICIS, having no more than 100 investors, by the Central Bank of Cyprus and which will be offered by private placement.

The Central Bank of Cyprus shall not be liable by virtue of its recognition of the IVCC or by reason of its exercise of the function conferred on it by the ICIS Law.

Recognition of the IVCC does not constitute a warranty by the Central Bank of Cyprus as to the creditworthiness or financial standing of the various parties to the IVCC.

Base Currency

The Company's base currency is the USD.

Investment Objective and Strategy

The Company's investment objectives are capital gains and avoidance of loss over the medium term. In Investment Strategy is to select stocks for long or short exposure based on value investing metrics and enter or exit positions based on automated systems which pre-select various algorithms to be applied for entry and exit of positions depending on the market environment. The Fund can be up to 100% long or up to 100% short, but it does not use leverage and it does not enter into positions of any significant size, such that any position can be exited within minutes. As a result, the fund invests in many different positions at a time, out of a universe of at least 4000 listed stocks in the US.

The business of the Company is buying, selling and short selling securities including listed stocks, futures and options of U.S and non-U.S. entities. The company may also invest in listed cash commodities, commodity futures or commodity option contracts.

The investment strategy will be determined by the Board of Directors through its Executive Directors acting jointly.

Investment Restrictions

The investment restrictions include: gross exposure does not exceed 100% of Net Asset Value (no use of leverage); no more than 20% exposure to a single issuer.

Subscriptions

Participating Shares are available for issue during the relevant Initial Offer Period at the price set out in Appendix 1 of this Private Offering Memorandum . After the close of the Initial Offer Period, investors may subscribe for Participating Shares on the Subscription Days at the applicable Subscription Price.

The Directors are authorised to close or restrict the Fund to new subscriptions, either for a specified period or until they otherwise determine and either in respect of all investors or new investors only.

Minimum Holding

The minimum initial investment per subscriber of Participating Shares is USD100,000. For subsequent subscriptions the aggregate holding after subscription must be at least USD 100,000.

Share Prices

The price of a Participating Share is calculated on each Valuation Date.

Duration of the Fund

The Fund has been established for an unlimited period of time.

DIRECTORY

Directors of the Company (“DIRECTOR”)

Marios Tannousis (executive)

Jochen Wermuth (executive)

Costas Christoforou (non-executive)

Tasos Anastasiades (non-executive)

Auditors

Baker Tilly Klitou and Partners Ltd
11, Bouboulinas street
1060 Nicosia-Cyprus
Mailing address
P.O Box 27783
2433 Nicosia-Cyprus

Custodian

Unicredit Securities International Ltd
Office 201, Egli Building, 2nd Floor,
2 Vasileos Pavlou Street,
CY-1096 Nicosia, Cyprus

Registered Office

Themistokli Dervi, 5
ELENION BUILDING, 2nd floor
P.C. 1066, Nicosia, Cyprus

Administrator

Cyprofund Administration Services
Limited
12 Esperidon Street
4th Floor
1087 Nicosia
Cyprus

Investment Advisor

Wermuth Asset Management GmbH
acting as Investment Adviser
Mainzer Landstrasse 47 60329
Frankfurt am Main

Sponsor

Stiven and Rond Agency Limited
P.O. Box 107
Oceanic House
Duke Street Grand Turk
Turks & Caicos Islands

THE SHARES

Types of Shares

The Company is structured as a variable capital company with an initial authorised share capital of USD 15,100 divided into 100 Management Shares of USD 1.00 each and 1,500,000.00 Participating Shares, of USD 0.01 each..

The Management Shares shall have the following rights:

- (a) as to voting: the holder of Management Shares have the right to receive notice of, attend and vote at any general meeting of the Company, in particular but not limited to the following matters:
 - i. the appointment or removal of any Director
 - ii. the winding up of the Company
 - iii. any amendment to the Memorandum and Articles of Association of the Company
- (b) as to capital: a Management Share shall
 - i. have the right on a winding-up to repayment of capital as set out in the Articles after the return of capital on the Participating Shares
 - ii. after the return of capital be entitled to the surplus of assets of the Company and

Management Shares are not redeemable and issued to an executive director. In case a management company will engaged, the management company will receive the Management Shares with the prior consent of the Central Bank.

The Participating Shares shall have the following rights:

- (a) as to voting: the holder of a Participating Share shall not have the right to receive notice of, attend or vote at any general meeting of the Company;
- (b) as to capital: a Participating Share shall have i) an equal right to such dividends and other distributions as the Directors may propose or / and declare ii) On a winding up, the Participating Shares are entitled in priority to the Management Shares to the return of the capital paid up thereon and after the return of capital to the surplus assets of the Company.

The issue of Participating Shares are authorised by a resolution of the Board of Directors.

These Participating Shares may be issued in different series and/or classes. The nature of the Fund restricts the offering to a maximum of 100 shareholders and the Fund is not intended to be offered to the public at large.

Title to Shares

All Shares are issued in registered form, with title to them being evidenced by an entry in the Company's register of Shareholders. Accordingly, share certificates are issued and may be held at the Company's office in safe custody for the investors. However, to assist Shareholders in monitoring their holdings of shares, a statement showing current holdings will be sent to Shareholders (or the first-named shareholder in the case of joint holdings) once a month by the Company's Administrator. If a Shareholder requires evidence of title to shares, the Company's Administrator will, upon such proof of identity as it may reasonably require, supply that Shareholder with a certified copy of the relevant entry in the Company's register of shareholders relating to that shareholder's holding of shares. The Administrator reserves the

right to charge the Shareholder concerned for the supply of any such certified copy or for any further service related thereto.

THE ADMINISTRATOR

The Company will appoint Cyprofund Administration Services Limited, a limited liability company formed under the Laws of the Republic of Cyprus, to act as Administrator of the Fund pursuant to the Administration Agreement. Under this agreement, the Company may replace at its sole discretion the Administrator at any time. The Administrator will have the responsibility for the administration of the Company including the calculation of the NAV subject to the overall supervision of the Directors.

THE CUSTODIAN

The Company will appoint Unicredit Securities International Ltd, a limited liability company formed under the Laws of the Republic of Cyprus, to act as Custodian of the Fund pursuant to Custody Services Agreement. Under this agreement, the Company may replace at its sole discretion the Custodian at any time with 30 day prior notice. The Custodian will be responsible for holding and safeguarding the assets owned by the Company.

THE INVESTMENT ADVISOR

The Company will appoint Wermuth Asset Management GmbH, a limited liability company formed under the Laws of Germany, to act as Investment Adviser of the Fund. This appointment is subject to the Investment Adviser receiving the relevant license from the German authorities authorising it to render such investment advisory services (i.e to include investment recommendations, evaluations of proposed investments, reviews and analysis of existing investments) and other administrative and support services. Under the relevant investment advisory agreement the Company will have full discretion to follow or reject the Investment advice given.

THE DIRECTORS

The Directors are responsible for the overall management, administration and control of the Company including the determination of its general investment policies in compliance with the Law and the Memorandum and Articles of Association. The Directors will review the operations of the Company at regular meetings and it is the current intention of the Directors to meet at least quarterly. For this purpose, the Directors will arrange for periodic reports detailing the performance of the Fund and providing analysis of the investment portfolio.

Under the terms of the Administrative Services Agreement, the Directors have delegated responsibility for administrative duties with respect to the Company to the Administrator.

The Company's Directors are:

Marios Tannousis

Mr. Tannousis has in particular worked since 1998 in a variety of financial roles in the private banking sector, including the positions of Head of Marketing, Research & Communication Department; Head of Asset Finance Department; Deputy Manager of the Nicosia Main branch.

Jochen Wermuth

Mr. Wermuth is currently the Chief Investment Officer and founding Partner of Wermuth Asset Management GmbH (WAM). WAM is the exclusive investment adviser to four “Greater Europe” investment funds focused on “value investments” with some USD 1 billion in AUM invested primarily in the former Soviet Union. He has held the position of Director of Deutsche Bank’s global market division, Head of Russian Debt Capital Markets; and has also worked for the Economic Expert Group under the Ministry of Finance of the Russian Federation which group provides the macro economic policy framework and economic analysis to the Russian Government.

Costas Christoforou

Mr. Christoforou has worked in a variety of financial roles since graduating, including Regional Accounting Manager Fracmaster Ltd and Financial Controller at ANR Amer Nielsen Research.

For the past five years he holds the position of the General Manager of Cyprofund Administration Services Limited, a company duly established for providing fiduciary services to companies established mainly in the Republic of Cyprus.

His responsibilities include managing firm’s services, being companies’ incorporation, banking, accounting, trust & fund administration, he is also involved with the set up of International Collective Investment Schemes and their administration.

Tasos Anastasiades

Mr. Anastasiades has a total of thirty seven years of service with the Government of Cyprus, including twenty one years in the Ministry of Finance as Economic Officer, Senior Economic Officer and then Director. He is now a consultant and financial journalist and lectures in Economics and Politics.

The Directors of the Company shall not change without the prior approval of the Central Bank of Cyprus.

VALUATIONS AND SHARE PRICES

Fund Valuations

The NAV of the Fund will be determined as at the close of the business on each Valuation Date or at such other times as the Directors may determine. The NAV of the Fund will be equal to the value of its assets less its liabilities as determined in accordance with the following provisions:

- 1) Loans will be valued having regard to generally accepted principles of banking.
- 2) Securities admitted to official listing on a recognised exchange or traded on another regulated market which operates regularly and is recognised and open to the public shall be valued on the basis of the last quoted trade price as at the close of business in the relevant market on the relevant Valuation Date.
- 3) Any unlisted investments or securities held by the Fund on the relevant day will be valued at their probable realisation value as determined with care and in good faith by the Directors.
- 4) Cash and other liquid assets shall be valued at their nominal value plus accrued interest.
- 5) Derivative instruments dealt on the markets shall be valued by reference to the price which appears to the Directors to be the settlement price for such instruments on such markets.
- 6) Any value expressed otherwise than in USD at the rate ruling on the Valuation Date.
- 7) Deductions are made for anticipated tax liabilities and for an estimated amount of other liabilities payable out of property attributable to the Fund (including, without limitation, commissions, performance fees, fees payable to the Directors and Administrator, Directors remuneration and any other charges payable on the acquisition or disposal of any investment attributable to the Fund) and for outstanding borrowings whenever payable, together with accrued but unpaid interest.
- 8) Amounts are added in respect of estimated recoverable tax and any other amounts due to be paid into the property attributable to the Fund, including interest accrued or deemed to have accrued and such part of the costs of authorising and incorporating the Company and any initial offer or issue of shares as remains unamortized.

The Directors may, at their sole discretion, permit other methods of valuation to be used if they consider that such method of valuation better reflects value generally or in particular markets or market conditions and is in accordance with good accounting practice.

Subject to the discretions referred to in the previous paragraph, the Directors have delegated to the Administrator the determination of the NAV and the NAV per Share.

Prices of Shares / NAV per Share

The NAV per Share on any Valuation Date will be calculated by dividing the NAV of the relevant Portfolio by the number of Participating Shares of the relevant Portfolio in issue as at the close of business on that Valuation Date and rounding up or down to the nearest hundredth of USD 0.01.

The amount payable on the purchase of a share will equal the sum of the price of the share calculated on the basis set out above and any initial charge. The amount received on the redemption of a share will equal the price per share calculated on the basis set out above less any redemption charge.

CONFLICT OF INTEREST

Each of the Directors and Administrator and their affiliates currently manage or may manage in the future the trading or may provide other services for investment funds or accounts in addition to those of the Company. In the event that any of the Directors and Administrator and their affiliates elect to undertake such activities and other business activities in the future such persons and or their respective principals or affiliates may be subject to conflicting demands in respect of allocating management time, services and other functions. The Directors, Administrator and their affiliates may engage in such business activities provided that their performance in relation to the Company is not impaired. The Directors, Administrator and their respective principals and affiliates will endeavour to treat each investment pool and managed account fairly and not to favour one account or pool over another. Any such person will not be prevented from dealing with the Fund, as principal or as agent, provided that any such dealings are on terms no less favourable to the Fund than could reasonably have been obtained had the dealing been effected with an independent third party. Any such person may charge and retain a commission or fee in respect of any such dealing provided such fee or commission is not in excess of rates commonly payable in respect of such dealings.

In the event that the Directors or Administrator and their principals or affiliates consider that a particular situation may result in any relevant person having a conflict between its obligations to the Company and other interest must disclose any such interest financial, fiduciary or otherwise in any proposal, contract or other matter in respect of which the Company will make a decision. The Directors and Administrator are expected to execute their duties in good faith and with a view to the best interests of the Company and its Shareholders.

BUYING AND SELLING SHARES

Buying Shares

Procedure

Requests from investors to buy Shares may be made by sending a duly completed and signed Application Form (Appendix 2 of this Private Offering Memorandum) to the Administrator Cyprofund Administration Services Limited, 12 Esperidon Street, 4th Floor, Nicosia 1087, Cyprus. In addition, on request from the Directors, telephone instructions from individuals must be confirmed by delivering a duly completed and signed Application Form to the Directors at the above address. Application Forms are available from the Directors.

Applications, once made, are irrevocable. However, the Directors reserve the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares, in whole or in part. If the Directors exercise that right, they will return any application monies which have been received, or the balance of such monies, to the applicant by post at his risk without any interest.

Once the Company accepts an application request to purchase Shares, the Company will issue the Participating Shares to the purchaser provided subscription funds are received/cleared, in full no later than two business days after an Application Form is received.

As the Company is subject to International Money Laundering Regulations and intends to keep the highest standards with regard to due diligence and enquiry about the financial and economic background of each subscription, the Directors may, in their absolute discretion, require verification of identity from any person applying for Shares, including, without limitation, any applicant who tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the applicant or appears to be acting on behalf of some other person. In the former case, verification of the identity of the applicant may be required and, in the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required.

The Company shall at all times abide by any Guidance Notes/Regulations issued under section 59(4) of the Prevention and Suppression of Money Laundering Activities of 2007 (law(188(1))).

Initial Offer

Participating Shares may be subscribed for during the relevant Initial Offer Period at the price set out in the Appendix 1 to this Private Offering Memorandum.

Subsequent Subscriptions

Following the close of the Initial Offer Period, subscriptions are processed monthly on the last business day of the month. The Subscription Price will be equal to the NAV per Share as at the Valuation Date immediately preceding the Subscription Day on which the application is definitive.

It should be noted that Participating Shares will be issued only after payment has been received and the holder of such shares have been verified.

The Fund may charge an initial fee on the issue of Shares. The initial charge will be calculated as a percentage of the price of the Share and will be added to the price of that Share. Subscription charge will be up to 2%.

Minimum Purchases and Holdings

The minimum initial investment per subscriber of Participating Shares is USD100,000. For subsequent subscriptions the aggregate holding after subscription must be at least USD 100,000.

The Directors may, at their discretion, accept subscriptions lower than the minimum amount.

If a holding of shares falls below the minimum required, the Company has discretion to require redemption of the entire holding. However, the Company will normally only exercise its discretion if a holding of shares falls below the relevant minimum amount as a result of a sale of part of that holding.

Selling Shares

Procedure

Every holder of Participating Shares has the right to require that the Company redeem his shares unless the value of the shares which he wishes to redeem will mean that he will hold shares with a value less than the required minimum holding, in which case the Shareholder may be required to redeem his entire holding or the value of the shares which he wishes to redeem is, in the case of redemption of part of a holding, less than the required minimum for redemption.

Instructions for the redemption of any Shares may be given either by sending a duly completed and signed Redemption Request Form (Appendix 3 of this Private Offering Memorandum) or other duly signed written instruction to the Directors, telephone instructions must be confirmed by delivering a duly completed and signed Redemption Request Form or other duly signed written instruction to the Administrator at the above address before the sale proceeds will be remitted. Redemption Request Forms are available from the registered office of the Company.

There will be no lock-up period. Redemption will be allowed on a monthly basis (on the last business day of the month) with a 1 month notice period. Shares will be redeemed at a per share price based on the prevailing NAV on Redemption Date.

The Directors reserve the right to limit the aggregate amount of redemptions on any redemption day to no more than 25% of the NAV of the Company and redemption requests may be scaled down accordingly. Redemption requests which are scaled down will be dealt with on the next Redemption Day in priority to subsequent redemption requests but subject to the same limitations.

Instructions to redeem Shares, once given, are irrevocable. Instructions to redeem Shares will be acknowledged by the issue of a contract note giving details of the transaction once it has been affected.

The Shares will be redeemed at a price calculated by reference to the next valuation following receipt of the instructions to redeem. Where instructions to redeem are received prior to the Valuation Date, the Shares concerned will be redeemed at a price based on that day's valuation and shares to be redeemed pursuant to a redemption request received after that time.

Minimum Redemption

A shareholder may redeem part of his holding of shares but the Directors reserve the right to refuse such a redemption request if the value of the shares to be redeemed is less than USD 50,000 in respect of Participating Shares. For the purposes of determining these limits, the shares will be valued by reference to the price of the shares concerned at the next Valuation Date following receipt of the instructions to redeem.

Mandatory Redemption or Transfer of Shares

If the Company reasonably believe that any Shares are owned, whether beneficially or otherwise, in circumstances which:-

- constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- would (or would if other Shares were acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including the requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory);

It may give notice to the holder of such Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or to request the redemption of them. If the holder neither transfers the shares to a qualified person nor establishes to the satisfaction of the Company (whose judgement will be final and binding) that he and any person on whose behalf he holds the shares concerned are qualified to hold the same, he will be deemed on the expiry of a 30-day period to have requested their redemption.

A person who has become aware that he has acquired or holds Shares, whether beneficially or otherwise, in any of the circumstances referred to in the immediately preceding paragraph shall forthwith, unless he has already received a notice from the Company referred to in that paragraph, either transfer, or procure the transfer of, all of those Shares to a person qualified to own the same or give, or procure that there is given, a request in writing for the redemption of them.

Except for the above reasons, Participating Shares will be non-transferable and could only be redeemed unless otherwise decided by the company at a General Meeting.

Management Shares may only be transferred upon prior written approval of the Central Bank.

Suspension of Valuation

The Company may suspend the valuation for not more than one valuation day (end of month) and consequently suspend the redemption of Shares for not more than one valuation day, if it is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of Shareholders or potential Shareholders. During any such period of suspension, the Company may agree to issue, redeem or switch Shares at prices calculated by reference to the first Valuation Date after the end of the suspension.

RISK FACTORS

An investment in the Fund carries several risks. Prospective investors should carefully consider among others, the following factors before subscribing to the Fund. It should be noted that it is not possible to identify every risk factor relevant to investing in the Fund and the matters set out below should not be treated as exhaustive.

NO ASSURANCE OF ACHIEVING INVESTMENT OBJECTIVES

There is no guarantee that the Company will meet its investment objectives or that an investment in Participating Shares will earn a positive return.

ILLIQUIDITY

An investment in Participating Shares provides limited liquidity since redemptions are permitted only on a monthly basis with three months notice. In addition, due to the nature of the Company's investments it may be relatively difficult for the Company to dispose of investments rapidly at favourable prices in connection with redemption requests, adverse market developments or other factors.

MANAGEMENT RISK

The Company relies on the abilities of the Directors, the Administrator and third parties to actively manage or advise on the assets of the Company and they will make the actual trading and investment decisions upon which the success of the Company will significantly depend. No assurance can be given that the trading and investment approaches they utilise will be successful. There can be no assurance that satisfactory replacements for the Directors and Administrator will be available if the Management agreement and the Administrator Agreement are terminated and this may expose investors to the risks involved in whatever new investment management arrangements the Directors and Administrator are able to negotiate.

The Company has an obligation to indemnify the Directors for any liabilities incurred under certain conditions and there is no insurance for such losses for which the Company has agreed to indemnify the Directors. Any indemnification paid by the Company would reduce the Company's asset value and therefore the value of the Participating Shares.

VOLATILITY RISK

Generally, price movements in the markets in which the Fund may invest can be volatile and are influenced, among other things, by changing of supply and demand relationships; government trade and fiscal policies; national and international political and economic events; and changes in interest rates.

ECONOMIC & MARKET RISKS

The success of any investment activity is influenced by general economic conditions which may affect the level and volatility of interest rates and the extent and timing of investor participation in the markets for both equity and interest-rate-sensitive securities. Unexpected volatility or illiquidity in the markets in which the Fund directly or indirectly holds positions could impair the Fund's ability to carry out its investment strategy and could cause the Fund to incur losses.

TAXATION

Shareholders and potential investors are advised to consult their own professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the shares under the Laws of their country of incorporation, citizenship, residence or domicile.

Taxation in Cyprus

A company is considered to be tax resident in Cyprus if its management and control is exercised in Cyprus. In order to achieve tax residency, several factors, are taken into consideration by the Tax Authorities such as the make up of the Board of Directors, the place where major decisions are taken and major contracts are signed. These factors should be adhered to, in order to ensure that the company will be taxed under the Cyprus tax laws and also for taking advantage of all European directives as well as the Double Tax Treaty (DTT) network of Cyprus.

Corporate tax

Corporate tax for resident companies is imposed at the rate of 10% (ten percent) for each year of assessment upon the taxable income derived from sources both within and outside Cyprus. In arriving at the taxable income, deductions on such income and exemptions must be taken into account. All relevant expenses for the production of that income are deductible expenses whereas dividends, capital gains or profit from the sale of securities (including shares and units) constitute tax exempt income. Expenses that directly or indirectly relate to tax exempt income are not tax deductible.

Any trading losses that may arise in a Cyprus company can be set off against their profits and any excess can be carried forward indefinitely.

Capital gains

Capital gains are not subject to tax under Cyprus Income Tax laws. Under Capital Gains tax laws, tax is imposed only on profits derived from the disposition of either immovable property situated in Cyprus or shares in companies owning immovable property in Cyprus (with the exception of shares in listed companies) at the flat rate of 20%. Profits realized by the disposal of securities (including shares and units) are also tax exempt.

Dividend income

Dividends received by a company resident in Cyprus from a foreign company are exempt from income tax. Dividends are also exempt from the levy of the Special Defence Contribution tax if the dividend paying company derives 50% or more of its income directly or indirectly from activities which lead to active trading income (“active versus passive test”) or the foreign tax burden on the profits to be distributed as a dividend is not substantially lower than the Cypriot corporate income tax rate (i.e. a rate of at least 5%) on the level of the dividend paying company (“effective tax test”).

If either one of the above conditions are not satisfied, dividends will be subject to Special Defence Contribution tax in Cyprus at a rate of 15%.

Interest income

Interest income accruing or arising will be considered to be closely connected to the ordinary activities of the fund. Under the legislation, interest income derived by a collective investment scheme is considered to be “active” interest income.

Definition of “securities”

According to the Cyprus Income Tax Law, profits from the sale of securities are exempt from taxation in Cyprus.

The term “Securities” includes among others shares in companies, bonds, debentures, founder’s shares and other securities of companies or other legal persons, incorporated under the Laws of Cyprus or abroad and options thereon, as well as short positions on titles, futures, forwards, swaps, depositary receipts on titles, rights of claim on bonds and debentures, repurchase agreements on titles, participations in companies and units in open-end or closed-end collective investment schemes.

Investment in commodities.

Cash commodities, commodity futures or commodity option contracts do not fall within the definition of securities. Therefore, any profits arising from the sale of such instruments will be subject to corporation tax at 10%.

Deemed dividend distribution rules

In relation to dividend distributions from Cypriot companies to Cypriot tax resident shareholders, it should be noted that any profits attributable to shareholders (companies or individuals) who are Cyprus tax residents are subject to the deemed dividend distribution rules. These rules provide that if a company, which does not distribute at least 70 per cent of its accounting profits after tax, as defined by the relevant law, within two years after the end of the tax year to which the profits relate, will be deemed to have distributed as a dividend 70 per cent of such profits. Special Defence Contribution tax at a rate of three (3) per cent will be imposed at the end of the two years on the amount deemed to be distributed to tax residents of Cyprus.

Further, the redemption of a unitholding in a collective investment scheme does not constitute a reduction of capital under the deemed dividend distribution provisions of the legislation and therefore, there will be no tax implications on the distribution arising from the redemption.

The deemed dividend distribution provisions do not apply to profits attributable to non-Cyprus tax resident shareholders (companies or individuals).

Cyprus withholding taxes

No Cypriot withholding taxes will apply with respect to any distribution of dividends or interest by a company to non-Cyprus tax resident shareholders (companies or individuals) and Cyprus tax resident companies. Dividends and interest payable to individuals tax resident in Cyprus are subject to Special Defence Contribution tax at a rate of 15 and 10 per cent respectively.

Liquidation

On liquidation of the fund, the proceeds will be subject to Special Defence Contribution tax at 3% but exempt for the proportion of non tax resident unit holders.

DISTRIBUTIONS

Unless otherwise decided by the holders of the Management Shares is not envisaged that dividends will be declared in respect of the Shares. Income earned by the Company will be re-invested and reflected in the value of the issued Participating Shares.

Accounting Periods and Income Allocation Periods

The accounting reference date of the Company is 30th September. The Company's first accounting reference date will be as of 30th September 2010.

The annual income allocation date for the Fund is 30 September. Accumulation of income will be made on or before the relevant income allocation date in respect of the income available for accumulation in the relevant period at the Valuation Date.

Determination of Allocable Income

The income available for (distribution – if any - or) accumulation in relation to a Fund is determined in accordance with the Laws and the Memorandum and Articles of Association. It comprises all income received or receivable for the account of the Company and attributable to that Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Directors consider appropriate, after consulting the Company's auditors in accordance with the applicable Regulations, in relation to taxation and other matters.

Income relating to the Fund is allocated among the Participating Share classes only as it accrues or is received in proportion to the rights to participate in the property attributable to that Portfolio.

CHARGES, FEES AND EXPENSES

The Director's Initial and Redemption Charges

Initial Charge

The Directors may make (and retain) an initial charge on the issue of Shares. The initial charge is calculated as a percentage of the price of the Share and is added to the price of that Share. The current initial charge and the maximum initial charge permitted, in respect of each Share are as follows:-

Subscription Charge

Participating Shares up to 2%

The Directors may rebate, in the form of commission, a proportion of the initial charge which it receives on any issue of Participating Shares to the introducer who introduced the investor.

Redemption Charge

The Directors may make (and retain) a redemption charge on Shares which are redeemed. Details of the redemption charge, which is calculated as a percentage of the price of the Shares to be redeemed is, set out hereafter:

Redemption Charge

Participating Shares up to 2%

Annual Investment Advisory Charge

The Investment Advisor receives an annual advisory charge by way of payment of remuneration for its services which accrue. This is payable quarterly in arrear on the last business day of the respective calendar quarter as soon as practicable after it has accrued (and in any event within seven days after the expiry of that quarter). The annual advisory charge is up to 1.8% of NAV. Any value added tax on the annual investment advisory charge will be added to that charge.

In addition, the Investment Advisor shall be entitled to a Performance Fee equal to 18% of the amount by which the profits otherwise available for distributions in respect of the relevant financial period exceeded the High Watermark. This calculation will be done for each Participating Shareholder separately in accordance to the initial price paid by each Participating Shareholder and the NAV of the Fund. This fee will be paid on an annual basis to the Investment Advisor. The Performance Fee will be collected only when the Fund has earned a positive nominal value.

Annual Sponsor Fee

The Sponsor receives an annual sponsor charge by way of payment of remuneration for its services which accrue. This is payable quarterly in arrear on the last business day of the respective calendar quarter as soon as practicable after it has accrued (and in any event within seven days after the expiry of that quarter). The annual sponsor charge is up to 0.2% of NAV. Any value added tax on the annual sponsor charge will be added to that charge.

In addition, the Sponsor shall be entitled to a Performance Fee equal to 2% of the amount by which the profits otherwise available for distributions in respect of the relevant financial period exceeded the High Watermark. This calculation will be done for each Participating Shareholder separately in accordance to the initial price paid by each Participating Shareholder and the NAV of the Fund. This fee will be paid on

an annual basis to the Sponsor. The Performance Fee will be collected only when the Fund has earned a positive nominal value

The Administrator's Charges and Expenses

The Administrator is compensated for the administrative and corporate services rendered by it on the terms set out in the Administration Agreement. The Administrator is entitled to be reimbursed for all agreed transaction fees and reasonable out of pocket expenses incurred by it in the performance of his duties and responsibilities under the Administration Agreement. The relevant duties include the keeping of the Company's books and records, the processing of applications for subscription or redemption, calculating the NAV, the collection of income, the submission of tax returns, the handling of tax claims and any other duties the Administrator is required to perform by Law. All such fees and expenses will be paid by the Company out of the assets attributable to the Fund.

The Custodian's Charges and Expenses

The Custodian is compensated for the custodial services rendered by it on the terms set out in the Custody Agreement.

Other Expenses Payable by the Company

Other expenses incurred by or on behalf of the Company may also be paid out of the property of the Company, including (but not limited to):-

- Any costs incurred in forming the Fund. Such costs will be amortised over a period not exceeding five years.
- Broker's commissions, fiscal charges and any other expenses which are properly incurred in effecting transactions for the Company.
- Interest on, and other charges related to, permitted borrowings.
- Any costs incurred in establishing and maintaining the Company's register of Shareholders and related matters.
- Any costs incurred in respect of meetings of Shareholders.
- The costs of printing and distributing reports, accounts, the Private Offering Memorandum and any other promotional material relating to the Company or any Fund and of any marketing activities undertaken by the Directors in relation to the Company or any Fund.
- Fees in respect of the publication and circulation of details of the prices of Shares and other such information which the Directors are required by Law to publish.
- Any costs incurred in modifying the Instrument of Incorporation or the Private Offering Memorandum .
- Taxation and other duties payable by the Company.
- The fees of any regulatory authority in a country or territory in and outside of Cyprus in which shares are or may be marketed.

- The fees of the auditors and the tax, legal and other professional advisers to the Company and the Administrator properly payable and any proper expenses of the auditors, tax, legal and other professional advisers to the Company and the Administrator.

Value added tax will be added to payments of expenses, where applicable. All such expenses will be charged to the Fund.

Amortisation of Costs

The costs of authorisation and incorporation of the Company which were less than EURO 20'000.- are payable by the Company and will be amortised on a straight line basis from the first date on which Shares in the Company were issued and ending on the fifth anniversary of the Company's date of incorporation.

The expenses of any offer of Shares, the preparation and printing of any Private Offering Memorandum issued in connection with any such offer, the fees for professional services provided to the Company in connection with any such offer will be amortised on a straight line basis from the first date on which the Shares which are the subject of the offer are issued and ending on the fifth anniversary of that date.

GENERAL AND STATUTORY INFORMATION

Annual Reports and Accounts

Financial Statements for the period ending 30st September in each year will be prepared in accordance with international accounting standards of auditing and be presented in USD. The Directors must prepare and provide a copy of the following documents to the shareholder's:

- 1) A profit and loss account in respect to the Portfolio for the period since the preceding accounts date.
- 2) A balance sheet as at the date of which the relevant profit and loss account is made up.
- 3) A Director's report with respect to the profit or loss for the Portfolio for the period covered by the profit and loss account and the state of the Portfolio affairs as at the end of such period.
- 4) An auditor's report on such financial statements.

Copies of all these documents must be sent to the shareholder's not less than 21 days before the date of the annual general meeting.

Reports

The Annual Report containing the audited financial accounts of the Fund will be sent to all Shareholders within three months of the end of the Financial Year.

A six monthly report made up to the 31st March in each year will also be sent to the Shareholders within two months of the end of the six months period, starting 2011.

Documents available for inspection

The incorporation documents, the material contracts, other relevant documents and the latest audited and interim reports and accounts for the Fund are available for inspection at the offices of the Administrator during usual business hours on any Business Day.

Annual General Meeting

The Company is required to hold an annual general meeting in each year.

Complaints

Any complaint should be referred to the Directors at the Company's registered office.

Applicable Law

The terms and conditions of this Private Offering Memorandum and any agreement entered in connection therewith shall be governed by and construed in accordance with the laws of Cyprus.

APPENDIX 1

DETAILS OF THE FUND AVAILABLE TO INVESTORS

Wermuth USA Long Short Fund Limited

Investment Objective and Policy: The Company's investment objectives are capital gains and avoidance of loss over the medium term. In Investment Strategy is to select stocks for long or short exposure based on value investing metrics and enter or exit positions based on automated systems which pre-select various algorithms to be applied for entry and exit of positions depending on the market environment. The Fund can be up to 100% long or up to 100% short, but it does not use leverage and it does not enter into positions of any significant size, such that any position can be exited within minutes. As a result, the fund invests in many different positions at a time, out of a universe of at least 4000 listed stocks in the US.

The business of the Company is buying, selling and short selling securities including listed stocks, futures and options of U.S and non-U.S. entities. The company may also invest in listed cash commodities, commodity futures or commodity option contracts.

Investment Restrictions

The investment restrictions include: gross exposure does not exceed 100% of Net Asset Value (no use of leverage); no more than 20% exposure to a single issuer.

Types of Shares Available: Participating Shares

Issue Price of Share at Launch: USD 100.00

Minimum Investment/Holding: Participating Shares – USD 100,000

Minimum Subsequent Holding: Participating Shares – USD 100,000

Minimum Partial Redemption: Participating Shares – USD 50,000

Initial Charge: Participating Shares – up to 2 % per annum;

Annual Investment Advisory charge Up to 1,8% per annum

Annual Sponsor charge Up to 0,2% per annum

Performance fee of Investment Advisor 18% per annum

Performance fee of Sponsor 2% per annum

Valuations: Initially monthly or such other period as the Directors may from time to time determine

Initial Offer: Participating Shares may be subscribed for during the Initial offering period at a price of USD 100.00 per share. The Initial offering period shall commence on

[●] and will close on the [●] 2010 or such other date as the Directors may determine.

Subscription Days:

The Subscription Days for Participating Shares shall be the last business day of the month (or, if such day is not a Business Day, the following Business Day or Days as the Directors may from time to time determine).

Redemption Days:

The Redemption Days for Participating Shares shall be processed on a monthly basis (on the last business day of the month) and advance notice of 30 days is required.

APPENDIX 2

SUBSCRIPTION AGREEMENT

Wermuth USA Long Short Fund Limited **(the Company)**
12 Esperidon Street
4th Floor
1087 Nicosia
Cyprus

GENERAL

1. The investor named below hereby irrevocably subscribes for Participating Shares to the value of the amount indicated below, subject to the provisions of the Memorandum and Articles of Association and upon the terms of the Private Offering Memorandum
2. Applications received with cleared funds will be considered for issue on the Valuation Date preceding the Issue Date. The Investor understands that Participating Shares will be sold and issued to the Investor at their then Net Asset Value per Participating Share plus applicable sales charges as of the next Valuation Date when cleared funds have been received by the Company. This Subscription will only be valid and binding on the Company when accepted on behalf of the Company by the Directors.

SUBSCRIBER REPRESENTATIONS

The Investor hereby represents and warrants that:

1. It is not a person in a jurisdiction in which such an offer or solicitation is not authorized or a person to whom it is unlawful to make such an offer or solicitation
2. Is not purchasing Participating Shares on behalf of or for the account of a person referred to in (1)
3. Will not transfer or deliver any of the Participating Shares or any interest therein to a person referred to in (1)
4. Has received read and understands the Private Offering Memorandum of the Company including, without limitation those sections of the Private Offering Memorandum relating to risks, conflicts of interest and fee structure of the Company and has evaluated the merits and risks of investing in Participating Shares including seeking independent financial advice
5. The investor agrees that in no event will the Investor duplicate or furnish copies of the constitutional documents of the Company or the Private Offering Memorandum to persons other than its investment and tax advisors, accountants or legal counsel.
6. Neither this Subscription Agreement nor any provisions hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.

7. This Subscription Agreement may be executed in multiple counterpart copies, each of which shall be considered an original and all of which constitute one and the same instrument binding on all parties notwithstanding that all parties are not signatories to the same counterpart.
8. Except as otherwise provided herein this Subscription Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the parties and their respective assigns, successors, trustees and legal representatives
9. This Subscription agreement is not transferable or assignable by the Investor
10. This instrument contains the entire agreement of the parties and there are no representations covenants or other agreements except as stated or referred to herein
11. This Subscription Agreement is governed by the laws of Cyprus

Dated at _____ in _____, this _____ day of _____, 200__

(Signature of or on behalf of Subscriber)

(Name of Subscriber)

WERMUTH USA LONG SHORT FUND LIMITED

PURCHASE OF SHARES

INVESTMENT PROCEDURE

In order to apply for Participating Shares in Wermuth USA Long Short Fund Limited (The “Fund”), you will need to take the following steps:

1. Ensure that you have carefully read the Fund’s Private Offering Memorandum and the Subscription Agreement, as they may be amended from time to time.
2. Complete Schedule A (Application Form) of the Subscription Agreement.
3. Schedule A must be received until the fifteenth of the relevant month; and
4. Execute Schedule A by signing and dating it.
5. Ensure that payment of the subscription monies is made in accordance with Schedule B (Payment Instructions).

An Investment in . is speculative and appropriate only if you have the capacity to absorb a loss of some or all of your investment. Prior to investing in the Fund, you should read the Private Offering Memorandum and in particular the risk disclosure set out in the “Risk Factors” section of the Private Offering Memorandum and you should consult with your own professional advisers to assess the risk factors, tax, legal and other aspects of making such an investment.

SCHEDULE A

APPLICATION FORM

This application should be completed and sent to:

Wermuth USA Long Short Fund Limited **(the Company)**
12 Esperidon Street
4th Floor
1087 Nicosia
Cyprus

Applications should be made only by written application using the accompanying Subscription Agreement. Application forms duly completed should be sent to the address shown above. The Company reserves the right to reject any application in which event the application monies will be posted to the applicant without interest at his own risk.

1. Amount of subscription USD _____ (minimum subscription of USD 100.000 Net of Bank Charges.)

2. Investor's Details:

Title (Mr / Mrs / Ms / Miss)

Surname / Family Name

Previous Name(s) if any

First Name

If not an individuals(s), please state name of entity

Investor's Residential Address / Entity

Registered Address

Nationality / Nationalities

Passport No.

Date of Birth

If an entity, please state domicile

Telephone No.

Fax No.

E-mail address (if any)

3. Major source of the Investor's wealth:

Gift / Inheritance ☐

Lifetime Earnings / Salary ☐

Other ☐

Investment Profits ☐

Sale of Business / Real Estate ☐

If Other, please specify source of funds:

4. If an individual, please provide the following details as appropriate:

☐

Employed

Employer

Industry

Job / Position

☐

Self-Employed

Name of Company

Industry

Address

☐

Retired

☐

Other

Remarks:

5. Bank Details:

The Investors will arrange payment of the Subscription monies from the following account:

Name of Bank

Address

SWIFT Address / Bank Code

Account Number

Account Name

NB: As a rule, any distributions and redemptions will normally be made to the above account.
However, payment may be made to an alternative account, if such account is in the name of the registered Shareholder.

6. NON U.S. Persons Only

(If you are a Permitted U.S Person please proceed to Section 7.)

Please tick (x) I/We confirm that I/We are not a “U.S Person” (as defined in the Private Offering Memorandum).

Representations, Warranties and Agreements:

If I/We have ticked the above box I/We hereby certify that the Shares are not being acquired directly nor indirectly by a US person, nor in violation of any applicable law. In particular:

- i) I am not/nor any of us is, and the Shares will not be purchased or held for the account or benefit of, or purchased with funds obtained from, a US person;
- ii) I/we will not acquire the Shares in the US;
- iii) I/we will notify the Fund immediately if I/we should at any time become, or hold the Shares for the benefit of, a US person or be prohibited from holding Shares under any applicable law;
- iv) I was/we were not solicited in the US for the purchase of Shares and did not place my/our order for Shares while in the US;
- v) if we are a bank, broker or dealer, we are acquiring Shares on behalf of clients for investment purposes, no such clients are US persons, and we will notify the Fund immediately if it shall come to our attention that any such client becomes a US person.

I am/We are not subscribing for Shares on behalf of one or more

- i) employee benefit plans (“ERISA Plans”) subject to Title I of United States Employee
- ii) Retirement Income Security Act of 1974, as amended (“ERISA”),
- iii) retirement plans covering only self-employed individuals and individual retirement accounts or otherwise defined as a “plan” in Section 4975(e)(1) of the United States Internal Revenue Code of 1986, as amended (collectively “Qualified Plans”), or
- iv) entities deemed to hold the assets of an ERISA Plan or Qualified Plan.

7. Permitted U.S. Persons Only

Please tick (x) I/We confirm that I/We are Permitted “U.S Person” (as defined in the Private Offering Memorandum)

Representations, Warranties and Agreements:

If I/we have ticked the above box, I/we hereby declare that I am/we are (a) Permitted U.S. Person(s) (as defined in the Private Offering Memorandum), acknowledge that the Shares are being acquired pursuant to an exemption from registration under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and represent that I am/we are (an) “Accredited Investor(s)”¹ as such term is defined in the Securities Act.

¹ An “Accredited Investor” in reference to a Permitted U.S. Person means:

(a) An employee benefit plan within the meaning of Title I of ERISA;

(i) Whose investment decisions are made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, insurance company or registered investment advisor; (ii) Having total assets in excess of US\$5 million; or (iii) If self-directed, the investment decisions are made solely by natural persons, each of whom either: 1. Currently has a net worth in excess of US\$1 million, and/or 2. Has individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; OR (b) A trust, which is a tax-exempt entity with assets in excess of US\$5 million, not formed for the specific purpose of acquiring Shares, whose investment decisions are made by a person or persons who have such knowledge and experience in financial and business matters that such person or persons is or are capable of evaluating the merits and risks of the prospective investment; OR

(c) A tax-exempt entity in which all of the equity owners are natural persons each of whom either (i) currently has a net worth in excess of US\$1 million, and/or (ii) had individual

You hereby represent and warrant to, and agree with, the Fund that the following statements are true as of the date hereof and will be true and correct as of the applicable closing date:

- a) You are acquiring the Shares for your own account, solely for investment purposes and not with a view to resale or distribution thereof.
- b) You (either alone or together with any advisors you retained in connection with evaluating the merits and risks of prospective investments) have sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of purchasing Shares and are able to bear the economic risk of such investment, including a complete loss. You understand that (i) substantial restrictions will exist on transferability of Shares, (ii) no market for resale of any Shares exists or is expected to develop, (iii) you may not be able to liquidate your investment in the Fund and (iv) any instruments representing Shares may bear legends restricting the transfer thereof. You are aware of and understand the provisions for transferability and redemption of Shares and have read the sections of the Private Offering Memorandum relating thereto.
- c) You represent that no assurances or guarantees have been made to you by anyone regarding whether the Fund's investment objective will be realized or whether the Fund's investment strategy will prove successful. You recognize that you may lose all or a portion of its investment in the Fund. You also understand that if it is subject to income tax, an investment in the Fund may create taxable income or tax liabilities in excess of cash distributions to pay such liabilities.
- d) You acknowledge that you are not subscribing pursuant hereto for Shares as a result of or pursuant to (i) any advertisement, article, notice or other communications published in any newspaper, magazine or similar media (including any internet site that is not password protected) or broadcast over television or radio, or (ii) any seminar or meeting whose attendees, including yourself, had been invited as a result of, or pursuant to, any of the foregoing. In connection with the purchase of Shares, you meet all suitability standards imposed on you by applicable law.
- e) You have been furnished with, and have carefully read, the Articles of Association (as defined in the Private Offering Memorandum) and the Private Offering Memorandum , and have been given the opportunity to (i) ask questions of, and receive answers from, the Manager or partner, manager, member, shareholder, director, officer, employee or agent (each an "**Affiliate**") thereof concerning the terms and conditions of the offering and other matters pertaining to an investment in the Fund and (ii) obtain any additional information which the Manager can acquire without unreasonable effort or expense that is necessary to evaluate the merits and risks of an investment in the Fund. In considering a subscription for Shares, you have not relied upon any representations made by, or other information (whether oral or written) furnished by or on behalf of, the Fund or the Manager or any Affiliate thereof, other than as set forth in the Articles of Association and the Private Offering Memorandum . You have carefully considered and have, to the extent you believe such discussion necessary, discussed with legal, tax, accounting and financial advisers the suitability of an investment in the Fund in light of its particular tax and financial situation, and has determined that the Shares you are subscribing for hereunder are a suitable investment for you.
- f) You are not a participant-directed defined contribution plan (such as a 401(k) plan), or a partnership or other investment vehicle (i) in which its partners or participants have or will have any discretion as to their level of investment in you or in investments made by you (including you

income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; OR

(d) A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees if such plan has total assets in excess of US\$5 million; OR

(e) A tax-exempt organization under Section 501(c)(3) of the Code having total assets in excess of US\$5 million, which was not formed for the specific purpose of acquiring Shares.

investment in Shares), or (ii) that is otherwise an entity managed to facilitate the individual decisions of its beneficial owners to invest in the Fund.

- g) You are not a registered investment company under the U.S. Investment Company Act of 1940, as amended from time to time (the “**Investment Company Act**”), are not required to register as an investment company under the Investment Company Act and are not a business development company as defined under the Investment Company Act.
- h) If you are purchasing Shares with funds that constitute, directly or indirectly, the assets of an employee benefit plan subject to Title I of the U.S. Employee
- i) Retirement Income Security Act of 1974, as amended from time to time (“**ERISA**”), or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended from time to time (the “**Code**”), you acknowledge that you have evaluated for yourself the merits of such investment and you have not solicited and have not received from the Manager, the Directors (as defined in the Private Offering Memorandum) or any director, officer, employee, agent or Affiliate thereof, any evaluation or other investment advice on any basis in respect of the advisability of a subscription for Shares in light of the plan’s assets, cash needs, investment policies or strategy, overall portfolio composition or plan for diversification of assets and you are not relying and have not relied on the Manager, the Directors or any director, officer, employee, agent or Affiliate thereof for any such advice. You represent that, based upon the assumption that the assets of the Fund do not constitute “plan assets” under Title I of ERISA or Section 4975 of the Code, neither the execution and delivery of this Application Form nor the purchase of your Shares in the Fund constitutes a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code for which an exemption is not available. If you are subject to Part 4 of Subtitle B of Title I of ERISA, you acknowledge that none of the Manager, the Directors or any of their respective Affiliates is your “fiduciary” (within the meaning of ERISA) in connection with your purchase of Shares.
- j) You (i)(A) are subscribing for Shares solely for your own account, own risk and own beneficial interest, (B) if you are an entity, including without limitation a fund-of-funds, trust, pension plan or any other entity that is not a natural person (each, an “**Entity**”), have carried out thorough due diligence as to, and established the identities of, such Entity’s Related Persons², hold the evidence of such identities and will maintain all such evidence for at least five years from the date of the completion of the liquidation of the Fund and will make such information available to the Fund and the Manager upon the Fund’s and/or the Manager’s reasonable request, and (C) do not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Shares to any other person (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction), or (ii)(A) are subscribing for Shares as a record owner and will not have a beneficial ownership interest in the Shares, (B) are acting as an agent, representative, intermediary, nominee or in a similar capacity for one or more natural persons, Entities, nominee accounts or beneficial owners (each such person or Entity, if any, for whom you act as agent, representative, intermediary, nominee or in a similar capacity, a “**Beneficial Owner**”), and understand and acknowledge that the representations, warranties and agreements made in this Application Form are made by you with respect to both yourself and each such Beneficial Owner, (C) have all requisite power and authority from each such Beneficial Owner to execute and perform the obligations under this Application Form, (D) have carried out thorough due diligence as to, and established the identity of, each such Beneficial Owner (and, if a Beneficial Owner is not a natural person, the identities

² A “**Related Person**” means, with respect to any Entity, any investor, director, senior officer, trustee, beneficiary or grantor of such Entity; provided that in the case of (i) an Entity the securities of which are listed on a national securities exchange or quoted on an automated quotation system in the United States (a “**Publicly Traded Company**”), (ii) a wholly-owned subsidiary of such an Entity that is a Publicly Traded Company or (iii) a tax qualified pension or retirement plan in which at least 100 employees participate that is maintained by an employer that is (A) organized in the United States or (B) any United States government or any state department or other political subdivision thereof or any governmental body, agency, authority or instrumentality in any jurisdiction exercising executive, legislative, regulatory or administrative functions of or pertaining to government (a “**Qualified Plan**”), the term “Related Person” excludes the investors and beneficiaries of such Publicly Traded Company or such Qualified Plan.

of such Beneficial Owner's Related Persons (to the extent applicable)), hold the evidence of such identities and will maintain all such evidence for at least five years from the date of the completion of the liquidation of the Fund and will make such information available to the Fund and the Manager upon the Fund's and/or the Manager's reasonable request, and (E) do not have the intention or obligation to sell, pledge, distribute, assign or transfer all or a portion of the Shares to any person (whether directly or indirectly, including without limitation, through any option, swap, forward or any other hedging or derivative transaction) other than any such Beneficial Owner.

- k) If you are a grantor trust, S Corporation or entity treated as a partnership for U.S. federal income tax purposes, (i) at no time during the term of the Fund will substantially all of the value of a Beneficial Owner's interest in you (directly or indirectly) be attributable to your ownership of Shares, or (ii) you do not have, in acquiring the Shares, a principal purpose of permitting the Fund to satisfy the 100 partner limitation in Treasury Regulations Section 1.7704-1(h)(1), and, to the best of your knowledge, no Beneficial Owner has such a principal purpose. (l) You understand that legal counsel to the Fund, the Directors, and the Manager and to any of their respective Affiliates will not be representing you or any other investor in the Fund, and no independent counsel has been retained to represent you or any other investor in the Fund.
- l) You acknowledge and agree that no federal, state, local or foreign agency has passed upon the Shares or made any finding or determination as to the fairness of this investment.
- m) You acknowledge, understand and agree that the Manager and its affiliates have authority to allocate Fund transaction costs to obtain research and brokerage services, as set forth in the Private Offering Memorandum . By signing this Application Form, you expressly consent to any arrangement pursuant to which the Manager and/or its affiliates, as the case may be, obtain such products and services.
- n) You understand that the Fund may open "average" prices accounts with brokers. In an "average price" account, purchase and sale orders placed during a trading day on behalf of the Fund and other clients or affiliates of the Manager and its affiliates are combined, and securities bought and sold pursuant to such orders are allocated among such accounts on an average price basis.
- o) You have not reproduced, duplicated or delivered the Private Offering Memorandum , the Articles of Association or this Application Form to any other person, except your professional advisers or as instructed by the Fund.
- p) The foregoing representations, warranties and agreements will survive the closing date applicable to you.

8. ERISA QUESTIONNAIRE

****Please note non U.S. Investors are not required to complete this Section.***

Under ERISA – Employee Retirement Income Security Act of 1974 and Employee Benefit Plan Investor encompasses:

- a) an employee benefit plan subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended (generally retirement plans of U.S. private employers);
- b) a plan such as an Individual Retirement Account and certain retirement arrangements for self-employed individuals subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code of 1986, as amended;

- c) a pooled investment fund if 25% or more of any class of equity interest in the investment fund is held by such employee benefit plans or plans. In addition, the Act provides that an investment fund described above is a benefit plan investor only in the proportion of its investors that are themselves Benefit Plan Investors

In order for us to determine whether Benefit Plan Investors as newly defined hold 25% or more of any class of equity interest in our Fund, we need you to complete the following Benefit Plan Investor Questionnaire.

Please tick (X)

The applicant **is** a "Benefit Plan Investor" as defined above.

The applicant **is not** a "Benefit Plan Investor" as defined above.

If the Investor is a pooled investment fund as described above, the Investor hereby certifies to either 1 or 2 below:

Please tick (X) one of (a) or (b) below.

- (a) Less than 25% of the value of each class of equity interests in the investor (excluding from the computation interests held by any individual or entity (other than a Benefit Plan Investor) with discretionary authority or control over the assets of the Investor and of any individual or entity who provides investment advice for a fee (direct or indirect) with respect to the assets of the Investor or any affiliate of such person or entity) is held by Benefit Plan Investors.
- (b) Twenty-five percent or more of the value of any class of equity interests in the Investor (excluding from the computation interests held by any individual or entity (other than a Benefit Plan Investor) with discretionary authority or control over the assets of the Investor and of any individual or entity who provides investment advice for a fee (direct or indirect) with respect to the assets of the Investor or any affiliate of such person or entity) is held by Benefit Plan Investors;

AND

_____% of the equity interest in the Investor is held by Benefit Plan Investors.

If the Investor initialed box 1, the Investor agrees to notify the Investment Manager promptly in writing if the statement is no longer true and to specify the percentage of the Investor's assets that are treated as "plan assets" for the purpose of Section 3(42) of ERISA and any regulations promulgated there under. If the Investor initialed box 2, the Investor agrees to notify the Investment Manager promptly in writing if there is any change in the percentage of the Investor's assets that are treated as "plan assets" for the purpose of Section 3(42) of ERISA and any regulations promulgated there under.

Please tick (X) one of (a) or (b) below.

- (a) The Investor is an insurance company investing the assets of its general account (or the assets of a wholly owned subsidiary of its general account) in the Fund but none of the underlying assets of the Investor's general account constitutes "plan assets" within the meaning of Section 401(c) of ERISA.
- (b) The Investor is an insurance company investing the assets of its general *Initial* account (or the assets of a wholly owned subsidiary of its general account) in the fund and a portion of the underlying assets of the investor's general accounts constitutes plan assets" within the meaning of Section 401(c) of ERISA

AND

_____% of its general account constitutes "plan assets" within the meaning of Section 401(C) of ERISA.

9. I / We confirm that:

1. The above information is true and correct.
2. The funds have not been obtained by any illegal activity.
3. . Ltd. (or any duly Authorised Affiliate), may contact my / our bankers and / or others in order to fulfil the various legal requirements.
4. The Investor is expected to seek advice from his / their own taxation adviser and to make the appropriate taxation declarations.
5. I attach the information required by me / us in accordance with the requirements set out in Schedule C

I / We understand that Wermuth USA Long Short Fund Limited Limited, will not accept any Subscription monies for investment unless or until satisfied with the results of its verification procedures.

Dated at _____ in _____, this _____ day of _____, 200__

Signed, Sealed and Delivered as a
Deed in the presence of:

Name of Investor(s) (please print):

Witness:

(Signature of or on behalf of Investor)

(Signature of or on behalf of Investor)

Office, Title or other Authorization
(If Investor is not an individual)

Office, Title or other Authorization
(If Investor is not an individual)

SCHEDULE B

PAYMENT INSTRUCTION

Please arrange for funds (NET OF BANK CHARGES) to arrive by bank transfer for a value date no later than the fifteenth of the relevant calendar month

WIRE INSTRUCTIONS

Bank	:
ABA	:
SWIFT	:
Account Name	:
Account No.	:
Reference	:

Notifications will be sent to subscribers showing the details of each transaction within 10 Business Days of the relevant Valuation Date

SCHEDULE C

ANTI-MONEY LAUNDERING REQUIREMENTS

I / We being **Individual** applicants enclose the following **certified** documents:

Copy of valid passport notarized by a public notary
as a true copy of the original ☐

Recent* Utility bill or proof of residential address
certified ☐

(*Issued within the last three months)

Being a **Corporate** applicant we enclose the following **certified** documents:

Certificate of Incorporation ☐

Memorandum and Articles of Incorporation, by-laws
and all amendments ☐

Register of Directors and Shareholders ☐

Resolutions authorizing the relevant subscriptions ☐

Executions of the Subscription Agreement ☐

SCHEDULE D

REDEMPTION REQUEST FORM

Wermuth USA Long Short Fund Limited (**the Company**)
12 Esperidon Street
4th Floor
1087 Nicosia
Cyprus

Redemptions

1. I the undersigned Participating Shareholder hereby request redemption of _____ Participating Shares as of the next Valuation Date under the terms and conditions set forth in “Participating Shares-Redemption” in the Private Offering Memorandum . Delivery of this notice may be by telecopy provided that the facsimile is signed and the signed original is mailed to the Company to arrive not later than 30 days thereafter. Words and phrases defined in the Private Offering Memorandum shall have the same meaning where used in this Redemption Request Form, unless the context otherwise requires.
2. The undersigned represents and warrants that the undersigned is the sole record holder and beneficial owner of Participating Shares, free and clear of any and all liens, pledges, restrictions, options, rights of first refusal, encumbrances, charges, proxies, powers of attorney, agreements or claims of any kind whatsoever and the undersigned has the legal right, power and authority to redeem Participating Shares.

Name of Participating Shareholder

--

Redemption Instructions:

Mail proceeds of Redemption to

--

Wire proceeds of Redemption to

(Signature of Subscriber)

(Name of Subscriber)