The directors of Cheyne General Partner Inc., general partner (the "General Partner") of Cheyne Global Credit Enhanced Fund L.P. (the "Partnership"), and of Cheyne Global Credit Enhanced Fund Inc. (the "Company"), whose names appear on page 1 of this document (the "Directors"), are the persons responsible for all the information contained in this Private Placement Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Private Placement Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Limited Partnership Interests in

CHEYNE GLOBAL CREDIT ENHANCED FUND L.P.

and

Shares in

CHEYNE GLOBAL CREDIT ENHANCED FUND INC.

30 May 2013

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING COMMISSION IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION. THE COMMODITY FUTURES TRADING COMMISSION DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THIS POOL.

For the Information of: Number: _____

_____

The distribution of this confidential private placement memorandum (the "Private Placement Memorandum") and the offering of the Limited Partnership Interests and/or Shares (see "Definitions") in certain jurisdictions may be restricted. Persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. This document does not constitute (and may not be used for the purpose of) an offer or solicitation in any state or other jurisdiction in which an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The following statements are required to be made under applicable regulations of the U.S. Commodity Futures Trading Commission (the "CFTC"). As the Partnership and the Company are collective investment vehicles that may make transactions in commodity interests, each is considered to be a "commodity pool". The General Partner and the Investment Adviser are the commodity pool operators ("CPOs") to the Partnership and the Company, respectively.

Each of the General Partner and the Investment Adviser is registered with the CFTC as a CPO and has filed a claim of exemption pursuant to CFTC Reg. § 4.7 in connection with acting as the commodity pool operator of the Partnership and the Company, respectively.

Neither the Limited Partnership Interests nor the Shares have been, nor will they be, registered under the 1933 Act or qualified under any applicable state statutes and may not be offered, sold or transferred in the United States (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person (as that term is defined in Part II of this document), except pursuant to registration or an exemption. Neither the Partnership nor the Company has been, nor will they be, registered under the 1940 Act, and investors will not be entitled to the benefits of such registration. Pursuant to an exemption from registration under Section 3(c)(7) of the 1940 Act, the Partnership and the Company may only make a private placement of the Limited Partnership Interests or Shares, respectively, to a limited category of U.S. Persons. The Limited Partnership Interests and the Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences of an investment in the Partnership or the Company. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this document as legal or tax advice. Each investor should consult his own counsel and accountant for advice concerning the various legal, tax and economic considerations relating to his investment. Each prospective investor is responsible for the fees of his own counsel, accountants and other advisors.

Any further distribution or reproduction of this document, in whole or in part, or the divulgence of any of its contents, is prohibited. A prospective investor should not subscribe for Limited Partnership Interests or Shares unless satisfied that he and/or his investment representative has/have asked for and received all information which would enable him or both of them to evaluate the merits and risks of the proposed investment. The Limited Partnership Interests and the Shares are not, and are not expected to be, liquid, except as described in this Private Placement Memorandum.

The Limited Partnership Interests and Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. Each U.S. Person subscribing for Limited Partnership Interests or Shares must agree that the Directors may reject, accept or condition any proposed transfer or assignment of those Limited Partnership Interests or Shares. All investors in the Fund (see "Definitions") have limited

withdrawal/redemption rights, and such rights may be restricted or suspended under the circumstances described in this Private Placement Memorandum.

This Private Placement Memorandum is not available to the public in the United Kingdom. The Fund has not been approved by and is not regulated by the U.K. Financial Conduct Authority.

No offering of Limited Partnership Interests or Shares may be made to the public in the Cayman Islands.

No person other than the General Partner and/or the Company has been authorised to make representations, or give any information, with respect to the Limited Partnership Interests and/or Shares, except the information contained herein, and any information or representation not contained herein or otherwise supplied by the General Partner and/or the Company must not be relied upon as having been authorised by the Partnership or any of its partners or, as the case may be, the Company or the General Partner or any of their respective Directors. Neither the delivery of this Private Placement Memorandum nor the allotment or issue of Limited Partnership Interests or Shares shall, under any circumstances, create any implication that there has been no change in the affairs of the Fund since the date hereof.

This Private Placement Memorandum contains a summary of the principal terms of an investment in the Fund and must be read in conjunction with the Memorandum and Articles, the Partnership Agreement and the material contracts of the Fund referred to herein. If any of the terms summarised herein are inconsistent with those of the Memorandum and Articles, Partnership Agreement or such material contracts, the Memorandum and Articles, Partnership Agreement or such material contracts shall control.

Investors' Reliance on U.S. Federal Tax Advice in this Private Placement Memorandum

The discussion contained in this Private Placement Memorandum as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this Private Placement Memorandum. Each taxpayer should seek U.S. federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

There are significant risks associated with an investment in the Fund. Investment in the Fund may not be suitable for all investors. It is intended for sophisticated investors who can accept the risks associated with such an investment, including a substantial or complete loss of their investment. There can be no assurance that the Fund will achieve its investment objective and losses may be incurred. Each prospective investor should carefully review this Private Placement Memorandum and carefully consider the risks before deciding to invest. The attention of investors is also drawn to the "Risk Factors and Conflicts of Interest" in Part I of this document.

TABLE OF CONTENTS

DIRECTORY

Directors of the Company

Ronan Daly
Andrew Galloway
James Lieber
Ralph Woodford

Directors of the General Partner

Ronan Daly
Andrew Galloway
Daniele Hendry
Philippe Lette
James Lieber
Ralph Woodford

General Partner to the Partnership

Cheyne General Partner Inc.
94 Solaris Avenue
Camana Bay
P.O. Box 1348
George Town
Grand Cayman KY1-1108
Cayman Islands

Administrator to the Partnership and the Company

Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

Registered Office of the Company and the General Partner

94 Solaris Avenue
Camana Bay
P.O. Box 1348
George Town
Grand Cayman KY1-1108
Cayman Islands

Auditors to the Partnership and the Company

Ernst & Young (Cayman)
Public Accountants
Regatta Office Park
2nd Floor, Leeward 4
West Bay Road, P.O. Box 510 GT
Grand Cayman KY1-1106, Cayman Islands

Investment Manager to the Partnership

Cheyne Capital Management (UK) LLP
Stornoway House
13 Cleveland Row
London
SW1A 1DH
United Kingdom

Portfolio Support Manager to the Partnership and the Company

Cheyne Capital Management (UK) LLP
Stornoway House
13 Cleveland Row
London
SW1A 1DH
United Kingdom

Investment Adviser to the General Partner

Cheyne Capital International L.P.
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Legal Advisors to the Partnership, the Company, the Investment Manager and the Investment Adviser

As to English and U.S. Law:

Akin Gump LLP
Eighth Floor
Ten Bishops Square
London E1 6EG
United Kingdom

As to Cayman Islands Law:

Mourant Ozannes
6th Floor
125 Old Broad Street
London EC2N 1AR
United Kingdom

DEFINITIONS

The following terms have the meanings specified below in this document unless the context otherwise requires:

"Administration Agreement"	as defined in "General Information – Material Contracts";
"Administrator"	Citibank Europe plc, the administrator to the Fund, or any successor administrator appointed by the General Partner and/or the Company from time to time;
"Application Form"	the application form for Shares at the end of this document;
"Articles"	the current articles of association of the Company, as amended from time to time;
"Auditors"	Ernst & Young (Cayman), or any successor auditor appointed by the General Partner and/or the Company from time to time;
"Benefit Plan Investor"	as defined in Part II under "Definitions";
"Business Day"	any day (except Saturday or Sunday) on which banks in London or Dublin are open for business;
"Cayman Companies Law"	the Companies Law of the Cayman Islands;
"Cayman Mutual Funds Law"	the Mutual Funds Law of the Cayman Islands;
"Cayman Partnership Law"	the Exempted Limited Partnership Law of the Cayman Islands;
"CFTC"	the U.S. Commodity Futures Trading Commission;
"Class"	in respect of the Limited Partnership Interests (in the case of the Partnership) and the Shares (in the case of the Company), the Limited Partnership Interests or the Shares (as applicable) of the relevant class and/or Series as the context permits;
"Class 1"	Class 1 Limited Partnership Interests and/or Class 1 Shares, as the context may require, which may be issued in one or more Series;
"Class 1 Limited Partnership Interests"	Class 1 Limited Partnership Interests comprising Series A (USD) Limited Partnership Interests, Series B (EUR) Limited Partnership Interests, and Series C (GBP) Limited Partnership Interests, and such other Series of Class 1 Limited Partnership Interests as may be designated from time to time;
"Class 1 Shares"	Class 1 Shares comprising Series A (USD) Shares, Series B (EUR) Shares, and Series C (GBP) Shares, and such other Series of Class 1 Shares as may be designated from time to time;

"Code"	the U.S. Internal Revenue Code of 1986;
"Company"	Cheyne Global Credit Enhanced Fund Inc.;
"Corporates"	companies of any sector or industry, banks or other corporate issuers of debt;
"Credit Default Swap"	a credit derivative contract which provides exposure to the credit risk of an underlying Corporate or a portfolio of underlying Corporates in a tranched or untranched format. In a Credit Default Swap, one party (protection buyer) pays a periodic fee to another party (protection seller) in return for compensation for any losses due to one or more defaults (or similar credit events) occurring with respect to one or more reference entities (which for the Fund will generally be a Corporate or a portfolio of Corporates);
"Dealing Day"	the last Business Day of each month and/or such other or further day or days as the Directors may from time to time determine;
"Directors"	the board of directors of the General Partner and/or, as the context requires, the Company, including duly authorised committees thereof;
"ERISA"	the U.S. Employee Retirement Income Security Act of 1974;
"FCA"	the U.K. Financial Conduct Authority;
"Fund"	together the Partnership and the Company;
"General Partner"	Cheyne General Partner Inc.;
"Investment Adviser"	Cheyne Capital International L.P., the investment adviser to the General Partner;
"Investment Management and Marketing Agreement"	the discretionary investment management and marketing agreement, entered into between the General Partner, the Company and the Investment Manager dated 30 May 2013, as from time to time amended;
"Investment Manager"	Cheyne Capital Management (UK) LLP, the investment manager to the Partnership;
"Investments"	long or short exposure on (i) a bespoke portfolio of corporate credits through Credit Default Swaps or note issuances from a special purpose vehicle or a direct investment from an issuer, or forms of issuance other than notes, (ii) a corporate credit index portfolio through Credit Default Swaps or options on Credit Default Swaps, (iii) global corporate credit through other types of securities including funds managed by the Investment Manager;
"Limited Partnership Interests"	the Class 1, Series A (USD), Series B (EUR) and Series C (GBP) Limited Partnership Interests of the Partnership and such other or further Class or Classes and/or Series as may

	be formed from time to time, as the context requires;
"Marketing and Advisory Agreement"	the marketing and advisory agreement entered into between the Investment Adviser, the General Partner and the Company dated 30 May 2013, as from time to time amended;
"Memorandum"	the current memorandum of association of the Company, as amended from time to time;
"Partnership"	Cheyne Global Credit Enhanced Fund L.P.;
"Partnership Agreement"	the amended and restated partnership agreement of the Partnership dated 30 May 2013, as amended from time to time, and described in paragraph 1 under "General Information";
"Performance Allocation"	the performance-related allocation to be made to the General Partner, calculated as set out under "Fees, Performance Allocation and Expenses" at page 21 below;
"Performance Period"	each three month period ending on 31 March, 30 June, 30 September and 31 December in each calendar year;
"Portfolio Support Agreement"	the portfolio support agreement entered into between the Portfolio Support Manager, the General Partner and the Company, as amended from time to time;
"Portfolio Support Manager"	Cheyne Capital Management (UK) LLP, the portfolio support manager to the Fund;
"Prime Broker"	any prime broker appointed by the Fund;
"SEC"	the U.S. Securities and Exchange Commission;
"Series"	in respect of the Limited Partnership Interests (in the case of the Partnership) and the Shares (in the case of the Company), the Limited Partnership Interests or the Shares (as applicable) of the relevant series;
"Series A (USD)"	Series A (USD) Limited Partnership Interests and/or Series EUR Shares, as the context may require;
"Series A (USD) Limited Partnership Interests"	Series A (USD) Limited Partnership Interests of the Partnership;
"Series A (USD) Shares"	Series A (USD) Shares investing in the Series A (USD) Limited Partnership Interests in the Partnership;
"Series B (EUR)"	Series B (EUR) Limited Partnership Interests of the Partnership and/or Series GBP Shares, as the context may require;
"Series B (EUR) Limited Partnership Interests"	Series B (EUR) Limited Partnership Interests of the Partnership;

"Series B (EUR) Shares"	Series B (EUR) Shares investing in the Series B (EUR) Limited Partnership Interests in the Partnership;
"Series C (GBP)"	Series C (GBP) Limited Partnership Interests and/or Series USD Shares, as the context may require;
"Series C (GBP) Limited Partnership Interests"	Series C (GBP) Limited Partnership Interests of the Partnership;
"Series C (GBP) Shares"	Series C (GBP) Shares investing in the Series C (GBP) Limited Partnership Interests in the Partnership;
"Subscription Agreement"	the subscription agreement supplemental to the Partnership Agreement, in such form as the General Partner may from time to time prescribe, required to be entered into between the General Partner and investors in the Partnership whereby such investors acquire Limited Partnership Interests;
"United Kingdom"; "U.K."	the United Kingdom of Great Britain and Northern Ireland;
"United States"; "U.S."	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"U.S. Taxpayer"	as defined in Part II under "Definitions";
"Valuation Day"	the same day as the Dealing Day and/or such other or further day or days as the Directors may from time to time determine;
"1933 Act"	the U.S. Securities Act of 1933; and
"1940 Act"	the U.S. Investment Company Act of 1940.

All references herein to "USD", "dollar" or "$" are to U.S. dollars. All references herein to "EUR", "euro" or "€" are to the European euro. All references herein to "GBP", "sterling" or "£" are to British pounds.

All references to the provisions of any law or regulation shall be construed, where the context permits, as references to those provisions as amended, modified, re-enacted, revised or replaced from time to time.

KEY FUND INFORMATION

The Partnership and the Company (a limited partner of the Partnership) together form an integrated fund structure (the "Fund").

The Fund's investment objective is to generate attractive total rates of return regardless of economics and market conditions including the level of default experienced in the current market and the general direction of interest rates.

No assurance can be given, however, that the Fund will achieve its investment objective and investment results may vary substantially over time and from period to period.

The Fund has been designed to allow investors to participate by investing in:

- Limited Partnership Interests; and/or
- Shares.

Investment may be made in Class 1 Shares in Series A (USD), Series B (EUR) or Series C (GBP) and/or in Class 1 Limited Partnership Interests in Series A (USD), Series B (EUR) or Series C (GBP).

The Limited Partnership Interests are likely to appeal to U.S. Taxpayers (other than U.S. tax-exempt investors) and other persons seeking an investment providing, in many jurisdictions, transparency for tax purposes. Such persons are especially referred to Parts I and III of this document. The Shares are likely to appeal to U.S. tax-exempt investors and other persons seeking an investment in the shares of an investment company. Such persons are especially referred to Parts I and IV of this document.

There are significant risks associated with an investment in the Fund. See "Part I: Risk Factors and Conflicts of Interest".

U.S. Persons and U.S. Taxpayers should read "Part II: Additional Information for U.S. Investors" which contains specific disclosures for both U.S. Persons and U.S. Taxpayers. U.S. Persons will be required to complete the subscription documents contained in Part II in addition to the Subscription Agreement (if acquiring Limited Partnership Interests) or the Application Form (if acquiring Shares).

Notwithstanding the foregoing, investors are advised to read this document in its entirety and to take independent professional advice.

The following is a summary of the key information concerning the Fund and the offering of Limited Partnership Interests and Shares. The information is derived from, and should be read in conjunction with, the full text of this Private Placement Memorandum.

The Partnership	Cheyne Global Credit Enhanced Fund L.P. is an exempted limited partnership formed under the laws of the Cayman Islands.
The Company	Cheyne Global Credit Enhanced Fund Inc. is an exempted company formed under the laws of the Cayman Islands and, by way of its investment in the Partnership, a limited partner in the Partnership. The only assets of the Company (save for incidental cash or cash equivalent balances) are its investments as a limited partner in the Partnership. Investment management of the Company's underlying assets takes place at the level of the Partnership.

The Fund	The Partnership and the Company operate together as an integrated investment structure and are referred to together in this document as the Fund.
Investment Objective and Policy	The Fund's investment objective is to generate attractive total rates of return regardless of economic and market conditions including the level of defaults experienced in the credit market and the general direction of interest rates. The Fund may seek to achieve its investment objective through buying or selling Investments. The investment objective and policy of the Fund is more particularly set out under "Investment Objective, Investment Policy and Series Structure" at page 16 below. **There can be no guarantee that the Fund will achieve its investments objective and losses may be incurred**.
Class/Series Structure	Class 1 Limited Partnership Interests and Class 1 Shares are being offered as at the date of this Private Placement Memorandum. There are three Series of Class 1 Limited Partnership Interests and Shares – Series A (USD), Series B (EUR) and Series C (GBP) which differ only as to the basis of their currency of denomination. Additional Series and/or Classes of Limited Partnership Interests and Shares may be offered from time to time in the discretion of the Directors.
Management	The Partnership's general partner is Cheyne General Partner Inc., an exempted company formed under the laws of the Cayman Islands. The General Partner has delegated, subject to its responsibility and supervision, day-to-day investment management of the Partnership's assets to the Investment Manager, Cheyne Capital Management (UK) LLP, a limited liability partnership authorised and regulated in the conduct of its investment business in the United Kingdom by the FCA. The Investment Manager may also assist with marketing and promotional services to the Fund in the United Kingdom. The General Partner also receives strategic advice and marketing assistance from the Investment Adviser. The Portfolio Support Manager has agreed to provide certain middle office, operational support and fund accounting services to the Fund.
Administration	Citibank Europe plc serves as the administrator to the Fund.

Fees, Performance Allocation and Expenses	A monthly management fee at an annual rate of one and a half per cent. of the net asset value attributable to each Series of the Class 1 Limited Partnership Interests will be paid to the General Partner. In addition, the General Partner will be entitled to a quarterly performance allocation equivalent to 15 per cent. of new gains as provided herein. Shareholders will bear such management fees and performance allocations by virtue of the Company's investment in the Partnership. The General Partner is responsible, out of its own fee, for the fees and certain expenses of the Investment Manager and the Investment Adviser, excluding any fees or expenses related to the provision of middle- or back-office services pursuant to the Portfolio Support Agreement. The General Partner, the Investment Manager and/or the Investment Adviser may, in their respective discretions, pay out of the fees which they respectively receive a commission to financial intermediaries who refer investors to the Fund or waive or rebate any charge for certain prospective investors based on factors they deem appropriate. Other Fund operating costs and expenses including the fees of the Directors, the Portfolio Support Manager, the Administrator and the Prime Broker are set out at page 22.
Subscriptions	Initial applications for subscription for Limited Partnership Interests or Shares may be submitted at any time during the relevant initial offer period, which period will end with respect to each Series as of 5:00 p.m. (Dublin time) on the first Dealing Day on which a subscription for that Series is effected. Thereafter, applications to invest in Limited Partnership Interests or Shares may be made monthly in respect of any Dealing Day and must be received by the Administrator, together with cleared subscription monies, by 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day or by such earlier or later date and/or time as the Directors may determine generally or in respect of specific applications. The Directors may in their absolute discretion charge interest to an investor in such amount as they deem reasonable in respect of late subscription monies received by the Fund in respect of a subscription. The Directors have the discretion to reject applications from investors in whole or in part.
Minimum Investment	The minimum initial investment per investor in respect of Class 1 Series A (USD), Series B (EUR) and Series C (GBP) Limited Partnership Interests or Shares is $100,000 or the euro or sterling equivalent thereof, payable in full (net of any initial fees and bank charges), or such higher amount as the Directors may determine generally or in respect of specific applications. The

Directors may waive the applicable minimums in respect of subscriptions by the Directors, the General Partner and any person who has for the purposes of the Mutual Funds Law caused the preparation or distribution of this Private Placement Memorandum.

Further investments in respect of Limited Partnership Interests and/or Shares may be made for any amount.

Withdrawals/Redemptions

Investors may submit requests for the complete or partial withdrawal of their Limited Partnership Interests or, as the case may be, the redemption of all or some of their Shares in respect of any Dealing Day, subject to prior written notice being received by the Administrator in Dublin at least 30 calendar days before the relevant Dealing Day or by such earlier or later date as the Directors may in their discretion determine generally or in respect of specific applications.

The Directors may limit the value of withdrawals/redemptions in respect of any Dealing Day and may adjust withdrawal/redemption proceeds in the interests of fairness among limited partners and/or shareholders. Withdrawals/redemptions will normally be settled in cash in the currency of investment but may, at the discretion of the Directors, be settled in securities and/or other property selected by the Directors or partly in cash and partly in securities and/or other property selected by the Directors.

Withdrawals/redemptions in respect of each Series will normally be settled in cash in the currency of denomination of the relevant Series but may, at the discretion of the Directors, be settled in securities and/or other property of the Fund selected by the Directors or partly in cash and partly in securities and/or other property of the Fund selected by the Directors.

The Directors may also suspend the calculation of the net asset value of the Partnership or a Class or Series thereof, which will result in the suspension of withdrawals/redemptions for the Fund or the relevant Class or Series.

Gate Policy

The Directors have the discretion to limit the value of withdrawals of a Series of Limited Partnership Interests, and/or withdrawals from the Partnership, in respect of any Dealing Day (any such limitation a "gate") to 20 per cent. of the aggregate value of Limited Partnership Interests of such Series and/or the Fund. Where withdrawals by the Company are restricted by operation of this policy, the Directors will limit the total number of Shares which may be redeemed in respect of such Dealing Day accordingly. The Directors may determine to impose a gate at any time before, during or after the Dealing Day with respect to which the gate is to be imposed.

Accumulation Policy

Income and capital gains are normally reinvested and the Partnership and the Company do not ordinarily, but may at the Directors' discretion, make distributions to partners or pay

	dividends to shareholders (as the case may be).
Tax Status of the Fund	A description of the tax status of the Partnership and the Company is set out at pages 88 and 115, respectively.
Listing	No application has been made for the listing of the Shares on any stock exchange although the Directors reserve the right to seek such a listing in the future when it is considered to be in the interests of the Company. There is no listing for the Limited Partnership Interests.

RISK FACTORS

There are significant risks associated with an investment in the Fund. The investment may not be suitable for all investors. It is intended for sophisticated investors who can accept the risks associated with such investment, including a substantial or complete loss of their investment. There can be no assurance that the Fund will achieve its investment objective and losses may be incurred. Each prospective investor should carefully review this document and carefully consider the risks before deciding to invest. The attention of investors is also drawn to the Risk Factors and Conflicts of Interest in Part I of this document.

Set out below in Part I is information generally applicable to an investment in the Fund (i.e. whether in Limited Partnership Interests or Shares). Supplementary information specific to U.S. investors is set out in Part II. Supplementary information and the subscription procedure specific to the Partnership are set out in Part III. Supplementary information and the subscription procedure specific to the Company are set out in Part IV.

PART I: THE FUND

MANAGEMENT

The General Partner

The General Partner is responsible for the management of the Partnership.

The General Partner was incorporated in the Cayman Islands on 5 May 2000 to provide management, advisory and marketing services in its capacity as general partner to one or more Cheyne-managed limited partnership funds. The General Partner may delegate certain of its functions to other parties and has delegated, subject to its responsibility and supervision, day-to-day investment management and other duties to the Investment Manager. It also receives strategic advice and marketing assistance from the Investment Adviser.

The Directors of the General Partner are:

Ronan Daly. Mr. Daly is a director of a number of investment funds. Mr. Daly qualified as a solicitor in England and Wales in 1992 and as a barrister and attorney in Bermuda in 1995. Mr. Daly is the Chairman of Centaur Fund Services Limited and previously held senior roles at Citi Fund Services, BISYS, Hemisphere Management and The Bank of Bermuda Limited from 1994 to 2008. Mr. Daly was educated at The University of Manchester and The College of Law, London. He worked at London law firm, Berwin Leighton, from 1989 to 1993. Mr. Daly has spoken at many conferences and written extensively on the funds industry. He was involved in the IOSCO report on Principles for the Valuation of Hedge Fund Portfolios and the AIMA reports on Sound Practice for Hedge Fund Valuations and Alternative Fund Directors. Mr. Daly is a British citizen and is resident in Ireland.

Andrew Galloway. Mr. Galloway holds a select number of directorships in hedge funds, special purpose companies and other offshore vehicles. Mr. Galloway is a director and principal of ICG Management Limited ("ICG") a Cayman Islands based company licensed by the Cayman Islands Monetary Authority to carry on the business of company management. ICG specialises in providing independent director services to a limited number of international institutional clients. Mr. Galloway qualified as a solicitor with Slaughter & May in London in March 1992 where he worked within the corporate department. Mr. Galloway left Slaughter & May in December 1993 to join Coutts (Cayman) Limited ("Coutts") as Manager, New Business. Mr. Galloway was Managing Director of Coutts from 1999 until his departure in December 2005, during which time he was responsible for, and a director of, the bank's operations in the Cayman Islands, the Bahamas and Bermuda. Mr. Galloway is a member of the Institute of Directors in the United Kingdom and the Society of Estate and Trust Practitioners. Mr. Galloway holds an MA from Magdalene College, Cambridge, where he studied law.

Daniele Hendry. Mr. Hendry is a director of Cheyne Capital (Schweiz) AG, a subsidiary of Cheyne Capital International Limited, the general partner of the Investment Adviser. From 1988 to 1999, Mr. Hendry was an executive director working in convertible sales for Morgan Stanley Dean Witter in London and Zurich where he also headed the Swiss institutional business for the equities division. Prior to this and from 1985, he worked in convertible and fixed income sales for Drexel Burnham Lambert, Zurich. From 1981 to 1985, Mr. Hendry held a similar position with White Weld Securities in Zurich. Mr. Hendry has an MBA from the University of Chicago.

Philippe Lette. Mr. Lette is a Canadian and French attorney, called to the Bars of Montréal, Canada and Paris, France. Senior partner (Europe) of Lette Lette & Partners, an international law firm, with offices in Montréal, Toronto, Paris, Geneva and Munich, his areas of expertise include international, in particular Canadian and European, taxation, banking and finance. He

acts as legal counsel to the Canadian and Swiss Embassies in Paris. In 1982, he was appointed Conseiller du Commerce Extérieur de la France, in 1990 he was appointed Chevalier dans l'Ordre National du Mérite and in 1993 he received the Distinguished Service Award from McGill University. Mr. Lette is a Director of the Swiss Chamber of Commerce (France) and a Director and past President of the France-Canada Chamber of Commerce. He has taught international and comparative business law at the Institut d'Etudes Politiques (Paris) and the University of Florida College of Law and was a Meredith lecturer at the Faculty of Law, McGill University in 2002. Mr. Lette is a member of the Institut des Avocats Conseils Fiscaux of France, the Canadian Bar Association, the Canadian Tax Foundation and the International Fiscal Association. He acts as an arbitrator appointed by the Court of Arbitration of the International Chamber of Commerce. He is also a director of several investment advisory and asset management companies. Mr. Lette is a graduate of College Stanislas (Baccalauréat, 1965), holds a BCL from McGill University (1968), an LLB from the University of Bordeaux (1969), a DES de Droit privé Comparé from the University of Paris (1969) and an LLM from the International Faculty of Comparative Law (1970).

James Lieber. Mr. Lieber is a strategic consultant based in Paris, France and is President of Lieber Strategies sarl. Since 2004, Mr. Lieber has served as a director of Cheyne Capital Holdings Limited and as a consultant to various Cheyne Capital businesses. He is also a member of the boards of other funds managed by the Cheyne Capital Group. From 1997 to 2004, Mr. Lieber was Director of Corporate Affairs at LVMH Moet Hennessy Louis Vuitton S.A. and now serves on the boards of its subsidiaries, DFS Group and LVMH Inc. From 1994 to 1997, Mr. Lieber practiced law with Cleary, Gottlieb, Steen & Hamilton in New York and Paris. Prior to 1994, Mr. Lieber was involved in various real estate development and construction activities in New York and Detroit. Mr. Lieber holds a juris doctor degree cum laude from Northwestern University School of Law in Chicago, Illinois, and a master in public policy degree from Harvard University's Kennedy School of Government in Cambridge, Massachusetts. He graduated from Wesleyan University in Middletown, Connecticut with a bachelor of arts degree, with honors in art history. Mr. Lieber is an attorney admitted to practice in the State of New York and a member of the Council on Foreign Relations. Born in New York in 1962, he is a U.S. citizen and French resident.

Ralph Woodford. Mr. Woodford holds a select number of directorships in hedge funds, special purpose companies and other offshore vehicles. Mr. Woodford is a director and principal of ICG. ICG specialises in providing independent director services to a limited number of international institutional clients. Mr. Woodford qualified in 1992 as a chartered accountant with Ernst & Young in Edinburgh and is a member of the Institute of Chartered Accountants of Scotland. Mr. Woodford joined Edinburgh Fund Managers plc as an investment manager in 1993. Mr. Woodford was formerly Managing Director of Caledonian Directors Limited, a director services company within the Caledonian Group. Mr. Woodford was responsible for the corporate governance overview of an extensive range of institutional and boutique hedge fund clients. Mr. Woodford has extensive experience in technology research, small-capitalised stocks and emerging markets. Mr. Woodford has considerable knowledge across different investment strategies, both on single and multi-manager platforms. Mr. Woodford holds a BA degree in Accounting and Finance (with distinction) from Heriot-Watt University in Edinburgh.

All of the directors of the General Partner serve in a non-executive capacity. They also serve as directors of the Company in a non-executive capacity.

The Investment Manager

Under the terms of the Investment Management and Marketing Agreement, the General Partner has appointed Cheyne Capital Management (UK) LLP as the investment manager of the Partnership with discretionary authority to invest the assets of the Partnership in furtherance of the investment

objective and in accordance with the investment objective and policy of the Partnership as described in this Private Placement Memorandum. The Investment Manager is a limited liability partnership, registered in England and Wales on 8 August 2006, and is authorised and regulated in the conduct of investment business in the U.K. by the FCA. The Investment Manager may engage the services of other entities in the Cheyne Group in connection with its management of the Fund.

Cheyne Capital Management Limited, the corporate member and predecessor in interest of the Investment Manager, was incorporated in England and Wales on 25 November 1999 and commenced business in 2000. Cheyne Capital is one of the top European alternative investment managers by assets under management. Jonathan Lourie (CEO) and Stuart Fiertz (President) founded Cheyne Capital after working together for nine years at Morgan Stanley in London. Chris Goekjian (formerly Head of the Global Fixed Income Division of Credit Suisse's investment bank) joined in April 2009 as CIO. Cheyne's investment philosophy is grounded in rigorous fundamental analysis. With a core focus on credit, the firm's main areas of expertise are corporate credit, real estate debt, event driven investing, convertible bonds and equities. As of 31 March 2013, the firm had net assets under management of approximately $6.7 billion and approximately 150 staff in offices in London, Bermuda and Switzerland.

Cheyne Capital Management Limited is owned by interests associated with the family of Mr. Lourie and Mr. Fiertz. Its board of directors consists of Mr. Lourie as chairman, Mr. Fiertz and Cheyne's Finance Director Gary Ibbott. Details of the directors follow:

Jonathan Lourie. Mr. Lourie is the Chief Executive Officer of the Investment Manager. He is also the Chief Executive Officer and Chairman of Cheyne Capital Management Limited, which serves as the corporate member of Cheyne Capital Management (UK) LLP, the Investment Manager. Under Mr. Lourie's leadership the Cheyne Capital Group has grown to become one of the largest hedge fund managers in Europe. Prior to forming Cheyne, Mr. Lourie worked from 1985 to June 2000 at Morgan Stanley where he was responsible for the creation and development of the convertible bond management practice. This group pioneered the expansion of the application of convertible bonds on a directional basis, including the initiation and management of the first actively managed convertible bond-backed CBO and the allocation of pension fund money to the asset class. Mr. Lourie was educated from 1967 to 1979 at the International School of Geneva and from 1979 to 1983 at Dartmouth College in Hanover, New Hampshire, U.S.A. from which he graduated Phi Beta Kappa and Summa Cum Laude in 1983.

Stuart Fiertz CFA. Mr. Fiertz is the Director of Research of the Investment Manager. He is also the President and a director of Cheyne Capital Management Limited. Until September 2005, he served as its Chief Operating Officer. From 1991 to June 2000, Mr. Fiertz worked for Morgan Stanley in London where he was responsible for the development and implementation of customised portfolio strategies and for credit research in the convertible bond management practice, latterly as an executive director. Prior to joining Morgan Stanley, Mr. Fiertz was, in chronological order, an equity research analyst in New York at The Value Line Investment Survey from 1984 to 1986, and a high yield credit analyst in Boston at Merrill Lynch from 1986 to 1988 and in New York at Lehman Brothers from 1988 to 1990. During this time, Mr. Fiertz was responsible for the analysis of companies in a wide range of industries. Mr. Fiertz is a Chartered Financial Analyst who was educated at the International School of Geneva in Geneva from 1976 to 1980 and from 1980 to 1984 at Dartmouth College, New Hampshire, U.S.A., where he was awarded a BA degree in political science and economics.

Gary Ibbott FCCA. Mr. Ibbott joined Cheyne Capital in 2001. He is the Chief Financial Officer of the Investment Manager and a director of Cheyne Capital Management Limited and Cheyne Global Services Limited. From 1987 to 2001 Mr. Ibbott worked for Morgan Stanley in London where he was Chief Operating Officer responsible for the operational

processing and development of the Private Wealth Management business in London and Paris. Prior to joining Morgan Stanley, Mr. Ibbott was employed in accounting and administrative roles for the Prudential Assurance Co., Kimberly Clark and Sea Containers Services. Mr. Ibbott is a Fellow of the Association of Chartered Certified Accountants.

The Investment Adviser

The Investment Adviser is a limited partnership established in Bermuda on 10 December 2012. The general partner of the Investment Adviser is Cheyne Capital International Limited, a company incorporated with limited liability in Bermuda on 10 May 2000. Pursuant to the Marketing and Advisory Agreement, the Investment Adviser has been appointed by the General Partner to provide marketing and advisory services in respect of the Partnership and has also been appointed by the Company to provide marketing services to the Company. The responsibilities of the Investment Adviser include, among others: (i) providing strategic investment advice with respect to the operation of the Fund; (ii) monitoring adherence to the investment objectives and restrictions of the Fund and providing reports thereon to board meetings of the Company and the General Partner; (iii) distribution of Shares and Limited Partnership Interests of the Fund on a worldwide basis (with the assistance of the Investment Manager in the U.K.); (iv) meeting with and providing assistance to eligible financial intermediaries and investors who may wish to invest in the Fund; (v) maintaining regular contact with financial intermediaries and investors; and (vi) providing investors with performance information.

The directors of Cheyne Capital International Limited, the general partner of the Investment Adviser, are: David Ezekiel (Executive Chairman), Paul Brooke and Robin Masters, whose backgrounds follow:

David Ezekiel. Mr. Ezekiel founded International Advisory Services Ltd ("IAS"), which provides financial services to insurance and reinsurance companies, in April 1981. In September 2009, IAS was acquired by Marsh Inc. and Mr. Ezekiel became Chairman and Managing Director of the combined entity, Marsh IAS Management Services (Bermuda) Limited. Previously, he was a partner with Moore, Stephens & Butterfield (the Bermuda arm of KPMG). Mr. Ezekiel was educated at Sherwood College, Nainital, India and undertook his articles of clerkship in London. He was admitted as a Member of the Institute of Chartered Accountants in England and Wales in 1971 and was admitted to Fellowship in 1978. In 1972/73 he attended the Graduate Business Centre of the City University, London, where he received his Master of Science degree in Business Administration majoring in Investment Analysis. Mr. Ezekiel served as Chairman of the Association of Bermuda International Companies ("ABIC") until November 2010 and, in 2005, was named 'Insurance Leader of The Year' by the Bermuda Insurance Institute ("BII") for his work at IAS and ABIC. Mr. Ezekiel was presented with the BII's 2009 'Lifetime Achievement Award'.

Paul Brooke. Mr. Brooke is currently the managing member of PMSV Holdings LLC, an advisory director of Morgan Stanley, and a venture partner of MPM Bioventures. From April 1999 to May 2000, he was a managing director of Tiger Management LLC. Prior to that, Mr. Brooke was a managing director at Morgan Stanley, and was global head of healthcare research and strategy. He was a key advisor in numerous initial public offerings, corporate restructurings, mergers and acquisitions and managed Morgan Stanley's global healthcare efforts. He was also affiliated with Wertheim and was associate director of research at CJ Lawrence. Mr. Brooke has served as a board member of the Morgan Stanley Venture Fund, and as a member of the investment advisory board of BB Bioventures. He is currently a board member of the public companies, Web MD Corporation, Incyte Genomics Inc. and ViroPharma Inc. as well as a number of privately held companies. He also authored a book on the pharmaceutical industry, Resistant Prices. Mr. Brooke received an MA from Columbia University, where he was a William Mitchell Fellow and an AB from Columbia College.

Robin Masters CFA. Ms. Masters served as Chief Investment Officer of ACE Limited, a Bermuda company which provides insurance and reinsurance products worldwide, a position from which she retired in May 2000. At that time, she had full oversight of the investment and treasury functions of the company including investment strategy, asset allocation, performance evaluation and accounting for the company's consolidated investment portfolio. She was also responsible for the arrangement of numerous bank credit facilities and capital market issuances. Prior to that, Ms. Masters held various finance positions with ACE since joining the company in 1986, shortly after its inception. She is currently a director of the Legg Mason Family of Mutual Funds, Treasurer and board member of Bermuda SmartRisk, a Bermuda-registered charity, and Chairman of Cap-a-Laige Ltd, the management company of a Bermuda charitable trust. She earned a B.A. in Psychology and Education in 1977 and was awarded the designation of Chartered Financial Analyst in 1992.

The Portfolio Support Manager

The General Partner and the Company have appointed the Portfolio Support Manager to provide certain middle office, operational support and fund accounting services in respect of the Fund. The Portfolio Support Manager is a limited liability partnership registered in England and Wales on 8 August 2006 and is authorised and regulated in the conduct of investment business in the United Kingdom by the FCA. The Portfolio Support Manager or an affiliate provides operational and trade related administrative support in connection with the Fund. Such support may include, without limitation, communicating with and providing instruction to the Administrator and other service providers to the Partnership with regard, but not limited, to payment and settlement reconciliation, net asset value liaison, corporate actions, daily operations and related matters.

ADMINISTRATION

The Fund has appointed Citibank Europe plc as administrator pursuant to the Administration Agreement to administer the day-to-day operations and business of the Fund and perform general administrative tasks for the Fund, including dealing with the Fund's correspondence, processing subscriptions, redemptions and withdrawals, computing net asset values, maintaining books and records, disbursing payments, establishing and maintaining accounts on behalf of the Fund and any other matters usually performed for the administration of a fund.

Citibank Europe plc is a licensed bank, authorised and regulated by the Central Bank. Citibank Europe plc was incorporated in Ireland on 9 June 1988 under registered number 132781 and is a member of the Citigroup group of companies, having its ultimate parent Citigroup Inc., a U.S. publicly quoted company.

The Administrator keeps the accounts of the Fund in accordance with international financial reporting standards. The General Partner has appointed a third party to prepare a set of partnership accounts in accordance with U.S. tax accounting principles and to maintain all such records and reports as are required for U.S. tax or regulatory purposes of the Partnership and any limited partner who notifies the Partnership that such information is necessary. The Administrator also maintains the register of partners (in the case of the Partnership), which will also be kept at the registered office of the Partnership, and the register of shareholders (in the case of the Company).

The Administrator is a service provider to the Fund and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. The Administrator has no responsibility for monitoring compliance by the Fund with any investment policies or restrictions to which it is subject. The Administrator accepts no responsibility or liability for any losses suffered by the Fund as a result of any breach of such policies or restrictions by the Fund.

PRIME BROKER AND TRADING COUNTERPARTIES

General

The General Partner on behalf of the Partnership may appoint one or more Prime Brokers and/or custodians to provide prime brokerage and/or custody services to the Partnership. Prime brokerage services normally include, without limitation, margin financing, clearing, settlement, safe custody, stock borrowing facilities and foreign exchange facilities.

The broad commercial effect of such services is to make available leverage to the Partnership's portfolio, thus increasing the potential both for gain and for loss. A prime brokerage service may involve the Prime Broker providing the Partnership with, *inter alia*, financing facilities, typically in the form of cash loans to finance long securities positions and stock loans to enable the Partnership to sell short. Other leveraging facilities, such as acting as a counterparty for swaps and over-the-counter ("OTC") derivatives transactions, may be provided by a Prime Broker in conjunction with such prime brokerage services.

The allocation of assets of the Partnership between Prime Brokers and/or custodians will be determined, amongst other things, by the nature and the type of transaction and is at the discretion of the Investment Manager.

Any Prime Broker will not participate in the investment decision making process and will have no decision making discretion relating to the investment of the assets of the Partnership.

The General Partner reserves the right to change prime brokerage and/or custodial arrangements by agreement with the Prime Broker(s) and/or custodians. The Partnership may use the services of other brokers for executing trades.

Cash belonging to the Partnership may be held by any Prime Broker together with its own cash and used in the course of its investment business. Accordingly the Partnership is exposed to counterparty risk in relation to any Prime Broker and may not be able to recover such cash.

Initial Counterparty

On launch, the Fund expects to enter into an ISDA Master Agreement and related Credit Portfolio Annex with a single bank as counterparty. This agreement will govern all credit transactions such as Credit Default Swaps between the Fund and the counterparty. As such, the Fund will initially be exposed to the counterparty credit risk of a single bank, possibly substantially. The Fund expects to enter into further swap agreements with additional counterparties which will diversify the Fund's counterparty credit exposure. There is no obligation for the Fund to enter into Credit Default Swaps with any particular counterparty, and the Fund may terminate such swaps or swap agreements at any time.

INVESTMENT OBJECTIVE, INVESTMENT POLICY AND SERIES STRUCTURE

Investment Objective and Policy

The Fund's investment objective is to generate attractive total rates of return regardless of economic and market conditions including the level of defaults experienced in the credit market and the general direction of interest rates. The Company will pursue its investment objective by investing all of its investable assets in the Partnership.

There can be no guarantee that the Fund will achieve its investment objective.

Investment Policy

Members of the Investment Manager's Credit Team are responsible for analysing investment opportunities for the Fund. Credit analysts in the team focus on fundamental credit analysis of Corporates on both an absolute and a relative basis. Quantitative and qualitative methods are used to analyse the credit of Corporates. The Investment Manager will use the output of this analysis to identify investment opportunities, taking into consideration factors such as the level of credit spreads, market supply and demand imbalances of credits, and liquidity. When an investment is made it will be closely monitored and the investment rationale for retaining the investment will be kept under review by the Investment Manager.

Trading positions within the Fund are subject to risk and position guidelines, as described below, under the supervision of the Investment Manager's Chief Risk Officer.

Investment Strategy

The Fund will seek to achieve its objective primarily through synthetic long or short exposure to the credit risk of Corporates in developed markets via Credit Default Swaps and may also make direct investments in corporate debt securities issued by individual Corporates.

Investment Manager credit analysts focus on fundamental credit analysis of Corporates on both an absolute and a relative basis. Quantitative and qualitative methods are used to analyse the credit of Corporates. The Investment Manager will use the output of this analysis to identify investment opportunities, taking into consideration factors such as the level of credit spreads, market supply and demand imbalances of credits, and liquidity. When an investment is made it will be closely monitored and the investment rationale for retaining the investment will be kept under review by the Investment Manager.

It is expected that the Fund will use Credit Default Swaps as an alternative to acquiring corporate debt securities, alone or in conjunction with such securities, in any case where such investment may be accomplished in a more efficient, less costly or less risky way through the use of such swaps. Credit Default Swaps may also be used to maintain or reduce exposure to the market while managing the cashflows from subscriptions and redemptions into and out of the Fund more efficiently than by buying and selling securities.

Investments in Corporate debt securities may include ownership of individual corporate bonds of primarily investment grade, which may be either fixed or floating rate instruments.

The Fund's investments in Credit Default Swaps and corporate debt securities will be primarily investment grade, however such investments may include non-investment grade securities. The underlying portfolios in the Fund's investments in portfolio Credit Default Swaps will be primarily investment grade but may reference non-investment grade Corporates.

While the Fund will have a long-bias and intends to have generally long exposure to individual Corporates, it may also take synthetic short positions on individual Corporates, either as a hedge against a long position or for investment purposes by using Credit Default Swaps.

Where the Investment Manager believes this to be appropriate in terms of the investment objective and policies of the Fund and in the best interests of investors, it may dispose of its investments in whole or part before their final maturity. The investment proceeds received from any such disposals will be re-invested in accordance with the Fund's investment objective and policy.

The Investment Manager may cause the Fund to engage in hedging transactions in order to mitigate losses due to defaults and/or market risk, but it may not be able to remove all credit exposure to

Corporates. Hedging transactions could take the form of buying or selling credit protection on certain Corporates or credit indices using either Credit Default Swaps or options on Credit Default Swaps. However, the Fund may have exposure to Corporates for whom Credit Default Swaps are not available or are prohibitively priced.

For purposes of the Fund's investment objective and policy, the Fund may invest in cash or cash equivalents including, but not limited to, short-term government bonds, treasury bills, commercial paper, interest bearing accounts of a bank or broker, certificates of deposit, government securities and other forms of money market instruments such as bankers acceptances or bills of exchange. The Fund may also hold ancillary liquid assets to provide security, collateral or margin in respect of its activities.

The investment objectives and methodology summarised above represent the Investment Manager's intentions as of the date of this Private Placement Memorandum. Depending on conditions and trends in the financial markets and the economy in general, but subject always to the stated principal investment objective and policy of the Fund, the Investment Manager may employ any investment techniques or purchase any type of security that it considers appropriate and in the best interests of the Fund, whether or not described in this section, subject to any applicable law or regulation.

Risk Management

Risk Guidelines

The management of risk in the Fund will focus on the following elements: (i) monitoring portfolio diversification (by position), (ii) monitoring of correlations within the portfolio, (iii) monitoring the liquidity of individual securities and the time required to exit each position, (iv) monitoring of the hedging strategies implemented to minimise market risk, (v) monitoring of leverage and (vi) monitoring of stress tests at the position and Fund levels. The Investment Manager's approach towards diversification may be based on sector, country and position analysis. Particular focus may be given to avoiding concentration risk at the Fund level and liquidity risk at the individual security level.

Risk Guidelines for the Fund have been developed by the Investment Manager's central risk management division under the direction of the Investment Manager's Chief Investment Officer. Risk Guidelines are monitored on a daily basis to ensure compliance with designated limits and parameters.

Hedge Fund Standards Board

The Investment Manager is a founding member of the Hedge Fund Working Group and funds managed by the Investment Manager comply with the Standards of the Hedge Fund Standards Board.

Valuation: The Investment Manager's Risk Management and Fund Accounting departments operate independently of the portfolio management personnel and participate in the creation and application of models used to calculate valuation estimates for illiquid assets in relevant funds. Such models are reviewed by independent auditors and official valuations are produced by independent administrators in accordance with their procedures and controls.

Risk Management: The Investment Manager's Risk Management function uses numerous relevant risk parameters based on the type of assets held in the Fund. These may include volatility, credit quality, liquidity, pricing movements, delta exposures, sector exposure, correlations and others. The nature of parameters used evolves with market conditions.

Investment Guidelines

Although the Fund will invest primarily in credit default instruments, there are no restrictions on the ability of the Fund to invest in other financial instruments. The Fund may seek to achieve its investment objective through investment in other open and closed-ended funds and structures. These may be or include unregulated funds and structures as well as funds and structures managed and/or advised by the General Partner, the Investment Manager, the Investment Adviser and/or their respective associates.

The Fund will utilise margin borrowing as leverage on a more permanent basis; this leverage will be predominantly with recourse and will be provided by the Prime Broker(s) or through Credit Derivatives. The Fund has the flexibility to use leverage on an unrestricted basis and to use currency hedging techniques. To the extent that the Fund is using margin borrowing or other forms of leverage, the assets of the Fund from time to time may be used as collateral for such margin borrowing or other form of leverage.

Investment Restrictions

Save for any constraints imposed by the Investment Objective and Investment Policy of the Fund, the Fund is not currently subject to any requirements or restrictions on:-

(i) the amount or degree to which it may hold liquid assets in the form of cash, near cash, money market investments, government and non-government debt securities and other securities;

(ii) the percentage of the gross assets of the Partnership which may be exposed to the risk of a Corporate or debt issue or exposed to the creditworthiness of a single counterparty;

(iii) the percentage of the gross assets of the Partnership which may be invested in unlisted securities or securities which are not traded on an exchange or market; or

(iv) the markets in which the Partnership may invest.

The Directors reserve the right to seek a listing in the future for the Shares and/or the Limited Partnership Interests on any stock exchange when this is considered to be in the interests of investors of the relevant Class or Classes. In such event the Partnership may become subject to investment restrictions and other constraints to which it would otherwise not be subject which may include, without limitation, becoming required to restrict its exposure to any single counterparty and the proportion of its assets invested in securities issued by any one issuer and being prohibited from entering into any transaction which may result in the Partnership taking legal or management control of any underlying investment.

Any material change to the Fund's investment restrictions will only be made on 45 days' prior written notice, in the case of the Partnership, to the limited partners and, in the case of the Company, to the shareholders.

The Capital Structure

Limited Partnership Interests are currently comprised of Class 1 Limited Partnership Interests in three Series, namely the Series A (USD), Series B (EUR) and Series C (GBP).

Shares in the Company are currently comprised of Class 1 Shares in three Series, namely the Series A (USD), Series B (EUR) and Series C (GBP), which invest in the Partnership through the corresponding Series of Limited Partnership Interests.

As the Series of Limited Partnership Interests (and their corresponding Company Share Series) are denominated in different currencies, in the interests of seeking the optimal protection of an investor's interest, the Fund may engage in foreign exchange hedging transactions for each Series (where the

profits, gains, losses, costs, income and expenditure consequent upon such hedging transactions are allocated to the relevant Series). Foreign exchange transactions with respect to the dollar-denominated Series may be undertaken with a view to protecting their dollar value. Foreign exchange transactions with respect to the euro-denominated Series may be undertaken with a view to protecting their euro value. Foreign exchange transactions with respect to the sterling-denominated Series may be undertaken with a view to protecting their sterling value. Performance among Series may vary, due to their different currency exposure. Although the Fund may enter into hedging transactions, it is not obliged to, and will only do so as determined by the Investment Manager in its sole discretion. No assurance can be given that such currency hedging policies, if conducted, will be successful.

In addition to the powers of the Directors and the General Partner in relation to redemptions and withdrawals, the Company and the Partnership are authorised under the terms upon which investment is made in the Shares and the Limited Partnership Interests to reduce the size of the Fund through redemption of Shares and the return of capital in relation to limited partnership interests where this is considered by the Directors to be appropriate.

Further Classes/Series and Strategies

The Directors, in their absolute discretion, reserve the right to establish from time to time further investment portfolios and strategies ("Strategies") represented by one or more Classes and/or Series. Future Strategies and Classes/Series may have characteristics which are the same as, similar to and/or different from the existing Class/Series including, without limitation, as to investment terms, charges, currency or expenses, investment objectives, policies and restrictions, involving a materially different or greater risk profile or materially different or greater volatility.

Under Cayman Islands law, there is no legal segregation of assets or liabilities between Classes/Series. Accordingly, if the Directors establish a new Strategy represented by a separate Class or Series of Shares and Limited Partnership Interests, the Investment Manager will seek to mitigate the risk of cross-class liability by, among other things, (i) where reasonably practicable entering into agreements and contracts with counterparties in respect of a particular Class or Series on a limited recourse basis or (ii) establishing corporate subsidiaries or other limited liability entities through which each Class or Series will invest and trade.

ALLOCATION OF NET PROFITS AND NET LOSSES

Capital accounts are maintained for each limited partner (including the Company) and in respect of each designation of Limited Partnership Interests. Each separate capital account is reflected by a book entry in the records of the Partnership.

The Fund's fiscal year ends on 31 December in each year. The first fiscal period of each of the Company and the Partnership will end on 31 December 2013. The Partnership Agreement provides for monthly fiscal allocation periods or such other periods as the General Partner may determine (including without limitation, periods commencing on the date of any capital contribution or withdrawal), for the purpose of calculating net profits and net losses (as described below).

Net profits (which are calculated separately for each Series) for any fiscal allocation period comprise the excess of the net asset value of the Partnership attributable to that Series as of the end of the fiscal allocation period (excluding any capital contributions made as of that date and adding back any withdrawals made as of that date) over the net asset value of the Partnership attributable to that Series (as applicable) as of the beginning of such fiscal allocation period (including any capital contributions made as of that date and excluding any withdrawals made as of that date) and adjusted to reflect any distributions made with respect to such period.

Net losses (which are calculated separately for each Series) for any fiscal allocation period comprise the excess of the net asset value of the Partnership attributable to that Series as of the beginning of the fiscal allocation period (including any capital contributions made as of that date and excluding any

withdrawals made as of that date) over the net asset value of the Partnership attributable to that Series as of the end of such fiscal allocation period (excluding any capital contribution made as of that date and adding back any withdrawals made as of that date) and adjusted to reflect any distributions made with respect to such period.

For accounting purposes, the Performance Allocation is not deducted in computing net profits and losses, but is deducted from each relevant limited partner's capital account and allocated to the capital account of the General Partner within 10 Business Days after the end of the Performance Period.

Subject to any Performance Allocation, the net profit or net loss of the Partnership attributable to a Series as of the end of each fiscal allocation period is allocated to each limited partner of that Series in such proportions as his capital account of the relevant Series bears to the aggregate of all the capital accounts of such Series. Net profit and net loss of the Partnership is determined on the accrual basis of accounting in accordance with U.S. tax accounting principles, provided that: (i) assets shall be carried at the values determined in the manner described in "Valuations"; (ii) no value shall be assigned to goodwill; and (iii) organisational expenses incurred in connection with the offer and sale of Limited Partnership Interests and the Shares shall be capitalised and amortised over a period of three years, subject to the General Partner's discretion to vary this if it considers it prudent to do so, and such net profit and loss is deemed to include net unrealised profits or losses on securities positions as of the end of each fiscal allocation period.

Assets and liabilities of the Partnership are allocated to the particular Series as described in "Valuations" on page 27 below and references herein to assets and liabilities "attributable" to a Series should be construed accordingly.

FEES, PERFORMANCE ALLOCATION AND EXPENSES

Management Fees

The General Partner is entitled to a monthly management fee payable in arrears at an annual rate of one and a half per cent. of the net asset value attributable to each Series.

Performance Allocation

The General Partner is also entitled to a quarterly Performance Allocation. The Performance Allocation is made in arrears in respect of each Performance Period and accrued monthly or at the end of such period or periods as the General Partner may approve. Performance Periods comprise each successive three month period ending on 31 March, 30 June, 30 September and 31 December in each year. The Performance Allocation is equivalent to 15 per cent. of a limited partner's net profits applicable to such limited partner's capital account for a Series once such limited partner's *pro-rata* share of net profits for the Performance Period exceeds any cumulative net losses that have been carried forward from prior Performance Periods for each such limited partner of the relevant Series.

If the net asset value of such limited partner's capital account of a Series (net of contributions and withdrawals) decreases during a Performance Period, no Performance Allocation will be made with respect to such limited partner for such Series for that Performance Period and the loss will be carried forward to the next Performance Period and included in calculating the Performance Allocation, if any, to be made with respect to such limited partner for such Series for that Performance Period. Amounts withdrawn by a limited partner from the Partnership will proportionately reduce the amount of any net losses carried forward for such limited partner's capital account of that Series.

The Performance Allocation to be made in respect of the Company's investment in the Partnership is determined using the methodology as set out on page 109.

If a limited partner retires or makes a withdrawal from the Partnership at any time other than at the end of a Performance Period, the Performance Allocation will be deducted as if at the end of a Performance Period.

The General Partner, the Investment Manager and/or the Investment Adviser may, in their respective discretions, out of the fees which they respectively receive, pay commission to financial intermediaries who refer investors to the Fund or waive or rebate any charge for certain prospective investors based on factors they deem appropriate.

Administrator, Portfolio Support Manager, Prime Broker and Other Fees and Expenses

The Administrator is entitled to receive a fee, calculated on arm's length commercial terms, as agreed from time to time between the Administrator and the General Partner.

The Portfolio Support Manager provides certain middle office, operational support and fund accounting services to the Fund pursuant to the Portfolio Support Agreement. The General Partner is authorised to pay to the Portfolio Support Manager or its affiliate, on behalf of the Fund, a fee at the annual rate of 0.08 per cent. (0.08%) of the first $150 million of the net asset value of the Partnership ("Total NAV"); 0.06 per cent. (0.06%) of the Total NAV between $150 million and $350 million; 0.04 per cent. (0.04%) of the Total NAV between $350 million and $500 million; and 0.02 per cent. (0.02%) of the Total NAV in excess of $500 million.

Prime Brokers and custodians may perform a variety of brokerage and custodial services on arm's length commercial terms for the Partnership for which fees are charged at normal commercial rates and expenses are to be reimbursed. Any sub-custodian fees are met by the Partnership. All sub-custodian fees are charged at normal commercial rates. By virtue of its investments in the Partnership, the Company will indirectly bear a portion of such fees incurred by the Partnership.

The Partnership pays certain other costs and expenses incurred in its operation, including, without limitation, taxes, expenses for legal, auditing and consulting services, promotional activities, listing fees (if applicable), registration fees and other expenses due to supervisory authorities, insurance, interest, the fees of the Directors and the cost of the publication of the net asset value.

The General Partner is authorised to incur all expenses on behalf of the Partnership which it deems necessary or desirable (including, without limitation, the direct costs of in-house lawyers providing legal services in respect of the Fund). The General Partner is itself responsible, out of its own fees and Performance Allocation, for the fees and certain expenses of the Investment Manager and the Investment Adviser but, for the avoidance of doubt, not for the fees of the Portfolio Support Manager.

The Fund may invest in issuers and/or funds managed, advised, sponsored or arranged by the Investment Manager and/or the Investment Adviser. Such issuers and/or funds may pay structuring, management, monitoring or other fees to the Investment Manager and/or the Investment Adviser. The Investment Manager and/or the Investment Adviser are entitled to retain these fees. No Management Fee or Performance Allocation shall be paid by the Fund to the General Partner, the Investment Manager and/or the Investment Adviser, to the extent that any investment management or investment advisory fees are received by the Investment Manager and/or the Investment Adviser under any instruments in which the Fund is invested.

The formation and preliminary expenses (including printing and legal fees) relating to the Fund (including the establishment expenses of the Company) will be amortised over a three year period subject to the discretion of the Directors to vary this if they consider it prudent to do so. This practice is contrary to International Financial Reporting Standards and, although this is not anticipated by the Directors, could result in a qualified audit opinion.

ACCUMULATION POLICY

Income and capital gains are normally reinvested and the Fund does not ordinarily, but may at the Directors' discretion, make distributions to limited partners or pay dividends to shareholders (as the case may be).

INVESTING IN THE FUND

Eligible Investors

The Fund is designed to be attractive to investors:

- whether inside or outside the United States;
- whether taxable or tax-exempt U.S. Taxpayers; and
- who have a preference for a limited partnership interest or a share investment.

Investors in the Fund may invest in Limited Partnership Interests or Shares.

Performance can be affected by the Fund's size. With this in mind and depending upon market conditions, the Directors may consider the imposition of periods in respect of which the Fund or any Class or Series are closed to new investors and/or further investment where they consider this will be beneficial to the Fund as a whole.

By investing, each investor represents and warrants to the Fund that, among other things, he is able to invest without violating applicable laws especially the rules and regulations aimed at preventing money laundering. The Fund will not knowingly offer or sell Limited Partnership Interests or Shares to any investors to whom such offer or sale would be unlawful. Investment is confined to sophisticated investors who can provide the representations and warranties contained in the subscription documentation.

In particular, each investor is required to declare that either: (i) his ordinary business or professional activity includes the buying and selling of investments, whether as principal or agent; or (ii) in the case of a natural person, his individual net worth (or joint net worth with spouse) exceeds $1 million; or (iii) it is an institution with a minimum amount of assets under discretionary management of $5 million. In addition, each investor must represent and warrant that he: (a) has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Fund and to make an informed decision with respect thereto; (b) is aware of the risks involved in investing in the Fund and the method by which the assets of the Fund are held and invested; and (c) can bear the risk of the loss of his entire investment.

Neither the Limited Partnership Interests nor the Shares are registered, nor will they be registered, under the 1933 Act, and neither the Partnership nor the Company is registered, nor will be registered, under the 1940 Act. Interests in the Fund are available to non-U.S. Persons and to U.S. Persons on a private placement basis pursuant to Regulation D under the 1933 Act who complete, to the satisfaction of the General Partner or the Company (as applicable), the appropriate subscription documents. Applicants who are not U.S. Persons are required to certify, amongst other things, that they are not investing for the benefit of, directly or indirectly, any U.S. Person and that they will not, subject to the conditions set out under "Investing in the Partnership - Transfers" and "Investing in the Company - Transfers" (at pages 86 and 112 respectively), sell or offer to sell or transfer interests in the Fund in the United States or to or for the benefit of, directly or indirectly, a U.S. Person.

The Fund reserves the right to accept, reject or condition applications from U.S. Persons if the Fund does not receive evidence satisfactory to it that the sale of interests to such an investor is exempt from registration under the securities laws of the United States, including, but not limited to, the 1933 Act,

that such sale will not require the Partnership or the Company to register under the 1940 Act and, in all events, that there will be no adverse tax or other regulatory consequences to the Partnership or its limited partners or to the Company or its shareholders, respectively, as a result of such sale. U.S. Persons are directed to Part II of this document and are required to complete the Supplemental Disclosure Form and Declarations for U.S. Persons contained herein in addition to the Subscription Agreement (if acquiring Limited Partnership Interests) or the Application Form (if acquiring Shares). Some subscribers may be taxable in the United States but will not come within the definition of U.S. Person for the purposes of determining which subscription documents should be used. Such persons need not complete the special subscription documents for U.S. Persons contained in Part II, but should carefully review the additional disclosures therein prior to making an investment.

The Directors reserve and intend to exercise the right, at their sole discretion, compulsorily to withdraw any Limited Partnership Interests or compulsorily redeem or require the transfer of any Shares sold (or acquired) in contravention of these prohibitions or in certain circumstances set out in more detail below including in the event that the continued ownership of any Limited Partnership Interests or Shares by any person could result in a risk of regulatory, legal, pecuniary, taxation or material administrative disadvantage or adverse consequences respectively to the Partnership or its partners or the Company or its shareholders or in particular, require the Partnership or the Company to register under the 1940 Act or register the Limited Partnership Interests or the Shares under the 1933 Act.

Verification of Identity

Measures aimed towards the prevention of money laundering, including the Cayman Islands Money Laundering Regulations and Guidance Notes and the equivalents thereof in Ireland, may require an applicant to verify his identity to the Administrator.

The Administrator is regulated by the Central Bank of Ireland, and must comply with the measures in the Criminal Justice (Anti-Money Laundering and Terrorist Financing) Act 2010 that are aimed towards the prevention of money laundering. In order to comply with these anti-money laundering regulations, the Administrator reserves the right to prohibit the movement of any monies, including compulsory withdrawal/redemption payments, if all due diligence requirements, including but not limited to the provision of duly completed subscription documents and documents proving the identity of the investor, have not been met. The Administrator and the Fund also reserve the right to refuse to make any withdrawal/redemption payment to a limited partner or shareholder if the Directors or the Administrator suspect or are advised that the payment of withdrawal/redemption proceeds to such limited partner or shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Administrator with any such laws or regulations in any applicable jurisdiction.

The Administrator will notify applicants when proof of identity is required. The Administrator reserves the right to request such documentation as it deems necessary to verify the identity of the applicant and to verify the source of the relevant money. By way of example, an individual may be required to produce a copy of a passport or national identification card, which must display the photograph, signature and date of birth of the bearer and be duly certified by a notary public, together with evidence of his/her address, such as a two original or certified utility bills or bank statements from a reputable financial institution. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names, occupations, dates of birth and residential and business addresses of all directors. Additional information may be required at the Administrator's discretion to verify the source of the subscription monies.

Failure to provide the necessary evidence for anti-money laundering verification purposes may result in applications being rejected or in delays in the despatch of documents and/or the creation of Limited

Partnership Interests/issue of Shares and/or delays to the payment of withdrawal/redemption proceeds. Where an application is rejected, subscription money will be returned to the account from which it was received at the risk of the applicant. Any interest earned on such sums may accrue to the Fund. The Administrator will be held harmless by a potential subscriber against any loss arising as a result of a failure to process a subscription or withdrawal/redemption request if such information as has been requested by the Administrator has not been provided by the applicant.

Dealings

Initial applications for subscription for Limited Partnership Interests or Shares may be submitted at any time during the relevant initial offer period, which period will end with respect to each Series as of 5:00 p.m. (Dublin time) on the first Dealing Day on which a subscription for that Series is effected.

Thereafter, applications to invest may be made monthly in respect of any Dealing Day and must be received by the Administrator by 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day or by such earlier or later date and/or time as the Directors may determine generally or in respect of specific applications.

Subscription monies are payable in the currency of the relevant Series of Limited Partnership Interests or Shares. If an application is made in a currency other than the currency of the relevant Series a foreign exchange deal will, at the risk and expense of the investor, be placed by the Administrator on behalf of the investor to convert such currency to the currency of the relevant Series at the then prevailing exchange rate available to the Administrator. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies and neither the Investment Manager nor the Administrator will be responsible for the exchange rate that applies upon such currency conversion. Foreign exchange deals may be aggregated. Settlement must be made in the currency in which the order was placed.

The Directors may in their absolute discretion charge interest to an investor in such amount as they deem reasonable in respect of late subscription monies received by the Fund in respect of a subscription.

Withdrawal or redemption requests may be made by investors in respect of any Dealing Day subject to prior written notice being received by the Administrator at least 30 calendar days before the relevant Dealing Day or by such earlier or later date as the Directors may determine generally or in respect of specific requests.

Transactions are processed following the Dealing Day.

Applications to invest and redemption/withdrawal requests once submitted may only be withdrawn with the prior consent of the Directors.

The Directors may change the Dealing Day and/or Valuation Day or increase or decrease the number of Dealing Days and/or Valuation Days. Notice of any such change (which may be of general application or for a particular case) will be given to investors.

The Directors have discretion to refuse to accept applications from investors in whole or in part.

Unless otherwise requested, Shares are issued in registered form and the Share register will be conclusive evidence as to Share ownership.

Redemption requests may be submitted by fax to the Administrator at +3531 672 5361 (Attn: Shareholder Services), as applicable, provided that:

(1) the original signed withdrawal/redemption request is received by the Administrator prior to the Dealing Day; and

(2) the investor receives written confirmation from the Administrator that the faxed withdrawal/redemption request has been received.

The Administrator will confirm in writing within five Business Days of receipt all faxed withdrawal/redemption requests which are received in good order. Investors failing to receive such written confirmation from the Administrator within five Business Days should contact the Administrator, Shareholder Services, at +353 1622 9321 to obtain the same. **Failure to obtain such written confirmation will render faxed instructions void.**

Special Provisions relating to Withdrawals/Redemptions

The Directors may limit the value of withdrawals of a Series of Limited Partnership Interests and/or withdrawals from the Partnership on any Dealing Day to 20 per cent. of the total value of the Limited Partnership Interests of such Series and/or the Fund then in issue in circumstances where the Directors believe that, owing to their perception of the liquidity of the underlying investments, such an action would be in the overall interests of investors. If withdrawals by the Company are restricted by operation of this policy, the Directors will limit the total number of Shares which may be redeemed in respect of such Dealing Day accordingly. Where this restriction applies, withdrawals and redemptions in respect of the relevant Dealing Day will be on a pro rata basis and any withdrawals and redemptions which for this reason do not occur as of that Dealing Day will be carried forward for realisation in respect of the next Dealing Day pro rata with requests for withdrawals or redemptions received by the Administrator in respect of Dealing Days subsequent to the imposition of any gate. The Directors may determine to impose a gate at any time, whether before, during or after the Dealing Day with respect to which the gate is to be imposed.

The Directors may elect in their absolute discretion to effect withdrawal/redemption payments to any or all withdrawing/redeeming investors, either in whole or in part, *in specie* rather than in cash. This election may be made generally or in any particular case. The General Partner may distribute securities issued by entities formed by the Partnership in accordance with the terms of the Partnership Agreement as all or any part of any withdrawal/redemption payments to be made all or partially *in specie*. Such entities may have different terms and conditions from those that apply to an investment in the Fund and may have limited or no redemption rights.

The Directors will use the same valuation procedures used in determining net asset value to determine the value to be attributed to the relevant securities to be transferred or assigned *in specie* to withdrawing/redeeming investors who will receive securities which had a value as of the relevant Valuation Day equal to the withdrawal/redemption payment to which they would otherwise be entitled. The withdrawing/redeeming investor will be responsible for all custody and other costs involved in changing the ownership of the relevant securities and on-going custody costs. Securities distributed *in specie* may have a value as of the payment date that is higher or lower than the value of such securities as of the relevant Valuation Date and between the Valuation Date and the payment date, the securities to be paid *in specie* will still be subject to their respective portion of the fees and expenses of the Fund generally.

Payments for withdrawals/redemptions will normally be made within seven Business Days of the finalisation of the net asset value of the relevant Series in respect of the relevant Dealing Day, provided that the Directors have the discretion to settle withdrawal/redemption requests in whole or in part at a later date where the disposal of the underlying assets is not reasonably practicable without being seriously detrimental to the interests of limited partners or shareholders, as appropriate, or if, in the opinion of the Directors, a fair price cannot be calculated for the relevant assets. The General Partner may withhold payment from persons who have withdrawn/redeemed prior to a suspension of net asset value calculation as set out at page 27 until after the suspension is lifted. Withdrawal/redemption proceeds may only be paid to an account in the investor's name.

Without prejudice to the generality of the foregoing, the Directors, at their discretion, may elect to distribute to the relevant limited partner and/or shareholder in respect of the relevant

withdrawal/redemption an amount calculated on the basis of the amount actually realised or deemed by the Directors to be realisable by the Partnership and/or the Company, as applicable, in respect of the cash and other assets of the Partnership or the Company, as appropriate, referable to that part of the relevant limited partner's capital account or that part of the assets of the Fund attributable to the relevant shareholder represented by the withdrawal/redemption taking into account all costs, duties, charges and expenses incurred in connection with such realisation. In any event, the payment for the withdrawal/redemption shall be made as soon as reasonably practicable and may be made in instalments.

Valuations

The Administrator determines the net asset value of each Series under the overall supervision of the Directors and consulting where necessary with the Investment Manager. The Administrator normally determines the net asset value of each Series of the Partnership (on which the net asset value of each Series of the Company is based) as at the close of business on each Valuation Day, and at such other times as the Directors may determine, by deducting the total liabilities from the total assets attributable to each Series of the Partnership. Total assets include the value of all investments held, the sum of any cash and accrued interest. Total liabilities comprise all liabilities including any borrowings, accrued expenses and any contingencies for which reserves are determined to be required. In calculating the value of the assets of each Series:

(a) securities actively traded on an exchange are generally valued in a manner determined by the Directors (after consultation with the Administrator) to reflect the fair value thereof;

(b) Credit Default Swaps and swaptions are valued pursuant to the Investment Manager's Pricing Policy using market prices sourced from Markit.com, a leading independent provider of valuation data for Credit Default Swaps. Markit prices are drawn from multiple financial intuitions including inter-dealer brokers, electronic trading platforms, major market makers and significant buy-side firms;

(c) other forwards, futures, options, swaps and any other synthetic instruments ("Instruments") traded on exchange are generally valued in a manner determined by the Directors (after consultation with the Administrator) to reflect the fair value thereof;

(c) where instruments or other securities are traded over-the-counter or otherwise than on an exchange they are valued in a manner determined by the Directors (after consultation with the Administrator) to reflect the fair value thereof;

(e) the value of any cash in hand or on deposit and accounts receivable, prepaid expenses and cash dividends accrued and not yet received is deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof will be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof; and

(f) there is deducted all liabilities of the Partnership and such provisions and allowances for contingencies (including tax) as the Directors think appropriate and accrued costs and expenses payable by the Partnership.

In addition, special situations affecting the measurement of the net asset value of the assets of the Partnership may arise from time to time. Prospective investors should be aware that situations involving uncertainties as to the valuation of such assets could have an adverse effect on the net asset value of the Fund.

The assets of the Partnership may be invested in investment funds which are not regularly traded on an exchange and the accuracy of the net asset value may be affected by the frequency of the

valuations of securities provided by those funds. Fund managers who manage or advise investment funds may report on a weekly, bi-weekly, monthly, quarterly or less frequent basis.

Whilst the Partnership will generally use the last available price in respect of each investment in order to calculate the net asset value, it reserves the right to use more recent valuations where this is considered appropriate. Such valuations may be based on an estimate of the more recent price of any unit or share in an underlying investment fund or other collective investment undertaking in which the Fund invests obtained from or calculated on the basis of more recent information received from the underlying fund or undertaking or any of its service providers or agents.

Valuations may be based largely or entirely on estimates where this is deemed appropriate by the Directors.

In the event that a price or valuation estimate accepted by the Partnership in relation to an underlying investment subsequently proves to be incorrect or varies from a final published price, no adjustment to the net asset value or Shares in issue will be made unless the Directors deem it appropriate in the circumstances.

The Administrator may, with the consent of the Directors, follow some other prudent method of valuation other than that referred to above if it considers that in the circumstances such other method of valuation should be adopted to reflect fairly the values of relevant investments or liabilities.

The Directors are entitled to exercise their reasonable judgement in determining the values to be attributed to assets and liabilities and, provided they are acting bona fide in the interest of the Fund as a whole, such valuation is not open to challenge by current or previous investors.

Notwithstanding the above, in calculating the value of any investment the Directors, or the Administrator as their delegate, may rely upon such automatic pricing services as they may in their absolute discretion determine. For investments for which a price is not available from such an automated source, the Directors or the Administrator as their delegate may, in their absolute discretion, use information provided by other suitable independent sources, independent brokers, market makers, other intermediaries or any third parties. The Directors or the Administrator as their delegate shall not, in any circumstances, be liable for any loss suffered by reason of any error in the calculation of the value of any investment resulting from any inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary.

To the extent feasible, expenses, fees and liabilities will be accrued in accordance with International Financial Reporting Standards ("IFRS"). Reserves (whether or not in accordance with IFRS) may be taken for estimated or accrued expenses, liabilities or contingencies. The Fund will prepare its annual financial statements in accordance with IFRS. Investors should note that the above valuation policies may not necessarily comply with the IFRS. To the extent that the valuation basis adopted by the Fund as detailed above deviates from IFRS, the Directors may be required to make adjustments in the annual financial statements of the Fund for the annual financial statements to comply with IFRS. Non-compliance with IFRS may result in the auditors issuing a qualified or an adverse opinion on the annual financial statements depending on the nature and level of materiality of the non-compliance.

The net asset value of each Series of the Company is based on the value of its capital account in the parallel Series of the Partnership which reflects its liabilities and expenses including, without limitation, the monthly management fee as well as Performance Allocation made to the General Partner. The net asset value per Share of each relevant Series will be determined by dividing the net assets value attributable to the relevant Series by the number of Shares in that Series outstanding.

Possible Suspension

The Directors, at their absolute discretion, are empowered to suspend (i) the determination of the net asset value of the Partnership or of any Series in respect of a Valuation Day, (ii) all withdrawals for

the whole or any part of any period for any Series, and/or (iii) subscriptions for the whole or any part of any period for any Series in such circumstances as they may consider appropriate and may do so in any of the following events:

(a) when one or more stock exchanges or markets which provide the basis for valuing a substantial portion of the assets of the Partnership are closed other than for, or during, holidays or if dealings thereon are restricted or suspended;

(b) when, as a result of political, economic, military, terrorist or monetary events or any circumstances outside the control, responsibility and power of the Partnership, disposal of the underlying assets of the Partnership is not reasonably practicable without being seriously detrimental to limited partners' interests or if, in the opinion of the Directors, a fair price cannot be calculated for those assets;

(c) in the case of a breakdown of the means of communication normally used for valuing any investment of the Partnership or if, for any reason, the value of any asset of the Partnership may not be determined as rapidly and accurately as required;

(d) if, as a result of exchange restrictions or other restrictions affecting the transfer of funds, securities or other transactions on behalf of the Partnership are rendered impracticable or if purchases, sales, deposits and withdrawal of any Series' assets cannot be effected at the normal rates of exchange;

(e) if a resolution calling for the liquidation, dissolution or reorganisation of the Partnership, the liquidation or reorganisation the Company or the closure of a Series has been proposed;

(f) when the Directors determine that such suspension is necessary or desirable to facilitate an orderly winding up of the affairs of the Partnership or the Company or the closure of a Series; or

(g) when the settlement of withdrawals would, in the opinion of the Directors, result in a violation of law or violate any instrument or agreement governing any indebtedness incurred by the Partnership.

The Directors of the Company may in their absolute discretion declare a suspension of (i) the determination of the net asset value of the Company or a Series, (ii) the redemption of Shares of any Series, and/or (iii) the subscription for any Series of Shares in such circumstances as they consider appropriate including during any period when there is a suspension of (1) the determination of the net asset value of the Partnership, (2) the determination of the net asset value of the Company's account in the relevant Series of the Partnership, (3) the rights of withdrawal of any Series of Limited Partnership Interests, and/or (4) the subscription for any Series of Limited Partnership Interests.

The Directors reserve the right to withhold payment of redemption proceeds from persons who have withdrawn or redeemed prior to such suspension until after the suspension is lifted. Such right will be exercised in circumstances where the Directors believe that to make such payment during the period of suspension would prejudice the interests of existing investors. Notice of any suspension will be given to any investor attempting to withdraw or redeem without delay. If a withdrawal/redemption request is not withdrawn by the requesting investor, the withdrawal or redemption will take place as of the first Business Day following the termination of the suspension. Any suspension declared shall take effect at such time as the Directors shall declare, which may be at any time prior to, during or after the relevant Valuation Day, and shall continue until the Directors declare the suspension to be at an end.

In addition, the Directors have the right to postpone any Dealing Day for up to one Business Day without the requirement to give notice to investors when, in their opinion, a significant proportion (which is likely to be five per cent. or more) of the assets of the Partnership cannot be valued on an

equitable basis and such difficulty is expected by the Directors to be overcome within that period. The Directors will take all reasonable steps to bring any period of suspension to an end as soon as possible.

Soft Wind Down

If the Directors, in consultation with the Investment Manager, decide that the investment programme is no longer viable, they may resolve that the Fund be managed with the objective of realising assets in an orderly manner and distributing the proceeds to investors in such manner as they determine to be in the best interests of the Fund, including, without limitation, compulsorily redeeming Limited Partner Interests, Shares and/or declaring a suspension while assets are realised. This process is integral to the business of the Fund and may be carried out without recourse to a formal liquidation under the Companies Law (2012 Revision) of the Cayman Islands or any other applicable bankruptcy or insolvency regime, but shall be without prejudice to the right of the investors to place the Partnership or the Company, respectively, into liquidation.

GENERAL INFORMATION

1. SUMMARY OF THE PARTNERSHIP AGREEMENT

The Partnership is an exempted limited partnership formed under the Cayman Partnership Law. The Partnership will continue until dissolved as provided in the Partnership Agreement.

Liability of Partners and Indemnification of General Partner and Others – A limited partner who does not take part in the management or control of the business of the Partnership will not be personally liable for any debt or obligation of the Partnership beyond his capital contribution except in certain situations as provided for under the laws of the Cayman Islands, in particular, if such limited partner participates in the conduct of the business of the Partnership as if he were a general partner, then in the event of an insolvency, the limited partner shall be liable for the debts and obligations of the Partnership incurred during the period that he so participated as a general partner to persons that transacted business with the limited partner during such a period with actual knowledge of such participation and who then reasonably believed such limited partner to be a general partner. Further, a limited partner who receives a payment representing a return of any part of his contribution to the Partnership within six months before an insolvency of the Partnership shall be liable to repay such payment with simple interest at the rate of ten per cent per annum (calculated on a daily basis) to the extent that such contribution or part thereof is necessary to discharge a debt or obligation of the Partnership incurred during the period that the contribution represented an asset of the Partnership.

The General Partner will be liable to creditors for the debts of the Partnership to the extent that the assets of the Partnership are insufficient to meet such debts. However, the General Partner, the Investment Adviser and Investment Manager will have no liability to the Partnership or to any investor for any loss suffered by the Partnership which arises out of any action or inaction of the General Partner, the Investment Manager or the Investment Adviser in the absence of fraud, negligence or wilful default.

The Partnership will, to the fullest extent legally permissible under the laws of the Cayman Islands, indemnify the General Partner for itself and as trustee for any affiliate, the Investment Adviser and the Investment Manager against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by them in connection with the Partnership provided that the same are not due to the fraud, negligence or wilful default of the party so indemnified.

Such parties are also indemnified by each partner for any amounts of tax withheld or required to be withheld with respect to that partner, and also for any amounts of interest, additions to tax, penalties and other costs borne by any such persons in connection therewith to the extent that the balance of the

partner's capital account is insufficient to fully compensate the General Partner, the Investment Adviser and the Investment Manager for such costs.

Amendment of the Partnership Agreement - The Partnership Agreement may be amended by the General Partner acting alone in any manner that does not materially and adversely affect any limited partner including creating further Classes of Limited Partnership Interests. The Partnership Agreement may also be amended by action of both the General Partner and limited partners owning or voting more than a two-thirds interest of the capital accounts of all the limited partners or by action of the General Partner with the approval of a resolution (which does not contravene the rules of any stock exchange on which the Company or any other entity which invests in the Partnership, and is approved for such purposes by the General Partner at its discretion, is listed, in each case, where the Company or such entity is a limited partner of the Partnership) proposed at a meeting of limited partners convened and held in accordance with the provisions of the Partnership Agreement and passed by limited partners owning or voting more than a two thirds majority of interests in the capital accounts of those limited partners present in person or by proxy and voting at such meeting (in each case in any manner that does not discriminate among the limited partners). No amendment may be made to the Partnership Agreement (other than aforesaid) or to the investment objective or policy, distribution policy or other policies and restrictions of the Partnership without the prior written consent of the Company nor will the General Partner change the Investment Manager, Administrator or Prime Broker without the prior written consent of the Company.

Dissolution of the Partnership - The Partnership (subject to the prior written approval of the Company and/or any other entity which invests in the Partnership and is approved for such purposes by the General Partner at its discretion, during such time as the Company or such entity is listed on an exchange approved for such purposes by the Directors and in each case is a limited partner) may be dissolved at any time at the discretion of the General Partner, whereupon its affairs shall be wound up by the General Partner. The retirement, bankruptcy or dissolution of the General Partner will dissolve the Partnership (unless, if at that time there are one or more additional general partners, the remaining general partner or general partners agree to continue the business of the Partnership) and the affairs of the Partnership shall be wound up by the General Partner unless otherwise determined by a court of competent jurisdiction. Such person or persons shall take all steps necessary or appropriate to wind up the affairs of the Partnership as promptly as practicable in accordance with the Partnership Agreement.

Neither the admission of partners nor the retirement, bankruptcy, death, dissolution, winding-up or insanity of a limited partner nor any change in the limited partners, the assignment of the whole or part of the Limited Partnership Interests of a limited partner or the grant of a security interest in respect thereof, nor the sale, lease, mortgage, pledge or other transfer of any assets of the Partnership will dissolve the Partnership. As a matter of Cayman Islands law, and subject to any express or implied term of the Partnership Agreement upon notice by the General Partner or its legal representative of the death, insanity, retirement, bankruptcy, commencement of liquidation proceedings, resignation, insolvency or dissolution of its sole or last remaining general partner shall dissolve the Partnership unless the limited partners unanimously agree to continue the Partnership and elect a new general partner within 90 days.

Assignability of Limited Partnership Interests - Neither the interest of any limited partner in the Partnership nor any beneficial interest therein is assignable, in whole or in part (except by operation of law), without the prior written consent of the General Partner.

Further Classes of Limited Partnership Interests - The General Partner has the power on behalf of the Partnership to create further Classes of Limited Partnership Interests on such terms and in such currency of denomination as it thinks fit.

Power of Attorney - The General Partner will be granted an irrevocable power of attorney to sign, on behalf of each limited partner, the Partnership Agreement, a registration statement for the Partnership

and any amendments thereto, as well as certain other documents that may be required by various governmental or quasi-governmental agencies in connection with the operation, termination or dissolution of the Partnership.

2. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business, have been entered into by the General Partner and, as the case may be, the Company, and are or may be material. They contain limitations of liability and indemnities operating in favour of parties other than the Company and/or the Partnership in the absence of such party's fraud, wilful default or negligence. Information in relation to fees is contained under "Fees, Performance Allocation and Expenses" on pages 21 to 22 above.

(a) The services agreement entered into between the Administrator, the General Partner (on behalf of the Partnership) and the Company, dated 30 May 2013, as from time-to-time amended (the "Administration Agreement"), whereby the Administrator has agreed, subject to the overall supervision of the Directors and the General Partner, to act as administrator and registrar of the Company and the Partnership. The Administration Agreement is terminable on not less than 90 days' written notice or immediately: (i) if any other party shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation on terms previously agreed in writing); or (ii) if any other party shall commit a material breach of the provisions of the Administration Agreement and shall not have remedied it within 30 days of the service of notice by the non-defaulting party requiring it to be so remedied.

(b) The Partnership Agreement between (1) the Company; (2) the General Partner; and (3) the persons who sign or who are deemed to have signed the Partnership Agreement to become limited partners of the Partnership, pursuant to which, *inter alia*, the Company has been admitted as a limited partner of the Partnership. A summary of the principal terms of the Partnership Agreement is set out at Section 1 above.

(c) The Investment Management and Marketing Agreement between (1) the General Partner; (2) the Company; and (3) the Investment Manager, whereby the General Partner has delegated day-to-day investment management of the Partnership's assets to the Investment Manager, together with certain marketing services. The agreement also provides that the Investment Manager may provide certain marketing services to the Company. The agreement is terminable by any of the parties on not less than 90 days' written notice. The agreement may also be terminated immediately by notice in writing if any party commits any material breach of its obligations under the Agreement and fails to remedy such breach within 30 days of receipt of written notice from the other party or parties requiring it to do so, or if any party is dissolved (except in the case of a voluntary dissolution for the purposes of reconstructing or amalgamation upon terms previously approved in writing by the other parties) or is unable to pay its debts or commits any act of bankruptcy or if a receiver is appointed of any of its assets.

(d) The Discretionary Marketing and Advisory Agreement between (1) the General Partner; (2) the Company; and (3) the Investment Adviser whereby the Investment Adviser has agreed to provide marketing and advisory services to the General Partner and marketing services to the Company. The agreement is terminable by any party on 12 months' written notice to the other parties or by any party forthwith by notice in writing to the other parties if: (i) any party shall commit any material breach of its obligations under the Marketing and Advisory Agreement without remedying such breach within 30 days of receipt of written notice by any party requiring it to do so; (ii) any party becomes insolvent or goes into liquidation (except a voluntary liquidation for the purposes of a reconstruction, amalgamation or merger upon terms previously approved in writing by the other parties) or if a receiver (or its equivalent in

any jurisdiction) is appointed over all or any of the assets of any party; or (iii) any changes to the Marketing and Advisory Agreement are required as a consequence of any financial services regulations which may in future bind the Investment Adviser and which cannot be agreed by the General Partner and the Investment Adviser.

(e) The Portfolio Support Agreement between (1) the General Partner, (2) the Company, and (3) the Portfolio Support Manager whereby the Portfolio Support Manager has agreed to provide certain middle office, operational support and fund accounting services to the Fund. The agreement is terminable on not less than 90 days' written notice, provided that the agreement may be terminated forthwith by notice in writing if any party commits a material breach that is not remedied within 30 days of receipt of written notice from the other party or parties requiring it to do so or a party is dissolved (except a voluntary dissolution for the purposes of reconstructing or amalgamation upon terms previously approved in writing by the other parties) or unable to pay its debts or commit any act of bankruptcy or if a receiver is appointed over any of its assets.

The Fund may in future enter into marketing agreements with financial intermediaries approved by the Directors. All of the agreements listed above may be amended from time to time by mutual consent of the parties thereto.

The General Partner, the Company, the Investment Manager and/or the Investment Adviser may enter into side letters in relation to the Partnership and/or the Company with individual investors covering, *inter alia*, capacity, fee rebates or restrictions provision of additional information, most favoured investor commitments, individual investor approval requirements, transfer rights and confirmations of how expenses will be borne.

3. DIRECTORS' AND PROMOTERS' INTERESTS

(a) There are no service contracts in existence between the Company or the General Partner and any of their respective Directors, nor are any such contracts proposed. The services of Mr. Galloway and Mr. Woodford are provided pursuant to a contractual agreement with ICG Management Limited, a company licensed to carry on the business of company management in the Cayman Islands.

(b) Fees, in addition to out-of-pocket expenses, are paid by the Partnership to the Directors, including the fees arising from the Director's service to the Company.

The Directors may waive all or part of their fees and may assign their fees to their employers. The Directors have waived their fees at the level of the Company. Directors may receive commissions from the Investment Adviser in respect of investors sourced by them.

(c) Mr. Hendry, a Director, is also a director of and is interested in the share capital of Cheyne Capital (Schweiz) AG, a subsidiary of Cheyne Capital International Limited, the general partner of the Investment Adviser. Mr. Lieber is a director of Cheyne Capital Holdings Limited and acts as a consultant to other Cheyne businesses. The Directors are also directors of other Cheyne-managed funds.

(d) The Directors, connected persons and certain members/directors and employees of the Investment Manager and the Investment Adviser may hold direct or indirect interests in the Shares or Limited Partnership Interests from time to time. Any such investments may increase or decrease over time.

(e) There is no retirement age for Directors.

4. REPORTS AND FINANCIAL STATEMENTS

(a) The Fund's financial year ends on 31 December in each year. The first financial year of the Fund will end on 31 December 2013. For so long as the Fund is registered as a mutual fund under the Cayman Mutual Funds Law, the Fund will prepare and distribute audited financial statements within six months of the end of the relevant financial period.

(b) Following the end of each financial year, the Fund will send to each limited partner a report indicating such information with respect to that partner as is necessary for the purposes of reporting such amounts for United States federal, state and local income tax purposes.

5. GENERAL

(a) The Fund does not, nor does it expect to, have any employees.

(c) The Fund may invest in financial futures and related options to the extent that all necessary CFTC registrations or exemptions have been obtained. Such registrations or exemptions would not include review or approval by the CFTC of any private placement memorandum or the trading strategies of the Fund.

As the Partnership and the Company are collective investment vehicles that may make transactions in commodity interests, each is considered to be a "commodity pool". Each of the General Partner and the Investment Adviser is registered with the CFTC as a CPO and has filed a claim of exemption pursuant to CFTC Reg. § 4.7 in connection with acting as the commodity pool operator of the Partnership and the Company, respectively.

(d) The Partnership and the Company comply with the Cayman Mutual Funds Law by being registered under that law. They are obliged to file audited accounts with the Cayman Islands Monetary Authority within six months of their financial year end. They are also obliged within 21 days to register any changes in the particulars filed with the Cayman Islands Monetary Authority.

(e) General meetings of shareholders and meetings of limited partners will be held in the Cayman Islands unless otherwise notified and will be convened by not less than 21 days' notice given by fax or airmail letter or email sent to the registered address of each shareholder or limited partner.

6. EXPENSES

The formation and preliminary expenses (including printing and legal fees) relating to the Fund (including the establishment expenses of the Company) will be borne by the Fund and will be amortised over a three year period, subject to the Directors' discretion to vary this if they consider it prudent to do so. This practice is contrary to International Financial Reporting Standards and, although this is not anticipated by the Directors, could result in a qualified audit opinion.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the offices of the Administrator during usual business hours on any weekday (public holidays excepted):

(a) the Memorandum and Articles;

(b) the material contracts referred to in paragraph 2 of Part I - General Information;

(c) the Cayman Companies Law, the Cayman Mutual Funds Law and the Cayman Partnership Law; and

(d) when available, the latest audited financial statements of the Partnership and the Company.

RISK FACTORS AND CONFLICTS OF INTEREST

1. RISK FACTORS

There are significant risks associated with an investment in the Fund. Investment in the Fund may not be suitable for all investors. It is intended for sophisticated investors who can accept the risks associated with such an investment including a substantial or complete loss of their investment.

The risks associated with investment in the Fund which an investor should take into account include, without limitation, risks relating to the operation of the Fund and the terms of an investor's investment in Shares and Limited Partnership Interests and risks relating to the investment objective and policy of the Fund, the investment strategies pursued from time to time by the Investment Manager and the investments and/or instruments in which the Fund invests and/or trades.

As a limited partner in the Partnership, the Company is subject to the risks of the Partnership and the relevant risk factors are equally relevant to investors in the Shares as those in the Limited Partnership Interests.

Each prospective investor should carefully review this Private Placement Memorandum and carefully consider all these risks. The discussion below as to risks to which the Fund may be subject is not intended to be exhaustive. The Fund may invest in instruments other than those described below, including instruments not in existence or available in the market as of the date of this Private Placement Memorandum, and is likely to be subject to risks not discussed below.

Investors should take into account the following factors when considering the risks associated with an investment in the Fund.

A. General Risks

Lack of Operating History – The Partnership and the Company are newly formed and have no operating history. There can be no assurance that the Fund will achieve its investment objective. The past investment performance of the Investment Manager or the portfolio managers cannot be construed as an indication of the future results of an investment in the Fund. The Fund may not grow to or maintain an economically viable size, in which case the Directors may determine to wind up the Fund at a time that may not be opportune for investors.

Business Dependent Upon Key Individuals – The success of the Fund is significantly dependent upon the expertise of the portfolio managers and other members of the Credit Team at the Investment Manager and any future unavailability of any of their services could have an adverse impact on the Fund's performance.

Fee and Performance Allocation Structure - The prospect of the Performance Allocation may lead the General Partner, the Investment Manager and/or the Investment Adviser to advise on and/or make on behalf of the Fund investments that are riskier than would otherwise be the case. The Performance Allocation is calculated on unrealised as well as realised gains and hence may be made although the relevant gains are not realised.

The Fund may invest in other funds which are managed or advised by the General Partner, the Investment Manager, the Investment Adviser and/or their respective associates and will bear similar charges in respect of those funds. The Investment Manager and Investment Adviser may receive a management and/or performance fee from the underlying funds, in which investment may be made by the Fund and for which it acts as an investment manager or investment adviser, which may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangement were not in effect.

It is possible that, for certain tax years, the Performance Allocation may be treated as a performance fee for U.S. federal income tax purposes if a Performance Allocation is taken in an amount that exceeds net profits attributable to a limited partner, which could result in certain adverse U.S. federal income tax consequences for investors.

Investment in Other Funds and Structures – The Fund may seek to achieve its investment objective and policy through investment in other open and closed-ended funds and structures. These may be or include unregulated funds and structures as well as funds and structures managed and/or advised by the General Partner, the Investment Manager, the Investment Adviser and/or their respective associates. The Fund will be exposed to the liquidity and other risks to which investors in such funds are subject.

Purchase of Investments from Other Cheyne Managed Funds – The Fund or any underlying investment fund in which it invests may purchase assets from and/or enter into transactions with affiliates of the Investment Manager and the Investment Adviser including other investment funds managed or advised by the Investment Manager, the Investment Adviser or members of their group. Any such transactions with affiliates of the Investment Manager or funds managed by the Investment Manager or an affiliate will be on an arm's length basis using verifiable market prices.

Conflicts of Interest – Other clients of the General Partner, the Investment Manager and/or the Investment Adviser may have similar investment objectives, policies and/or strategies to those adopted and/or implemented in respect of the Fund and may invest in the same markets or the same or similar instruments and securities. (See also "2. Conflicts of Interest" on page 50).

In addition, other investment funds and clients of the Investment Manager or the Investment Adviser may participate in tranched and untranched portfolios of credit default swaps or instruments in which the Fund invests and investment may also be made by the Investment Manager, the Investment Adviser and associated and affiliated parties in such obligations.

Fees and Expenses – The Fund pays fees, costs and expenses incurred in its operation, including, without limitation, taxes, expenses for legal, auditing, administration (including administration services that may be provided by the Investment Manager or any of its affiliates), custody, prime brokerage and consulting services, promotional activities, registration fees and other expenses due to supervisory authorities, insurance, interest, the fees of the Directors and the cost of the publication of the net asset value.

In addition, the General Partner is authorised to incur all expenses on behalf of the Partnership which it deems necessary or desirable (including, without limitation, the direct cost of in-house lawyers providing legal services in respect of the Fund). The General Partner is itself responsible, out of its own fees, for the fees of the Investment Manager and the Investment Adviser and has and may from time to time agree to discharge on behalf of the Partnership certain fees and expenses incurred by the Investment Manager and/or the Investment Adviser.

The fees, allocations and expenses to which the Fund will be subject could be substantial and will dilute the returns realised by investors.

Amortisation of Costs - The Fund's financial statements will be prepared in accordance with international financial reporting standards which do not permit the amortisation of costs. Notwithstanding this, the Fund may, at the discretion of the Directors, amortise costs over a period of time and, if it does, the financial statements may be qualified in this regard.

Restriction in Dealing in Investments – In providing investment services in relation to the Fund and other clients, the Investment Manager and/or the Investment Adviser may recommend and/or advise on and/or give effect to activist and/or other strategies in relation to securities and/or issuers involving the acquisition on behalf of the Fund and/or other clients, or in concert with other parties, of positions in companies and/or other issuers.

In connection with such positions, in order to comply with laws and regulations relating to insider dealing, market abuse, concert parties, takeovers and market standards generally and also as a means of dealing with conflicts of interest, the Investment Manager and/or the Investment Adviser may from time to time be prevented, or elect to restrict themselves and the Fund, from dealing in and/or advising on certain strategies, securities or instruments, either in particular circumstances or generally. As a result of this, the Investment Manager and/or the Investment Adviser may be unable to realise a position in a particular security or instrument and/or advise as to, make or act on certain investment decisions which they would otherwise have made or implemented on behalf of their clients including the Fund. This may result in, inter alia, the Fund being unable to realise a position in order to meet withdrawal/redemption requests or margining or other financing obligations or take advantage of certain opportunities in the market to the detriment of the Fund and/or its investors.

Rehypothecation and Transfer of Ownership of Assets – A Prime Broker and certain of its affiliates may borrow, lend or otherwise use the Fund's investments for their own purposes and may take such investments as collateral. Such investments will become the property of the Prime Broker and, in the event of an insolvency of the Prime Broker, may be available to the creditors of the Prime Broker. As a result, the Fund may not be able to recover such investments in full.

Auditors' Limitation on Liability - The Auditors, in common with current Cayman Islands practice, have limited their liability under the terms of their engagement which has limited the Fund's rights of possible recourse against the Auditors.

Subscriptions and Withdrawals/Redemptions – Shares and/or Limited Partnership Interests will be issued to an applicant as of a Dealing Day. Prospective investors should note that all cleared subscription monies will be available for use by the Fund prior to the relevant Dealing Day. Where subscription monies are used in this way, a prospective investor's rights to recover monies in the event of the insolvency of the Fund may be adversely affected.

Save in the event of a suspension of dealings, subscription applications and withdrawal/redemption requests once submitted may only be withdrawn with the prior consent of the Directors. Any interest earned on subscription monies in respect of a rejected subscription will accrue to the benefit of the Fund.

The Directors may in their absolute discretion charge interest to an investor in such amount as they deem reasonable in respect of late subscription monies received by the Fund in respect of a subscription. Withdrawal/redemption proceeds will not be paid until all administrative, including anti-money laundering, requirements have been met. No interest will be paid on any proceeds retained pending the finalisation of such administrative requirements.

Funding Liquidity Risk - Where investors withdraw/redeem their investments in the Fund in an amount which exceeds the amount of cash or other liquid assets immediately available to fund such redemptions, the Fund may, subject to its discretion to restrict withdrawals/redemptions, seek to liquidate additional assets to fund the withdrawal/redemption costs incurred. This may limit or otherwise affect the ability of the Fund to operate or manage investment positions and strategies within its portfolio and restrict or materially affect investment performance and returns.

Restrictions on Withdrawals/Redemptions – Investors in the Partnership and the Company are subject to restrictions relating to the withdrawal/redemption of Limited Partnership Interests/Shares in the Fund.

Securities and other instruments in which the Fund may be invested may be or may become illiquid or otherwise may not be readily realisable either by reason, *inter alia*, of the securities or instruments themselves or the investment strategies and/or obligations relating thereto to which the Fund is committed or regulatory reasons. The Directors may limit the value of withdrawals/redemptions in respect of any Dealing Day as set out under "Dealings" at page 25 in circumstances where the

Directors believe that, owing to their perception of the liquidity of the underlying investments, such an action would be in the overall interests of investors.

The Directors may also suspend the calculation of the net asset value of the Fund, which will lead to a suspension of withdrawal/redemption rights for investors, in the circumstances set out under "Possible Suspension" at page 28. The Directors may withhold payment to investors who have sought to withdraw/redeem prior to such a suspension of valuation. Directors may also suspend withdrawals and redemptions during any period in which the settlement of withdrawals and redemptions would, in the opinion of the Directors, result in a violation of law or violate any instrument or agreement governing any indebtedness incurred by the Fund.

The imposition of any of the above measures by the Directors may result from the underlying liquidity of the Fund and the valuation of the underlying investments in which it is invested and circumstances in this respect may be subject to regular and sudden change.

Compulsory Withdrawal/Redemption – The Directors may compulsorily withdraw/redeem all or some of an investor's holding of Limited Partnership Interests and/or Shares as more specifically disclosed in this Private Placement Memorandum, the Partnership Agreement and the Articles. Such circumstances include, but are not limited to, situations where: (i) the investor does not meet eligibility requirements; (ii) the holding of interests in the Fund by the investor gives rise to tax, administrative, pecuniary or regulatory disadvantage for the Fund or subjects the Fund to registration or filing requirements in any jurisdiction; or (iii) the level of the investor's holding drops below the minimum holding requirement.

Valuation - The net asset value of the Series and the price at which investors subscribe and withdraw/redeem interests in the Fund and the value with reference to which management and other fees are calculated is calculated with reference to the net asset value of the Partnership and the Company determined as more specifically disclosed under "Valuations" on page 27. The Administrator may, however, in the discretion of the Directors, follow some other prudent methods of valuation if it considers that under the circumstances such methods should be adopted in order to reflect fairly the values of the relevant investments or liabilities of the Fund.

In addition, special situations affecting the measurement of the net asset value of the assets of the Fund may arise from time to time. Investors should be aware that situations involving uncertainties as to the valuation of such assets could have an adverse effect on the net asset value of the Fund.

The net asset value of the Fund may fluctuate over time according to the performance of the Fund's investments. An investor may not fully recover his initial investment when he chooses to withdraw/redeem his Limited Partnership Interests/Shares or upon compulsory withdrawal/redemption, if the net asset value of the Fund is less than that at the time of investment. The value of the Limited Partnership Interests and the Shares, and the income (if any) derived from them, can go down as well as up.

Portfolio Turnover - Turnover of the Fund's investments may be higher than the average for other more traditional portfolios and accordingly the level of commissions paid and other transaction costs is likely to be higher than average, which may adversely affect the returns realised by investors.

Cross-Class Liability - The Fund currently has a single Class comprised of multiple Series representing different currency exposures to the same investment portfolio. The Fund may establish additional Strategies represented by separate Classes and Series in the future. However, there is no legal segregation of assets or liabilities between Classes or Series. Although the Investment Manager will seek where reasonably practicable to limit the rights of counterparties to the assets of a single portfolio, the assets of one portfolio, including those assets deposited with, or borrowed, lent or otherwise used by, the Prime Brokers, may be available to meet or support liabilities or activities of another portfolio. Thus all of the assets of the Fund may be available to meet all of the liabilities of the Fund, regardless of the Class or Series to which such assets or liabilities are attributable. In

practice, cross-class liability will usually only arise where any Class becomes insolvent or exhausts its assets and is unable to meet all of its liabilities. In this case, all of the assets of the Fund attributable to the other Classes may be applied to cover the liabilities of the insolvent Class.

Business and Regulatory Risks Associated with Funds – Legal, tax and regulatory changes could occur during the term of the Company and/or the Partnership that may adversely affect the Company and/or the Partnership. The regulatory environment for funds pursuing alternative investment strategies is evolving and changes in the regulation of such funds may adversely affect the value of investments held by the Fund and the ability of the Fund to obtain leverage or to pursue its trading strategies. In addition, the securities and future markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. Any future legal or regulatory change could substantially and adversely affect the Fund.

On 1 July 2011 a Directive aimed at introducing a harmonised regulatory framework for managers of alternative investment funds (the "AIFM Directive") was published in the Official Journal of the European Union. The AIFM Directive is to be transposed into the laws of the EU Member States no later than mid-2013, although in many EU Member States transposition is uncertain. The AIFM Directive will regulate alternative investment fund managers ("AIFMs") based in the EU and prohibit such an AIFM from managing any alternative investment fund ("AIF") or marketing interests in AIF to investors in the EU unless authorisation is granted to the AIFM. In order to obtain such authorisation, and to be able to manage an AIF, an AIFM will need to comply with various obligations in relation to the AIF which may create significant additional compliance costs that may be passed to investors in the AIF. Furthermore, unless the AIFM is authorised and, in the case of an AIF (such as the Fund) domiciled outside the EU, unless certain conditions relating to the domicile of the AIF are met, the marketing of interests in the AIF to investors in the EU will not be permitted. Because many of the provisions of the AIFM Directive require the adoption of delegated acts and regulatory technical standards, as well as the establishment of guidelines, before becoming fully effective, it is difficult to predict the precise impact of the AIFM Directive on the Fund, the Investment Manager and the Investment Adviser. The Directors, the General Partner and the Investment Manager intend to monitor the position and react appropriately. However, any regulatory changes arising from the transposition of the AIFM Directive into English law that impair the ability of the Investment Manager to manage the investments of the Fund, may affect the ability of the Investment Manager to retain or attract key staff, and may materially adversely affect the ability of the Fund to carry out the investment strategies and achieve the investment objective.

Dodd-Frank Wall Street Reform and Consumer Protection Act – With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank") in the United States, there has been and will continue to be extensive rulemaking and regulatory changes that will affect private fund managers, the funds that they manage and the financial industry as a whole. Under the Dodd-Frank, the SEC has mandated new reporting requirements and is expected to mandate new recordkeeping requirements for investment advisers, which are expected to add costs to the legal, operations and compliance obligations of the Investment Manager, the Investment Adviser and the Fund and increase the amount of time that the Investment Manager and the Investment Adviser spend on non-investment related activities. Until the SEC implements all of the new requirements of the Dodd-Frank, it is unknown how burdensome such requirements will be. The Dodd-Frank will affect a broad range of market participants with whom the Fund interacts or may interact, including commercial banks, investment banks, other non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that will affect other market participants are likely to change the way in which the Investment Manager and/or the Investment Adviser conducts business with its counterparties. It may take several years to understand the impact of the Dodd-Frank on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult for the Investment Manager to execute the

investment strategy of the Fund or result in certain investment strategies in which the Fund engages or may have otherwise engaged become non-viable or non-economic to implement. Dodd-Frank and regulations adopted pursuant to the act could have a material adverse impact on the profit potential of the Fund.

Sovereign Debt Crisis and Eurozone Crisis – There are increasing concerns regarding the ability of multiple European sovereign entities to continue to meet their debt obligations. In particular, ratings agencies have recently downgraded the credit ratings of various European countries. Several European economies are facing acute fiscal pressures as they struggle to balance budgetary austerity with stagnant growth. Many observers predict that a depressed economic environment will cause budget deficits in these economies to expand in the short term and further increase the perceived risk of a default, thereby rendering access to capital markets even more expensive and compounding the debt problem.

In addition, the Eurozone is currently undergoing a collective debt crisis. Greece, Ireland, Portugal and Cyprus have already received one or more "bailouts" from other members of the European Union, and it is unclear how much additional funding they will require. Investor confidence in other EU member states, as well as European banks exposed to risky sovereign debt, has been severely impacted, threatening capital markets throughout the Eurozone. Although the resources of various financial stability mechanisms in the Eurozone continue to be bolstered, many market participants have expressed doubt that the level of funds being committed to such facilities will be sufficient to resolve the crisis. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the removal of a member state from the Eurozone, or even the abolition of the euro. Any such consequences could result in major losses to the Fund.

The current economic situation in the Eurozone has created significant pressure on certain European countries regarding their membership of the Euro. Some economists advocate the exit of certain countries from the Eurozone, and political movements in some Eurozone countries also promote their country's exit from the Eurozone for economic or political reasons, or both. It is possible that one or more countries may leave the Eurozone and return to a national currency (which may also result in them leaving the European Union (the "EU")) and/or that the Euro will cease to exist in its current form, or entirely, and/or lose its legal status in one or more of the current Eurozone countries.

There are no historical precedents, and the effect of any such event on the Fund is impossible to predict. However, any of these events might, for example: (a) cause a significant rise or fall in the value of the Euro against other currencies, (b) significantly affect the volatility of currency exchange rates (particularly for the Euro) and of the prices of other assets, (c) significantly reduce the liquidity of some or all of the Fund's investments (whether denominated in the Euro or another currency) or prevent the Fund from disposing of them at all, (d) change, through operation of law, the currency denomination of cash, securities, transactions and/or other assets of the Fund that are currently denominated in the Euro to the detriment of the Fund or at an exchange rate that the Investment Manager, the Investment Adviser or the Fund may consider unreasonable or wrong, (e) adversely affect the Fund's ability to enter into currency hedging transactions and/or increase the costs of such transactions (which may prevent the Fund from allocating losses on currency hedging transactions in accordance with their usual allocation policies, or from protecting certain share classes against exposure to foreign exchange rates through hedging), (f) affect the validity or interpretation of legal contracts on which the Fund relies, (g) adversely affect the ability of the Fund to make payments of any kind or to transfer any of its funds between accounts, (h) increase the probability of insolvency of, and/or default by, its counterparties, and/or (i) result in action by national governments or regulators which may be detrimental or which may serve to protect certain types of market participants at the expense of others. Such factors could, individually or in combination with each other, impair the Fund's profitability or result in significant losses, prevent or delay the Fund from being able to value its assets and/or calculate the net asset value and affect the ability of the Fund to redeem shares/withdraw interests and make payments of amounts due to investors. Although the Investment Manager might be able to identify some of the risks relating to the possible events described above,

there might be no practicable measures available to it that would reduce the impact of such events on the Fund.

Potential Liability of Limited Partners Under Cayman Partnership Law – Under the Cayman Partnership Law, limited partners are not as such liable for the debts or obligations of an exempted limited partnership. However, the limited partners may be liable for debts or obligations of the Partnership to the extent provided in the Partnership Agreement and if a limited partner takes part in the conduct of the business of the Partnership in its dealings with persons who are not partners, the limited partner shall be liable in the event of the insolvency of the Partnership for all debts and obligations of the Partnership incurred during the period such limited partner so participates in the conduct of the business as though it were for such period a general partner, provided always that such limited partner shall be rendered so liable only to a person who transacts business with the Partnership during such period with actual knowledge of such participation and who reasonably believed such limited partner to be a general partner. A limited partner who receives a payment representing a return of any part of his contribution to the Partnership within six months before an insolvency of the Partnership shall be liable to repay such payment with simple interest at the rate of ten per cent per annum (calculated on a daily basis) to the extent that such contribution or part thereof is necessary to discharge a debt or obligation of the Partnership incurred during the period that the contribution represented an asset of the Partnership.

Fraud Risk - The Fund will be exposed to the risk of fraud by third party service providers to, or the directors, officers or agents of, an investment entity in which the Fund is invested. These risks include fraud or bad faith relating to dealings with, or on behalf, of any investment entity where such officers, agents and third parties may receive direct or indirect benefit from dealings with or for that entity or where fees are received or cash flows handled in respect of that entity. The Fund intends to seek to obtain transparency and monitor the activities of service providers and other agents of investment entities in which the Fund invests. However, there is no guarantee that the measures taken will be effective in eliminating the risk of fraud or other bad faith acts or practices.

Legal Risk - Many of the laws that govern private and foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in developing countries, are new and largely untested. As a result the Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs, characteristic of developed markets, and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgement in certain countries in which assets of the Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of the Fund may be subject to withholding taxes imposed by foreign governments for which shareholders may not receive a full or any foreign tax credit. Furthermore, it may be difficult to obtain and enforce a judgment in a court outside of the Cayman Islands.

Regulatory controls and corporate governance of companies in some developing countries may confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. The concept of fiduciary duty to shareholders by officers and directors is also limited when companied to such concepts in more developed markets. In certain instances management may take significant actions without the consent of investors and anti-dilution protection may also be limited.

Tax Considerations – Applicable taxation laws, treaties, rules or regulations or the interpretation thereof may always change, possibly with retrospective effect. Changes in the tax treatment of investments and special purpose vehicles and unanticipated withholding taxes or other taxes may affect anticipated cash flows. In particular, certain member states of the EU have proposed the implementation of financial transactions taxes in relation to certain securities transactions. To the

extent any such taxes are imposed, their effect on the Fund is uncertain. The Fund may use a variety of investment structures to obtain exposure to the underlying assets on a case by case basis. Whilst the Fund will seek to enhance the tax efficiency of such investment structures in their jurisdictions of incorporation, the tax laws, however, may change or be subject to differing interpretations. Accordingly, the tax consequences of a particular investment or structure may change after the investment has been made or the structure has been established with the result the Fund could become subject to taxation (including by way of withholding tax) in respect of its investments and the income, profit and gains derived therefrom in a manner or to an extent that is not currently anticipated. Any such change may have an adverse effect on the net asset value of the Fund and interests in it.

Although the Directors and the Investment Manager each intend that, so far as it is within their respective control, the affairs of the General Partner, Fund and the Investment Manager are conducted so that the Fund does not become subject to U.K. corporation tax or income tax on its profits, there can be no guarantee that all of the requirements to ensure this will at all times be satisfied.

Taxation of Dividends/Deemed Dividends – The Fund will not ordinarily, but may at the Directors' discretion, pay dividends to shareholders. However, in so far as dividends are paid, shareholders should note that the Fund does not intend to operate dividend equalisation in respect of such Share Series (but may do so in the future). Accordingly, shareholders could receive a greater or lesser share of dividend income than anticipated in certain circumstances such as when, respectively, Series size is shrinking or expanding prior to the payment of a dividend. It should also be noted that to the extent actual dividends are not declared in relation to all income of a Series with reporting fund status for a period, further reportable income under the reporting fund rules would be attributed only to those shareholders who remain as shareholders at the end of the relevant accounting period. This could have the effect of increasing the proportion of income (rather than capital gains) tax paid by a shareholder subject to U.K. taxation. Regulations enable (but do not oblige) a reporting fund to operate income equalisation or to make income adjustments to minimise this effect. The Directors reserve the right to operate dividend equalisation or to make income adjustments in respect of any Series.

Tax Reporting and Withholding – Certain countries have adopted tax laws which require reporting and/or withholding in certain circumstances in connection with an investors acquisition, holding and/or disposal of an investment in the Fund. Depending on the nature of the requirements, these tax laws impose (or will impose in the future) reporting and/or withholding obligations. To the extent that the Fund determines to incur the costs of compliance with tax or other laws, the Directors may require that investors whose acquisition, holding or disposal triggers the compliance requirements to share pro rata the cost to the Fund of doing so with other such investors.

Foreign Account Tax Compliance Act – Beginning in 2014, the Fund will be required to comply with extensive new reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Non-U.S. investors (other than individuals) may be required to certify as to their own compliance with such requirements and all investors may be required to provide additional information to the Fund to enable the Fund to satisfy any reporting obligations. Failure to furnish requested certifications or other information may subject an investor to U.S. withholding taxes and possible liquidation or compulsory withdrawal or redemption of such investor's interest in the Fund. The U.S. Department of the Treasury is expected to issue further, detailed guidance as to the mechanics and scope of this new reporting and withholding regime. There can be no assurance as to the timing or impact of any such guidance on future Fund operations.

No Separate Counsel – Akin Gump LLP ("Akin Gump") and Mourant Ozannes have been appointed as counsel to the Fund in connection with the formation of the Fund and certain other matters for which they are specifically engaged. Akin Gump and Mourant Ozannes also act as counsel to the Investment Manager, the Investment Adviser, the General Partner and certain of their affiliates. Akin Gump and Mourant Ozannes disclaim any obligation to verify the Investment Manager's, the Investment Adviser's or the General Partner's compliance with its obligations either under applicable

law or the governing documents of the Fund. In acting as counsel to the Fund, the Investment Manager, the Investment Adviser, the General Partner and certain of their affiliates, Akin Gump and Mourant Ozannes have not represented and will not represent any investors in the Fund. No independent counsel has been retained to represent the investors in the Fund. In assisting in the preparation of this Private Placement Memorandum, Akin Gump and Mourant Ozannes have relied on information provided by the Fund, the Investment Manager, the Investment Adviser, and the General Partner and certain of the Fund's other service providers without verification and do not express a view as to whether such information is accurate or complete.

B. Investment and Strategy Risks

Investment and Trading Risks in General - All securities investments present a risk of loss of capital. The Fund's investment policy may utilise investment techniques such as credit default swaps and other synthetic exposures, which can magnify, in certain circumstances, any losses. There can be no assurance that the Fund will achieve its investment objective.

Counterparty Risk – Markets in which the Fund may effect transactions may include OTC or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty (including Prime Brokers and other financing counterparties) will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. The Fund may trade with a single counterparty which would magnify this risk. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. The Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Fund to transact business with any one or number of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund. The Fund is subject to the risk of the inability of any counterparty (including any Prime Broker and/or custodian) to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes and the risk that counterparties may not have access to finance and/or assets at the relevant time and may fail to comply with their obligations under relevant agreements. *Leverage, Interest Rates and Margin* – In addition to the leverage inherent in the instruments in which the Fund may invest, the Fund may borrow funds from brokerage firms, banks and other financial institutions in order to increase the amount of capital available for investment. Consequently, the level of interest rates at which the Fund can borrow and other costs of obtaining leverage funds will affect the operating results of the Fund. In addition, the Fund may in effect borrow through entry into repurchase agreements and may "leverage" its investment return with such instruments as forwards, futures, options and other derivative contracts.

The Fund's use of borrowing and leverage results in certain additional risks.

While leverage presents opportunities for increasing the Fund's total return, it has the effect of potentially increasing losses, as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent that the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investment could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged.

Should the perceived creditworthiness of one or more Corporates to whose credit risk the Fund has exposure decrease, the Fund could be subject to a "margin call" and need to deposit additional funds with the counterparty or suffer mandatory liquidation of the relevant credit default swap contract(s) to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

Any limitation on the availability of leverage and/or borrowing facilities will have a detrimental effect on the ability of the Fund to maintain the intended level of leverage.

Trading in Options - The Fund may purchase and sell ("write") options on securities, interest rate and credit default swaps, currencies and commodities on a variety of commodities and securities exchanges and over-the-counter markets. The seller ("writer") of a put or call option which is uncovered (i.e. the writer has effectively a long or a short position in the underlying security, currency or commodity) assumes the risk (which theoretically may be unlimited) of a decrease or increase in the market price of the underlying security, currency or commodity below or above the sales or purchase price. Investing in futures and options is a highly specialised activity and, although it may increase total return, it may also entail significantly greater than ordinary investment risk.

OTC Derivative Instrument Transactions - The Fund may invest a substantial portion of its assets in investments which are not traded on organised exchanges and as such are not standardised. Such transactions are known as over-the-counter or ("OTC") transactions and may include credit default swap contracts or options. Whilst some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in exchange traded derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what is a fair price. In respect of such trading, the Fund is subject to the risk of counter-party failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to the Fund.

The instruments, indices and rates underlying derivative transactions expected to be entered into by the Fund may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude, and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programmes and policies; national and international political and economic events; and changes in interest rates. The volatility of such instruments, indices or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by the Fund could result in losses.

There has been an international effort to increase the stability of the financial system in general, and the OTC derivatives market in particular, in response to the recent financial crisis. The leaders of the G20 have agreed that all standardized OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties, that OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.

Dodd-Frank includes provisions that comprehensively regulate the OTC derivatives markets for the first time. Dodd-Frank will require that a substantial portion of OTC derivatives must be executed in regulated markets or electronic facilities and submitted for clearing to regulated derivatives clearing organizations. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible margin requirements mandated by the SEC or the CFTC. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. Although Dodd-Frank includes limited exemptions from the clearing and margin requirements for so-called "end-users," the Investment Manager and the Investment Adviser do not expect to be able to rely on such exemptions. In addition, the OTC derivative dealers with which the Fund may execute the majority of its OTC derivatives will not be able to rely on the end-user exemptions under Dodd-Frank and therefore such dealers will be subject to clearing and margin requirements notwithstanding whether the Fund is subject to such requirements. OTC derivative dealers also will be required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations for cleared derivatives, as is currently permitted. This will increase the OTC derivative dealers' costs,

and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favourable trade pricing, and possible new or increased fees.

The SEC and CFTC may also require a substantial portion of derivatives transactions that are currently executed on a bilateral basis in the OTC markets to be executed through a regulated securities, futures, or swap exchange or execution facility. Such requirements may make it more difficult and costly for investment funds, including the Fund, to enter into highly tailored or customized transactions. They may also render certain strategies in which the Fund might otherwise engage impossible or so costly that they will no longer be economical to implement. OTC derivative dealers and major OTC derivatives market participants will be required to register with the SEC and/or the CFTC. The Fund may also be required to register as a major participant in the OTC derivatives markets if its swaps positions are too large or leveraged. Dealers and major participants will be subject to minimum capital and margin requirements. These requirements may apply irrespective of whether the OTC derivatives in question are exchange-traded or cleared. OTC derivatives dealers will also be subject to new business conduct standards, disclosure requirements, additional reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory burdens. These requirements may increase the overall costs for OTC derivative dealers, which are likely to be passed along, at least partially, to market participants in the form of higher fees or less advantageous dealer marks. The Fund will be subject to position limits on certain swaps as well as recordkeeping and, depending on the identity of the swaps counterparty, reporting requirements. Position limits may limit the Fund's ability to concentrate in a particular type of contract, and reporting requirements would result in increased regulatory compliance expense. The overall impact of Dodd-Frank on the Fund is uncertain, and it is unclear how the OTC derivatives markets will adapt to this new regulatory regime.

Steps are also being taken to regulate OTC derivative contracts in Europe. EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR"), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivative contracts by requiring certain "eligible" OTC derivative contracts to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of OTC derivative contracts to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements are likely to include the posting and segregation of collateral, not only to and for, but also by, the Fund.

EMIR covers financial counterparties, which may include the Fund, and certain non-financial counterparties in respect of OTC derivative contracts. Although EMIR provides certain limited exemptions from its requirements for non-financial counterparties which do not trade OTC derivative contracts beyond a certain threshold, the Fund does not expect to be able to rely on such exemptions.

Many provisions of EMIR require the adoption of delegated acts by the European Commission before becoming fully effective, not all of which had been proposed or finalized by the date of this Confidential Memorandum. Accordingly, it is difficult to predict the precise impact of EMIR on the Fund. The Investment Manager, the Investment Adviser and the Directors will monitor the position and react appropriately. However, prospective investors should be aware that the regulatory changes arising from EMIR may in due course adversely affect the Fund's ability to adhere to the investment strategy and to achieve its investment objective.

Credit Ratings - Credit ratings of debt securities or credit or reference entities represent the rating agencies' opinions regarding their credit quality and are not a guarantee of future credit performance of such securities. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Therefore, the ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Also, rating

agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial conditions may be better or worse than a rating indicates. Consequently, credit ratings of reference entities or obligors in respect of eligible investments will be used by the Investment Manager only as a preliminary indictor of investment quality. Obligations of reference entities which are not investment grade will be more dependent on the credit analysis by the Investment Manager than would be the case with those which are investment-grade.

Credit Risk - The Fund also is subject to credit risk, i.e. the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. Investment in portfolios of credit default swaps or instruments, individual credit default swaps and other instruments involves a degree of risk arising from fluctuations in the amount and timing of the receipt of principal and interest by the Fund and the amounts of the claims of creditors and counterparties ranking in priority to the rights of the Fund in respect of such instruments. In particular, the amount and timing of payments of the principal, interest and other amounts on the instruments will depend upon the detailed terms of the documentation relating to the instrument and on whether or not any issuer thereof or obligor thereunder defaults in its obligations thereunder. This is broadly reflected by the credit ratings of the securities in which the Fund invests. However, ratings are only the opinions of the agencies issuing them, may change less quickly than the relevant circumstances and are not absolute guarantees of the quality of the securities. A default, downgrade or credit impairment of any Corporate to whose credit risk the Fund has exposure could result in a significant or even total loss of the relevant investment.

Concentration of Investments/Lack of Asset Diversification – The Fund is subject to limited diversification requirements and may invest a significant portion of its assets in the securities of a small number of issuers or, directly or indirectly similar in assets. In particular, this risk may be magnified during the period following the Fund's launch due to its relatively small size. As a result, the Fund may be more susceptible to risks associated with a single economic, political or regulatory occurrence than would be the case with a more diversified portfolio and the Fund may be subject to significant losses in the event that it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including by default of the issuer.

Securities and Other Investments of the Fund May Be Illiquid; Restrictions on Transfer – Many of the obligations in respect of portfolios of credit default swaps or instruments purchased by the Fund will have no, or only a limited, trading market. The Fund's investment in such securities and portfolios may restrict its ability to dispose of investments in a timely fashion and for a fair price as well as its ability to take advantage of market opportunities. Further, the factors relating to illiquidity of investment positions may also be applicable to an investor whose assets are used in any *in specie* redemption or withdrawal.

Although a market does currently exist for tranche portfolio credit default swaps, there can be no assurances as to the liquidity or continuance of such a market. Consequently, the Fund must be prepared to hold such investments for an indefinite period of time and potentially until their maturity date. In addition, such instruments may be subject to certain transfer restrictions and may only be subject to transfer outside the United States or to persons who are not U.S. persons. Such restrictions on the transfer of the notes may further limit their liquidity. Illiquid underlying Structured Securities may trade at a discount from comparable, more liquid investments.

Credit Default Swaps - The Fund may enter into credit default swap agreements. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract in return for assuming the default risk on a single or a portfolio of reference entities. If a credit event occurs, the seller could potentially pay the buyer the full notional value, or "par value," of notional exposure minus the recovery value of such exposure determined by a market dealer poll. The Fund may be either the buyer or seller in a credit default swap transaction. If the Fund is a buyer and no credit event occurs prior to maturity, the investment will terminate with no payment and the Fund will recover nothing. However, if one or more credit events occur, the Fund (if the buyer) will receive

an amount up to the full notional exposure minus recovery, which may have little or no value. As a seller, the Fund receives a fixed rate of income throughout the term of the contract, which typically is between six months and five years, provided that there are no credit events. If a credit event occurs, the seller must pay the buyer the full notional value of exposure minus the recovery value. Credit default swap transactions involve greater risks than if the Fund had invested in the reference obligation directly.

Credit Exposure to the Reference Entities – The obligation of the Fund directly or indirectly through other instruments and securities to make payments to credit default swap counterparties under credit default swaps and other similar instruments creates significantly leveraged exposure to potential credit events of the relevant reference entities and credits.

A credit default swap counterparty for a particular credit default instrument may be obliged to make a payment upon the designation of an early termination date thereunder. The Fund may be exposed to the credit risk of such credit default swap counterparties with respect to such payments. In the event of the insolvency of any credit default swap counterparty, the Fund will be treated as a general creditor of the credit default swap counterparty and will not have any claim against any reference entity. Consequently, the Fund will be subject to the credit risk of a credit default swap counterparty as well as that of a reference entity. As a result, credit default swaps entered into with credit default swap counterparties will subject the Fund to a degree of risk with respect to defaults by credit default swap counterparties as well as to the risk of defaults by the reference entities.

Following the occurrence of a credit event with respect to a reference entity (and subject to the satisfaction of any condition to payment), the Fund may be required to pay to the credit default swap counterparty an amount equal to the relevant settlement amount on the relevant settlement date. Certain of the reference entities and/or reference obligations in respect of the reference entities in respect of credit default swaps contained in the particular portfolio, may be rated below investment grade (or of equivalent credit quality). Under credit default swaps where the Fund has sold protection by reference to any such reference entity or which includes any such reference obligation the likelihood of the Fund being obliged to make payment is greater.

Credit default swaps present risks in addition to those resulting from direct purchases of obligations of the reference entities. Under credit default swaps, the Fund and/or issuer will have a contractual relationship only with the relevant credit default swap counterparty, and not with any reference entity. Consequently, the credit default swaps do not constitute a purchase or other acquisition or assignment of any interest in any obligation of any reference entity. The Partnership and/or any issuer, therefore, will have rights solely against each credit default swap counterparty in accordance with the relevant credit default swap and will have no recourse against any reference entities. None of the Fund, the issuer or any other entity will have any rights to acquire any interest in any obligation of any reference entity, notwithstanding the payment by an issuer or the Fund of a credit default swap floating amount to a credit default swap counterparty with respect to such reference entity of a credit default unless the terms of the specific credit default swap provide for a transfer of any obligation upon the occurrence of a credit event. Neither the Fund nor any issuer will directly benefit from any collateral supporting the obligations of the reference entity and will not have the benefit of the remedies that would normally be available to a holder of any such obligation.

There is no assurance that actual payments of any credit default swap amounts will not exceed such assumed losses. If any payments of credit default swap amounts exceed such assumed losses, payment on the respective class of notes of an issuer could be adversely affected by the occurrence of synthetic credit events.

Currency – Limited Partnership Interests and/or Shares are issued and withdrawn/redeemed in dollars, euro and sterling. The underlying instruments held by the Fund may be denominated in those or other currencies. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In

addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency. The Fund may enter into back to back currency borrowing or utilise derivatives such as forwards, futures, options and other derivatives to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be undertaken or if undertaken will be effective or beneficial or that there will be a hedge in place of any given time.

Trading in Indices, Financial Instruments and Currencies - The Investment Manager may trade in indices, financial instruments and currencies. The effect of any governmental intervention may be particularly significant at certain times in currency and financial instrument futures and options markets. Such intervention (as well as other factors) may cause all of these markets to move rapidly in the same or varying directions which may result in sudden and significant losses.

Hedging Transactions and Other Methods of Risk Management – The Fund may utilise financial instruments such as derivatives for investment purposes and for risk management purposes, for example in order to: (i) protect against possible changes in the market value of the portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Fund's unrealised gains in the value of the portfolio; (iii) facilitate the sale of any investment; (iv) enhance or preserve returns, spreads or gains on any investment in the portfolio; (v) hedge the interest rate or currency exchange rate on any of the Fund's liabilities or assets; (vi) protect against any increase in the price of any securities the Fund anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate. Such hedging transactions may not always achieve the intended effect and can also limit potential gains.

While the Fund may enter into such transactions to seek to reduce currency, exchange rate and interest rate risks, unanticipated changes in currency, interest rates and equity markets may result in a poorer overall performance by the Fund. For a variety of reasons, the Fund may not obtain a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the Fund to risk of loss.

The success of the Fund's risk management strategies will depend in part upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Fund than if it had not engaged in such hedging transactions. For a variety of reasons the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Fund from achieving the intended hedge or expose the Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complementary to those needed in the selection of the portfolio.

Fixed Income Securities – The Fund may invest in bonds or other fixed income securities, including without limitation, commercial paper and "higher yielding" (including non-investment grade and, therefore, higher risk) debt securities. The Fund will, therefore, be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sectors reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of

principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitation on additional indebtedness. In addition, evaluation of credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic event, such as a recession or reduction of liquidity in the market could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such an economic event could adversely affect the ability of issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

Investments in Unlisted Securities – The Fund may invest in unlisted securities. Because of the absence of any trading market for these investments, it may take longer, or may not be possible, to liquidate these positions. Accordingly, the ability of the Fund to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Although these securities may be resold in privately negotiated transactions, prices realised on these sales could be less than those originally paid by the Fund. Settlement of transactions may be subject to delay and administrative uncertainties. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. The lack of publicly available information regarding unlisted securities will also give rise to uncertainty in valuing such securities.

Synthetic Securities - The Fund may invest in synthetic securities for investment purposes. Synthetic securities are securities in which the value is determined by reference to changes in the value of specific currencies, interest rates, bonds (or bond portfolios), commodities, indices, or other financial indicators (a "Reference") or the relative change in two or more References. The interest rate or the principal amounts payable upon maturity or redemption may be increased or decreased depending upon changes in the applicable Reference. Synthetic securities may be positively or negatively indexed, so that appreciation of the Reference may produce an increase or decrease in the interest rate or value of the security at maturity. In addition, changes in the interest rates or the value of the security at maturity may be a multiple of changes in the value of the Reference. Consequently, synthetic securities may present a greater degree of market risk than other types of securities and may be more volatile, less liquid and more difficult to value accurately than less complex securities.

Swap Agreements – The Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured so as to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Fund is not limited to any particular form of swap agreement if consistent with the Fund's investment objective and policy.

Swap agreements tend to shift the Fund's investment exposure from one type of investment to another. For example, if the Fund agrees to exchange payments in dollars for payments in euro, the swap agreement would tend to decrease the Funds' exposure to dollar interest rates and increase its exposure to the euro and its interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the Fund's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity value or other factors that determine the amounts of payments due to and from the Fund. If a swap agreement calls for payments by the Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's credit worthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Fund.

Interest Rate Risk - The Fund is subject to several risks associated with changes in interest rates on its financings and investments.

Increased Interest Payments - The interest payments on the Fund's financings may increase relative to the interest earned on the Fund's investments. In a period of rising interest rates, interest payments by the Fund could increase while the interest earned on certain investments would not change.

Interest Rate Adjustments - The Fund may rely on short-term financings to acquire Investments with long-term maturities. Similarly, the Fund may acquire investments with short term maturities which are secured by long dated assets. Certain of the Fund's investments may be adjustable rate instruments in which interest rates vary over time, based upon changes in an objective index (e.g., LIBOR) which generally reflect short-term interest rates. The interest rates on the Fund's financings similarly vary with changes in an objective index but may adjust more frequently than the interest rates of the Fund's investments.

The foregoing list of risk factors is not complete. Prospective investors should consult with their own advisors before deciding to subscribe.

2. CONFLICTS OF INTEREST

The following inherent or potential conflicts of interest should be considered by prospective investors before investing in the Fund:

Other Clients - The General Partner, the Directors, the Investment Manager and/or the Investment Adviser may act as general partner, directors, manager, adviser, broker or investment manager to other clients (including funds) now or in the future. The investment objectives, policies and/or strategies of such clients may be identical, similar or different to those of the Fund. They may additionally serve as directors to, consultants to, or partners or shareholders in, other investment funds, companies and investment firms. Certain investments may be appropriate for the Fund and also for other clients advised or managed by the General Partner, the Investment Manager and/or the Investment Adviser. Investment decisions for the Fund and for such other clients are made with a view to achieving their respective investment objectives and after consideration of factors such as, for example, their current holdings, the current investment views of the different portfolio managers of the General Partner, the Investment Manager and/or the Investment Adviser, availability of cash for investment and the size of their positions generally. Frequently, a particular investment may be bought or sold for only the Fund or only one client or, in different amounts and at different times, for more than one but less than all clients, including the Fund. Likewise, a particular investment may be bought for the Fund or one or more clients when one or more other clients are selling the same security. In addition, purchases or sales of the same investment may be made for two or more clients, including the Fund, on the same date and mirror portfolios may be operated for other clients. In such event, such transactions will be allocated among the Fund and clients in a manner believed by the General Partner, the Directors, the Investment Manager and/or the Investment Adviser to be equitable to each. Purchase and sale orders for the Fund may be combined with those of other clients of the General Partner, the Directors, the Investment Manager and/or the Investment Adviser. In effecting transactions, it may not always be possible, or consistent with the possibly differing investment objectives of the various clients and of the Fund, to take or liquidate the same investment positions at the same time or at the same prices.

Other Activities - The General Partner, the Directors, the Investment Manager, the Investment Adviser and/or the Portfolio Support Manager engage in other business activities and manage the accounts of clients other than the Fund. The General Partner, the Directors, the Investment Manager, the Investment Adviser and/or the Portfolio Support Manager are not required to refrain from any other activity, to account for any profits from any such activity, whether as partners of additional investment companies or otherwise or to devote all or any particular part of the time and effort of any of its or their partners, officers, directors or employees to the Fund and its affairs. Investment strategy for such other clients may vary from that for the Fund. The Directors may act as directors of, or otherwise be interested in, other funds which the Fund may invest in now or in the future. To the extent that there are other conflicts of interest on the part of the General Partner, the Investment

Manager, the Investment Adviser, the Administrator, the Prime Broker and/or the Directors between the Fund and any other account, company, partnership or venture with which it or they are now or later may become affiliated, they will endeavour to treat all of such entities equitably.

Interests in Servicing Companies - The General Partner, the Investment Manager, the Investment Adviser and/or funds managed or advised by any of them or by any member of their group may hold equity or debt securities or similar interests in companies that provide services to and receive servicing, administration and/or other fees from the entities in which the Fund may invest. This may pose a potential conflict of interest between the Fund, the General Partner, the Investment Manager, the Investment Adviser and/or other funds managed or advised by the General Partner, the Investment Manager, the Investment Adviser and/or members of their group.

Dealing Commissions - The Fund may pay commission rates which include both the cost of execution of transactions and access to research. In addition, the Fund may directly pay for research and similar information services and data used by relevant Investment Manager personnel to manage the Fund. The Fund will reimburse the Investment Manager any monies spent by the Investment Manager to obtain such research, information, analysis and/or other similar services, up to a maximum of 0.10 per cent. per annum of the Fund's average net asset value.

General - The General Partner, the Company, the Investment Manager and/or the Investment Adviser may enter into side letters in relation to the Partnership and/or the Company with individual investors covering, *inter alia*, capacity, provision of additional information, most favoured investor commitments, individual investor approval requirements, transfer rights and confirmations of how expenses will be borne.

PART II: ADDITIONAL INFORMATION FOR U.S. INVESTORS

DEFINITIONS

"U.S. Person"

A "U.S. Person" for purposes of this Private Placement Memorandum is a person who is in either of the following two categories: (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or (b) a person excluded from the definition of a "Non-United States person" as used in CFTC Reg. 4.7. For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if he or it does not satisfy any of the definitions of "U.S. person" in Rule 902 *and* qualifies as a "Non-United States person" under CFTC Reg. 4.7.

"U.S. person" under Rule 902 includes the following:

(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 non-U.S. 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 non-U.S. jurisdiction; and

  (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "U.S. person" under Rule 902 does not include: (i) 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; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if (A) 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 (B) the estate is governed by non-U.S. law; (iii) 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; (iv) 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; (v) any agency or branch of a U.S. person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) 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 (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, including their agencies, affiliates and pension plans.

CFTC Reg. 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

(a) a natural person who is not a resident of the United States or an enclave of the U.S. government, its agencies or instrumentalities;

(b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;

(c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source;

(d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, *provided*, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Reg. 4.7(a)(2) or (3)) represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and

(e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

An investor who is not a U.S. Person may nevertheless be considered a "U.S. Taxpayer" under U.S. federal income tax laws. For example, an individual who is a U.S. citizen residing outside of the United States, is not a "U.S. Person" but is a "U.S. Taxpayer". Such a person need not complete the Supplemental Disclosure Form and Declarations for U.S. Persons, but the tax consequences described below will apply to that person and any applicable tax forms will need to be completed.

"U.S. Taxpayer"

"U.S. Taxpayer" includes a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that is treated as a U.S. Taxpayer under U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers.

"Benefit Plan Investor"

"Benefit Plan Investor" is used as defined in U.S. Department of Labor ("DOL") Regulation 29 C.F.R. § 2510.3-101 and Section 3(42) of ERISA (collectively, the "Plan Asset Rule") and includes: (i) any employee benefit plan subject to Part 4 of Title I of ERISA; (ii) any plan to which Code Section 4975 applies (which includes a trust described in Code Section 401(a) that is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account or annuity described in Code Sections 408 or 408A, a medical savings account described in Code Section 220(d), a health savings account described in Code Section 223(d) and an education savings account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 per cent. or more of a class of equity interests in the entity is owned by plans). An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of the percentage of the equity interests in the

entity held by Benefit Plan Investors. Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered "plan assets" and (except if the entity is an investment company registered under the 1940 Act) also include assets of any insurance company separate account or bank common or collective trust in which plans invest.

U.S. FEDERAL TAX AND BENEFIT PLAN CONSIDERATIONS

Investors' Reliance on U.S. Federal Tax Advice in this Private Placement Memorandum

The discussion contained in this Private Placement Memorandum as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this Private Placement Memorandum. Each taxpayer should seek U.S. federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

U.S. Tax Considerations

The statements on taxation below are intended to be a summary of certain U.S. tax consequences of an investment in the Fund and are based on the law and practice in force at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely. Other tax consequences for each investor of acquiring, holding, redeeming, withdrawing from or disposing of Limited Partnership Interests or Shares are summarised starting on pages 88 and 115, respectively.

A. Investors in the Partnership

This section contains a summary of U.S. federal income tax considerations for limited partners that are U.S. Taxpayers. The Limited Partnership Interests are likely to appeal to taxable U.S. Taxpayers and other persons seeking an investment providing transparency for tax purposes. Conversely, an investment in the Company is likely to appeal to U.S. tax-exempt investors.

The discussion is based upon the Code and upon judicial decisions, U.S. Treasury regulations, U.S. Internal Revenue Service ("IRS") rulings and other administrative materials interpreting the Code, all of which are subject to change that may or may not be retroactive.

The discussion below is general and does not address tax consequences that may be relevant to certain types of investors (such as dealers in securities, banks, insurance companies and foreign investors). The discussion assumes that the Partnership will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the Code. The tax consequences of an investment will depend not only on the nature of the Fund's operations and the then applicable federal tax principles, but also on certain factual determinations which cannot be made at this time, and upon a particular investor's individual circumstances.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT, AND MUST DEPEND UPON, THEIR OWN TAX ADVISORS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATIONS AND POTENTIAL CHANGES IN APPLICABLE LAW, INCLUDING THE APPLICATION OF STATE AND LOCAL, NON-U.S. AND OTHER TAX CONSIDERATIONS.

The Partnership generally intends to conduct its affairs so that it will not be deemed to be engaged in a trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a U.S. trade or business carried on by the Partnership. If none of the Partnership's income is treated as effectively connected with a U.S. trade or business carried on by the Partnership, certain categories of income (including dividends (and certain substitute dividends and other dividend equivalent payments) and certain types of interest income), if any, derived by the Partnership from U.S. sources and allocable to the Partnership's non-U.S. investors will be subject to a U.S. tax of 30

per cent. (or lower treaty rate for eligible non-U.S. investors), which tax is generally withheld from such income. The amount of such income and withheld tax will be reported on an IRS Form 1042-S with respect to each non-U.S. investor. Certain other categories of income, generally including capital gains (including those derived from options transactions) and interest on certain portfolio debt obligations (which may include United States Government securities), original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit, will not be subject to this 30 per cent. tax. If, on the other hand, the Partnership derives income which is effectively connected with a U.S. trade or business carried on by the Partnership, this 30 per cent. tax will not apply to such effectively connected income, but investors in the Partnership who are non-U.S. Taxpayers, including the Company, will be subject to certain U.S. tax consequences.

As stated above, the Partnership generally intends to conduct its activities so as to avoid being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. Specifically, the Partnership intends to qualify for safe harbours in the Code, pursuant to which the Partnership will not be treated as engaged in such a business if its activities are limited to trading in stocks and securities or commodities for its own account. These safe harbours apply regardless of whether the trading is done by the Partnership or a resident broker, commission agent, custodian or other agent, or whether such agent has discretionary authority to make decisions in effecting the transactions. The safe harbours do not apply to a dealer in stocks or securities or commodities; the Partnership does not intend to be such a dealer. In addition, the commodities trading safe harbour applies only if the commodities are of a kind customarily dealt in on an organised commodity exchange, and if the transaction is of a kind customarily consummated at such place.

It should also be noted that only limited guidance, including proposed regulations that have yet to be finalised, exists with respect to the tax treatment of non-U.S. persons who effect transactions in securities and commodities derivative positions (including currency derivatives) for their own account within the United States. For example, as currently proposed, the regulations provide a safe harbour with respect to trading interests in currencies and currency derivatives only if the currencies are of a kind customarily dealt in on an organised commodity exchange. Further guidance may cause the Partnership to alter the manner in which it engages in such activity within the United States.

The treatment of credit default swaps and certain other swap agreements as "notional principal contracts" for U.S. federal income tax purposes is uncertain. Were the U.S. Internal Revenue Service to take the position that a credit default swap or other swap agreement is not treated as a "notional principal contract" for U.S. federal income tax purposes, U.S. source payments received by the Fund from such investors might be subject to U.S. excise or income taxes.

Investments by the Partnership in an entity that is classified as a partnership for U.S. federal income tax purposes could cause the Partnership to be deemed to be engaged in a trade or business within the United States if the entity is so engaged. Although the Partnership generally intends to conduct its affairs so as to avoid this result, it cannot provide absolute assurance that no underlying investment fund will take any action that could deem that entity to be engaged in a trade or business within the United States.

Code sections 1471 through 1474 impose a withholding tax of 30% on (a) certain U.S.-source interest, dividends, and certain other types of income, and (b) the gross proceeds from the sale or disposition of assets which produce such types of income, which are received by a foreign financial institution, unless such foreign financial institution enters into an agreement with the IRS to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In general, these rules would apply to payments of interest, dividends and certain other types of income from U.S. sources after December 31, 2013, and would apply to payments of gross proceeds from the sale or disposition of assets which produce such types of income after December 31, 2016. Although it is not possible to predict the effect that these rules could have on the Partnership or the Partners, at this time the General Partner believes that there will be practicable methods for the Partnership to

comply with these rules in such a manner that the Fund's return will not be subject to this withholding tax.

Partners will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the General Partner may from time to time request. Failure to furnish requested information may subject a limited partner to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory withdrawal of such limited partner's interest in the Partnership.

Partnership Status - In general, the federal income tax consequences of an investment in the Partnership will depend on whether the Partnership is treated for federal income tax purposes as a partnership rather than as an association taxable as a corporation. No application will be made to the IRS for a ruling on the classification of the Partnership for tax purposes.

If the Partnership is classified as a "partnership" for federal income tax purposes and is not a "publicly traded partnership," it will not be subject to any federal tax. Instead the limited partners will be subject to tax on their distributive shares of Partnership income and gain and, subject to certain limitations described below, will be entitled to claim distributive shares of Partnership losses. On the other hand, if the Partnership were to be classified as an association taxable as a corporation or as a "publicly traded partnership", limited partners would be treated as shareholders of a corporation. Consequently, (a) items of income, gain, loss and deduction would not flow through to the limited partners to be accounted for on their individual federal income tax returns; (b) cash distributions would be treated as corporate distributions to the limited partners, some or all of which might be taxable as dividends; and (c) the Partnership would be classified as a "passive foreign investment company" and possibly also a "controlled foreign corporation" for U.S. tax purposes. The classification would subject the Partnership's U.S. investors to special rules designed to prevent deferral of U.S. taxation and conversion of ordinary income into capital gains through investment in non-U.S. investment companies.

Sections 301.7701-1 through 301.7701-3 of the Treasury regulations provide a largely elective regime for determining when an unincorporated organisation may be classified as a partnership rather than an association taxable as a corporation. Under this regime, certain business entities are treated as per se corporations for federal tax purposes. All other business entities generally may choose their classification. Non-U.S. entities which are eligible to elect their status and which have at least two members, at least one of which is personally liable for the debts of and claims against the entity, generally are classified as partnerships by default, without having to make an affirmative election.

The Partnership is a non-U.S. entity that has more than one member, one of which (the General Partner) is personally liable for the debts of and claims against the Partnership, and therefore the General Partner believes that the Partnership is classified as a partnership for U.S. federal income tax purposes by default. Furthermore, the General Partner does not intend to affirmatively elect to treat the Partnership as an association taxable as a corporation. Therefore, the General Partner expects the Partnership to be classified as a partnership for U.S. federal tax purposes, pursuant to Section 301.7701-1 through 301.7701-3 of the Treasury regulations.

An organisation that is classified as a partnership under the rules of Treas. Reg. § 301.7701-1 through 301.7701-3 nevertheless may be treated as a corporation for federal income tax purposes. Under Section 7704 of the Code, certain "publicly traded partnerships" are taxable as corporations. A publicly traded partnership for these purposes is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market or its economic equivalent. Although interests in the Partnership will not be tradable on an established securities market, because interests may be redeemed under certain circumstances, they could be considered to be readily tradable on a secondary market or its economic equivalent.

Treasury regulations issued under Code Section 7704 provide that if all of the interests in a partnership are offered in a private placement, and the partnership has not more than 100 partners, the

interests in the partnership will not be considered readily tradable on a secondary market (or its substantial equivalent). For purposes of determining the number of partners, the beneficial owner of an interest in a partnership, grantor trust or S corporation (a "look-through entity") that invests in the Partnership will be treated as a partner in the Partnership, but only if substantially all of the value of the beneficial owner's interest in the look-through entity is attributable to that entity's interest in the Partnership, and a principal purpose for the tiered arrangement was to satisfy the 100-partner condition. In addition, under an exception in Section 7704(c) of the Code, a publicly traded partnership is not treated as a corporation for tax purposes if 90 per cent. or more of its gross income consists of "qualifying income". For this purpose, qualifying income includes, among other items, interest, dividends and gains from the sale or disposition of a capital asset held to produce such income. With respect to a partnership, a principal activity of which is the buying and selling of commodities (other than stock in trade or other inventory-type property held for sale to customers in the ordinary course of business) or options, futures or forwards with respect to commodities, qualifying income also includes income and gains from such commodities or options, futures or forwards with respect to commodities. In addition, qualifying income includes income from a notional principal contract if the property, income or cash flow that measures the amounts to which the partnership is entitled under the contract would give rise to qualifying income if held or received directly by the partnership. Based on the Treasury regulations, the anticipated operations of the Partnership, and the expectation that 90 per cent. or more of the Partnership's gross income will constitute qualifying income, it is expected that the Partnership should not be treated as a corporation under the publicly traded partnership rules. The remainder of this discussion assumes that the Partnership will be treated as a partnership and not as a corporation under the publicly traded partnership rules.

Taxation of Limited Partners - Each limited partner will be required to take into account in computing its federal income tax liability, its distributive share of the Partnership's income, gains, losses, deductions, credits and tax preference items for any taxable year of the Partnership ending with or within the taxable year of such limited partner without regard to whether such limited partner has received or will receive a cash distribution from the Partnership. In addition, if a limited partner purchases his Limited Partnership Interests at a net asset value which includes unrealised gains and those gains are later realised, his share of the taxable gain may include gain attributable to the time period prior to his purchase.

The amount of tax due, if any, with respect to gains and income of the Partnership is determined separately for each limited partner. If, for any taxable year, the Partnership derives any income from U.S. sources and has any partners that are U.S. Taxpayers (or pass-through type entities that are owned, directly or indirectly through one or more other pass-through entities, by a U.S. Taxpayer), it will be required to file annually an information return on IRS Form 1065 and, with respect to each U.S. Taxpayer partner (or pass-through type entity that is owned directly or indirectly through one or more other pass-through entities by a U.S. Taxpayer), a Schedule K-1 indicating such partner's allocable share of the Partnership's income, gain, losses, deductions, credits and items of tax preference. If for any taxable year the Partnership derives income that is effectively connected with a U.S. trade or business, it will be required to submit a Schedule K-1 with respect to each partner (including the Company). Each limited partner, however, is responsible for keeping his or her own records for determining such partner's tax basis in his or her Limited Partnership Interests and calculating and reporting any gain or loss resulting from a Partnership distribution or disposition of his or her Limited Partnership Interests.

It is possible that the Partnership will provide Schedules K-1 to U.S. Taxpayer partners (and any other partners with respect to which a Schedule K-1 is required) after April 15. Such partners should, therefore, be prepared to file extensions with relevant U.S. federal, state and local taxing authorities.

The Partnership's taxable year ends on 31 December for U.S. accounting and income tax purposes. In the event, however, that one or more partners having an aggregate interest in Partnership profits and capital of more than 50 per cent., or all partners having a five per cent. or greater interest in

Partnership profits or capital, have a differing taxable year end (disregarding for this purpose certain partners that are not subject to U.S. federal income tax), the Partnership may be required to adopt or change to a different taxable year.

The Partnership has elected to use a mark to market method of accounting pursuant to Code Section 475. Pursuant to this election, at the close of each taxable year, the Partnership generally will be treated as having sold its securities at fair market value on such date. Any resulting gain or loss will be treated as ordinary gain or loss, rather than capital gain or loss. Also, upon an actual disposition of securities, any resulting gain or loss generally will be treated as ordinary gain or loss. The Partnership cannot revoke the election without obtaining the consent of the IRS.

Limited partners may be taxable on amounts credited to their capital accounts as a result of charges made to other partners upon subscription or withdrawal.

Allocation of Partnership Income, Gains and Losses - For federal income tax purposes, a partner's distributive share of Partnership income, gain, deduction, loss or credit realised for federal income tax purposes generally is determined in accordance with the Partnership Agreement. Under Code Section 704, however, the allocation of such items pursuant to the Partnership Agreement must have "substantial economic effect" to be recognised for federal income tax purposes. Pursuant to Treasury regulations, the allocation provisions of the Partnership Agreement should have "substantial economic effect" because, under the provisions of the Partnership Agreement (1) the partners' capital accounts will be maintained in accordance with the regulations, (2) liquidating distributions will be made in accordance with capital accounts and (3) although no limited partner will have an obligation to restore his negative capital account upon liquidation of the Partnership, the Partnership Agreement contains a "qualified income offset" provision.

The Treasury regulations provide rules to govern a situation, like that of the Partnership, in which capital accounts of partners are adjusted to reflect changes in the fair market value of a partnership's assets without regard to the actual tax results for the year. The allocation provisions of the Partnership Agreement are intended to follow the provisions of the Treasury regulations. Generally, under these regulations, gain or loss recognised for tax purposes with respect to particular securities is allocated for tax purposes among those who were partners during the period in which such securities were held on the basis of actual allocations of net unrealised appreciation or depreciation in such securities to the capital accounts of such partners during such period. Treasury regulations allow certain eligible partnerships to make these tax allocations on an "aggregate" basis, rather than an individual security-by-security basis. The Partnership may decide to allocate gain and loss recognised for tax purposes using an aggregate method. Using this method, however, it is possible under certain circumstances that the allocations of the realised gains and losses among the partners will not reflect the allocations of Net Profits and Net Losses which have been made to the partners' capital accounts. This mismatch could also occur, regardless of whether the Partnership uses the aggregate method, because of a "ceiling rule" contained in the regulations. This rule generally provides that partners should not be allocated gains and losses which are not actually realised by the partnership. Treasury regulations, however, permit certain curative, remedial and other reasonable allocations to the extent necessary to offset the effect of the ceiling rule. The Partnership may employ any of these permitted allocation methods to minimise the effect of the ceiling rule.

In the event that a limited partner partially or completely withdraws from the Partnership (including by reason of death) the General Partner may, in its sole discretion, specially allocate items of Partnership gain or loss to that limited partner for tax purposes to reduce the amount, if any, by which the amount distributable to the limited partner upon the liquidation of its Limited Partnership Interest exceeds that limited partner's tax basis for its Limited Partnership Interests or otherwise reduce any discrepancy between amounts previously allocated to the limited partner's capital account and amounts previously allocated to the limited partner for U.S. federal income tax purposes.

Distributions and Adjusted Basis - The receipt of a cash distribution from the Partnership by a limited partner, not in liquidation of his Limited Partnership Interests, generally will not result in the recognition of gain or loss for federal income tax purposes. Cash distributions in excess of a limited partner's adjusted basis for his Limited Partnership Interests, however, will result in the recognition by such limited partner of gain in the amount of such excess.

A limited partner's adjusted basis in his Limited Partnership Interest will initially equal the amount of cash he has contributed for his interest and will be increased by his distributive share of Partnership income and decreased (but not below zero) by the amount of cash distributions and the adjusted basis of any property distributed from the Partnership and his distributive share of Partnership losses. If the Partnership borrows on a non-recourse basis, a share of the Partnership's liabilities will be included in a limited partner's basis.

A limited partner generally will recognise no gain or loss on a distribution of Partnership property other than cash. For purposes of determining a limited partner's gain or loss on a later sale of such property, however, the limited partner's basis in the distributed property will generally be equal to the Partnership's adjusted tax basis in the property or, if less, the limited partner's basis in his Limited Partnership Interests before the distribution.

No gain will be recognised by a limited partner with respect to distributions made to him in liquidation of his Limited Partnership Interests unless either (a) the amount of cash distributed to him exceeds his adjusted basis for the interest immediately before the distribution (including adjustments reflecting operations in the year of dissolution), or (b) there is a disproportionate distribution in kind to the limited partner of unrealised receivables (such as market discount or income on certain short-term obligations). No loss may be recognised by a limited partner with respect to liquidating distributions unless the property distributed to him consists solely of cash and such receivables and then only to the extent that the sum of the cash, plus the Partnership's basis for the receivables, is less than the limited partner's adjusted basis for his Limited Partnership Interest. The basis of any property received by a limited partner in liquidation of his interest will be equal to the adjusted basis of his interest, less the amount of any cash received in the liquidation.

A partner cannot deduct losses from the Partnership in an amount greater than his adjusted tax basis in his Limited Partnership Interests as of the end of the Partnership's tax year. Any excess losses may be able to be deducted by a limited partner in subsequent tax years to the extent that the partner's adjusted tax basis for his interest exceeds zero. See the following sections below for other limitations on the deductibility of Partnership losses.

There can be no assurance that Partnership losses will produce a tax benefit in the year incurred or that such losses will be available to offset a limited partner's share of income in subsequent years.

"At Risk" Rules - In addition to the above limitation imposed upon the deductibility of Partnership losses, the Code further limits the deductibility of losses by certain taxpayers (such as individuals and certain closely-held corporations) from a given activity to the amount which the taxpayer is "at risk" in the activity. Losses which cannot be deducted by a limited partner because of the "at risk" rules may be carried over to subsequent years until such time as they are allowable. The amount which a limited partner will be considered to have "at risk" will be the purchase price of his or her Limited Partnership Interests plus the partner's share of Partnership taxable income minus the partner's share of tax losses and distributions. As mentioned above, there can be no assurance that Partnership losses will be able to offset a limited partner's income in subsequent years.

Passive Activity Income and Loss - Section 469 of the Code disallows the deduction by an individual, estate, trust, or personal service corporation or, with modifications, certain closely-held corporations of passive activity losses against non-passive activity income. Passive activity losses can only offset passive activity income, not wages or portfolio income (such as dividends, interest, annuities and royalties). Any passive activity losses in excess of passive activity income in one year may be used to

offset passive activity income in future years or upon the disposition of the investor's entire interest in the passive activity.

Under temporary and final Treasury regulations promulgated under the passive loss rules of Section 469 of the Code, all or substantially all of the income or loss generated by the Partnership (including any income or loss recognised by a limited partner on the sale of his Limited Partnership Interest) will be considered to arise from non-passive activities. As a result, income generated by the Partnership will not be passive activity income, but portfolio income; any passive losses generated by other activities of a limited partner will not be deductible against his allocable share of income generated by the Partnership. Furthermore, a limited partner's share of any losses generated by the Partnership (such as from investment interest, investment expenses and capital loss) will generally be deductible without regard to the passive loss rules (although the deductibility of those losses may be otherwise limited as discussed below).

Limitations on Partner's Deduction of Interest - Section 163(d) of the Code imposes limitations on the deductibility of "investment interest" by non-corporate taxpayers. "Investment interest" is defined as interest paid or accrued on indebtedness incurred or continued to purchase properties to be held for investment. Investment interest is deductible only to the extent of net investment income less investment expenses. Investment interest which cannot be deducted for any year because of the foregoing limitation may be carried forward and allowed as a deduction in a subsequent year to the extent the taxpayer has net investment income in such year.

Because all or substantially all of the income or loss of the Partnership will be considered to arise from property held for investment, any interest expense incurred by a limited partner to purchase or carry his interest in the Partnership and his distributive share of interest expense incurred by the Partnership will be subject to the investment interest limitations.

Limitation on Partner's Deduction of Investment Expenses - Two Per Cent. Floor - Miscellaneous itemised deductions of an individual taxpayer, which include investment expenses, are deductible only to the extent they exceed two per cent. of the taxpayer's adjusted gross income. The Treasury Department has issued regulations prohibiting the deduction through partnerships of amounts which would be non-deductible if paid by an individual. Accordingly, if for any taxable year the Partnership's activities fail to rise to the level of a "trade or business" for U.S. federal income tax purposes, these limitations will apply to certain fees and expenses of the Partnership, including the management fee paid to the General Partner. In such event, the amounts of these fees and expenses would be separately reported to the partners and, as indicated above, would be deductible by an individual partner to the extent that the partner's miscellaneous deductions exceed two per cent. of the partner's adjusted gross income, but only if the partner itemises deductions. (Although it is not anticipated that this limitation generally would in such event apply to the Performance Allocation made to the General Partner, the IRS could take the position that this limitation applies with respect to that portion which represents recognised income and gains, and it is unclear whether such a position would prevail in court. Certain legislative initiatives, if developed into law, may, however, require all or some portion of the Performance Allocation to be treated as a fee, which may cause this limitation to apply.) In addition, a partner's deductible portion of miscellaneous itemised deductions may be further limited by other Code provisions. Similar limitations may also apply to the expenses of certain investment vehicles in which the Partnership may invest.

Syndication Expenses – A limited partner will not be allowed to deduct currently such limited partner's share of any organisational expenses of the Partnership. Any such expenses must be amortised or capitalised. In addition, a limited partner will not be allowed to deduct currently or amortise such limited partner's share of any expenses incurred in connection with the offering of Limited Partnership Interests in the Partnership. Any such expenses must be capitalised. The General Partner may also pay financial intermediaries for services rendered in connection with the sale of Limited Partnership Interests. The IRS could take the position that some portion of the management fees represents a reimbursement of the amounts so paid to the financial intermediaries in connection

with the sale of Limited Partnership Interests, and therefore require that such amounts be capitalised. It is not clear whether such a position would prevail in court.

Sale or Exchange of Partnership Property - As the Partnership has elected to use mark to market accounting pursuant to Code Section 475, all gain or loss from the disposition of property (including property held by the Partnership for more than one year that otherwise would have qualified for long-term capital gain treatment) generally will be treated as ordinary income or loss.

Currently, in the case of individuals and other non-corporate taxpayers, long-term capital gains are generally taxed at a maximum 20 per cent. rate, whereas ordinary income is taxed at a maximum rate of 39.6 per cent. (except in the case of certain qualified dividend income, which is taxed at a maximum rate of 20 per cent.). Furthermore, an additional 3.8 per cent. Medicare tax is imposed on certain net investment income (including interest, dividends, annuities, royalties, rents and net capital gains) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount. Net capital gains of corporations are taxed the same as ordinary income, with a maximum tax rate of 35 per cent.

The distinction between capital gains and ordinary income is significant not only with respect to the maximum tax rate differential for individuals and other non-corporate taxpayers, but also with regard to the rules concerning the offsetting of capital gains and losses. In general, capital losses are allowed only against capital gains. If an individual (or other non-corporate taxpayer) has a net capital loss, the first $3,000 may generally offset ordinary income, and the excess may be carried over (but not back) indefinitely and applied first against capital gains, and then against ordinary income up to $3,000, in each succeeding year. Corporations may only offset capital losses against capital gains. In general, corporations may carry back capital losses for three years and carry forward such losses for five years.

Alternative Minimum Tax - Both individual and corporate taxpayers could be subject to an alternative minimum tax ("AMT") if the AMT exceeds the income tax otherwise payable by the taxpayer for the year.

Due to the complexity of the AMT calculations, investors should consult with their tax advisors as to whether the purchase of Limited Partnership Interests might create or increase AMT liability.

Effect of Ownership of Tax-exempt Obligations on Interest Deductions - Code Section 265(a)(2) disallows any deductions for interest paid by a taxpayer on indebtedness incurred or continued for the purpose of purchasing or carrying tax-exempt obligations. The IRS announced in Revenue Procedure 72-18, 1972-1 C.B. 740, that the proscribed purpose will be deemed to exist with respect to indebtedness incurred to finance a "portfolio investment". Therefore, in the case of an investor owning tax-exempt obligations, the IRS might take the position that any interest paid by a limited partner in connection with the purchase of Limited Partnership Interests should be viewed as incurred to enable the limited partner to continue carrying tax-exempt obligations, and that such investor should not be allowed to deduct his full allocable share of interest on those borrowings. In addition, pursuant to Revenue Procedure 72-18, each limited partner will be treated as incurring his share of any indebtedness incurred by the Partnership. Therefore, a limited partner owning tax-exempt obligations could be denied a deduction for his share of any interest expense incurred by the Partnership to purchase securities or other portfolio investments.

Investment by Qualified Retirement Plans and Other Tax-exempt Investors - The following discussion is relevant to tax-exempt investors investing in the Partnership.

Qualified pension and profit-sharing plans (including Keogh or HR-10 Plans), IRAs, educational institutions and other investors exempt from taxation under Section 501 of the Code ("Tax-exempt Entities") are generally exempt from federal income tax except to the extent that they have unrelated business taxable income ("UBTI"). UBTI is income from an unrelated trade or business regularly carried on, excluding various types of income (so long as not derived from debt-financed property)

such as dividends, interest, royalties, rents from real property (and incidental personal property) and gains from the sale of property other than inventory and property held primarily for sale to customers.

To the extent that the Partnership holds property that constitutes debt-financed property (i.e., purchases securities on margin or enters into other borrowings) or property held primarily for sale to customers ("dealer" property) or investments in certain partnership or similar pass-through entities that generate UBTI, income attributable to such property received by an exempt organisation which has acquired an equity interest in the Partnership may constitute UBTI.

The foregoing discussion is intended to apply primarily to exempt organisations that are qualified plans. The UBTI of certain other exempt organisations may be computed in accordance with special rules.

UBTI in excess of $1,000 in any year is taxable and may result in an alternative minimum tax liability. In view of this special problem, a tax-exempt investor should consult its tax advisor before purchasing an interest. It will be the responsibility of any tax-exempt investor investing in the Partnership to keep its own records with respect to UBTI and file its own IRS Form 990-T with respect thereto. (See also "Special Considerations for Benefit Plan Investors" below.)

Termination of the Partnership - If within a 12-month period there is a sale or exchange of 50 per cent. or more of the interests in Partnership capital and profits, a termination of the Partnership will occur for federal income tax purposes, and the taxable year of the Partnership will close. If such a termination occurs: (i) the property of the Partnership will be deemed contributed to a new partnership in exchange for interests in that partnership which are then deemed distributed to the purchasing partner and the continuing partners and (ii) the Partnership will be treated as having exchanged its entire interest in any partnership in which it invests. Such a termination could result in the bunching of income by accelerating Partnership income for that year to partners whose fiscal years differ from that of the Partnership. The Partnership Agreement provides that, except as otherwise required by law, no limited partner may assign or otherwise transfer his Limited Partnership Interests, in whole or in part, without the prior written consent of the General Partner, which consent may be withheld in the General Partner's sole discretion. There can be no assurance, however, that a transfer of an interest in violation of the Partnership Agreement will not cause a termination of the Partnership for tax purposes.

Audit of Tax Returns - If the Partnership is required to file any U.S. information returns and such returns are audited, any adjustments in tax liability with respect to Partnership items will be made at the Partnership level in unified proceedings before the IRS and the courts, rather than in separate proceedings involving each partner. The General Partner will constitute the "tax matters partner" (the "TMP"), with authority to negotiate or to contest proposed adjustments, unless under certain permitted circumstances an individual limited partner affirmatively acts to contest such proposed adjustments on his own behalf. Audit at the Partnership level may require the extension of the three-year statute of limitations on assessments of deficiencies with respect to Partnership items included in limited partners' returns. While the General Partner believes the tax treatment to be afforded to the Partnership will be correct and proper, there can be no assurance that the Partnership will not be audited and that adjustments will not be made.

Tax Shelter Reporting - Persons who participate in or act as material advisors with respect to certain "reportable transactions" must disclose required information concerning the transaction to the IRS. In addition, material advisors must maintain lists that identify such reportable transactions and their participants. Significant penalties apply to taxpayers who fail to disclose a reportable transaction. Although the Partnership is not intended to be a vehicle to shelter U.S. federal income tax, and the new regulations provide a number of relevant exceptions, there can be no assurance that the Partnership and its limited partners and material advisors will not be subject to these disclosure and list maintenance requirements.

Tax Elections - The Partnership may make various elections for federal income tax purposes which could result in certain items of income, gain, loss, deduction and credit being treated differently for tax and accounting purposes.

The Code generally permits a partnership to elect to adjust the basis of its property on the sale or exchange of a partnership interest, the death of a partner and on the distribution of property to a partner (a "754 election"), except in certain circumstances in which such adjustments are mandatory. Such adjustments generally are mandatory in the case of a transfer of a partnership interest with respect to which there is substantial built-in loss, or a distribution of partnership property which results in a substantial basis reduction. A substantial built-in loss exists if a partnership's adjusted basis in its assets exceeds the fair market value of such assets by more than $250,000. A substantial basis reduction results if a downward adjustment of more than $250,000 would be made to the basis of partnership assets if a 754 election were in effect. The general effect of such an election or mandatory adjustment is that transferees of partnership interests are treated as though they had acquired a direct interest in partnership assets. Any such election, once made, may not be revoked without the IRS's consent. Although the Partnership Agreement authorises the General Partner, at its option, to cause the Partnership to make this election (or any other elections permitted under the Code), because of the tax accounting complexities inherent in making this election to adjust the basis of Partnership property, the General Partner may decide not to do so in circumstances in which such adjustments are not required. The absence of this election and of the power to compel the making of such election may, in some circumstances, result in a reduction in value of a Limited Partnership Interest to a potential transferee.

Credit Default Swaps - Investments by the Partnership in credit default swaps and certain other swap agreements may result in the Partnership accruing income in excess of any cash payments actually received by the Partnership.

The treatment of credit default swaps as "notional principal contracts" for federal income tax purposes is uncertain. Were the IRS to take the position that a credit default swap is not a notional principal contract, payments received by the Partnership from such investments might be subject to U.S. excise taxes, or give rise to UBTI to the extent allocable to a U.S. tax-exempt limited partner, or U.S. income taxes to the extent allocable to a non-U.S. limited partner.

Original Issue Discount Securities – Investments by the Partnership in zero coupon securities and other original issue discount securities generally will result in income to the Partnership equal to a portion of the excess of the face value of the securities over their issue price (the "original issue discount") each year that the securities are held, even though the Partnership receives no cash interest payments.

A portion of this imputed interest income accruing on certain high yield original issue discount securities issued by corporations may be eligible for the deduction for dividends received by corporations, in the case of corporate investors.

Market Discount Bonds – Gain derived by the Partnership from the disposition of any market discount bonds (i.e., bonds purchased other than at original issue, where the face value of the bonds exceeds their purchase price) held by the Partnership generally will be taxed as ordinary income to the extent of the accrued market discount on the bonds, unless the Partnership elects to include the market discount in income as it accrues. Because, however, the Partnership has elected to use a mark to market method of accounting pursuant to Code Section 475, any resulting gain generally will be treated as ordinary income.

If the Partnership incurs or continues any indebtedness in order to purchase or carry a market discount obligation, any otherwise allowable deductions for interest paid on the indebtedness will be deferred until the market discount is included in income.

Bad Debts – Generally, even though the Partnership may be an accrual basis taxpayer, the Partnership need not accrue interest on bonds while the debtor-corporation is in bankruptcy, since evidence of bankruptcy is sufficient to demonstrate the uncollectibility of an interest payment. Any interest which has been accrued as income, but remains unpaid, may be deducted as a bad debt subject to the limitations on the deduction of bad debts under Code Section 166. The determination of whether a debt is worthless and the proper taxable year for claiming a deduction must be made based on all pertinent evidence. In many cases, it may be difficult to make these determinations with certainty. Amounts attributable to the recovery of a bad debt which were allowed as an ordinary deduction in a prior taxable year generally must be included as ordinary income in the year of recovery.

Modifications and Exchanges of Debt Obligations – A modification of the terms of a debt instrument held by the Partnership may be treated as an exchange of the original debt instrument for the modified instrument, resulting in current taxation of income and gain.

If, as a result of a bankruptcy organisation, the Partnership were to receive new securities in exchange for securities that it held, the Partnership would recognise interest income on the exchange to the extent that the Partnership receives property attributable to the unpaid, accrued interest which it had not yet taken into income.

Taxation of Short Sales - Unless certain constructive sale rules (discussed more fully below) apply, the Partnership will not realise gain or loss on a short sale of a security until it closes the transaction by delivering the borrowed security to the lender. Pursuant to Code Section 1233, had the Partnership not elected to use a mark to market method of accounting, all or a portion of any gain arising from a short sale could have been treated as short-term capital gain, regardless of the period for which the Partnership held the security used to close the short sale. In addition, the Partnership's holding period of any security which is substantially identical to that which is sold short may be reduced or eliminated as a result of the short sale. Certain short sales against the box and other transactions may, however, be treated as a constructive sale of the underlying security held by the Partnership, thereby requiring current recognition of gain, as described more fully under "Taxation of Hedging Transactions," below. Similarly, if the Partnership enters into a short sale of property that becomes substantially worthless, the Partnership will recognise gain at that time as though it had closed the short sale. Future Treasury regulations may apply similar treatment to other transactions with respect to property that becomes substantially worthless.

Taxation of Hedging Transactions - The Partnership may purchase and sell (write) listed and over-the-counter put and call options on individual debt and equity securities and indices (both narrow and broad-based), and national securities exchange-traded put and call options on currencies. The taxation of equity options (including options on narrow-based stock indices) and over-the-counter options on debt securities is governed by Code Section 1234. Pursuant to Code Section 1234, the premium received by the Partnership for selling a put or call option is not included in income at the time of receipt. If the option expires, the premium is short-term capital gain to the Partnership. If the Partnership enters into a closing transaction, the difference between the amount paid to close out its position and the premium received is short-term capital gain or loss. If a call option written by the Partnership is exercised, thereby requiring the Partnership to sell the underlying security, the premium will increase the amount realised upon the sale of such security and any resulting gain or loss will be long-term or short-term depending upon the holding period of the security. With respect to a put or call option that is purchased by the Partnership, if the option is sold, any resulting gain or loss will be a capital gain or loss, and will be short-term or long-term, depending upon the holding period of the option. If the option expires, the resulting loss is a capital loss and is short-term or long-term, depending upon the holding period of the option. If the option is exercised, the cost of the option, in the case of a call option, is added to the basis of the purchased security and, in the case of a put option, reduces the amount realised on the underlying security in determining gain or loss. As, however, the Partnership has elected to use a mark to market method of accounting pursuant to Code Section 475, gain or loss from options transactions generally will be treated as ordinary income and loss.

In the case of Partnership transactions involving certain futures and forward contracts and listed options on debt securities, currencies and certain futures contracts and broad-based stock indices, Code Section 1256 generally will require any gain or loss arising from the lapse, closing out or exercise of such positions to be treated as 60 per cent. long-term and 40 per cent. short-term capital gain or loss, although foreign currency gains and losses (as discussed below) arising from certain of these positions may be treated as ordinary income and loss. In addition, the Partnership generally will be required to mark to market (i.e., treat as sold for fair market value) each such position which it holds at the close of each taxable year.

Generally, the hedging transactions undertaken by the Partnership may result in "straddles" for U.S. federal income tax purposes. The straddle rules may affect the character of gains (or losses) realised by the Partnership (although it is anticipated that all of the Partnership's gain or loss will be ordinary). In addition, losses realised by the Partnership on positions that are part of a straddle may be deferred under the straddle rules, rather than being taken into account in calculating the taxable income for the taxable year in which the losses are realised. Also, partners holding positions in personal property which offset positions held by the Partnership may be treated as holding straddles. Because only a few regulations implementing the straddle rules have been promulgated, the tax consequences to the Partnership and its partners of engaging in hedging transactions are not entirely clear.

The Partnership may make one or more of the elections available under the Code which are applicable to straddles. If the Partnership makes any of the elections, the amount, character and timing of the recognition of gains or losses from the affected straddle positions will be determined under the rules that vary according to the election(s) made. The rules applicable under certain of the elections may operate to accelerate the recognition of gains or losses from the affected straddle positions.

Notwithstanding any of the foregoing, the Partnership may recognise gain (but not loss) from a constructive sale of certain "appreciated financial positions" if the Partnership enters into a short sale, offsetting notional principal contract, futures or forward contract transaction with respect to the appreciated position or substantially identical property. Appreciated financial positions subject to this constructive sale treatment are interests (including options, futures and forward contracts and short sales) in stock, partnership interests, certain actively traded trust instruments and certain debt instruments. Constructive sale treatment does not apply to certain transactions closed before the end of the thirtieth day after the close of the taxable year, if certain conditions are met.

Investments in Passive Foreign Investment Companies - The Partnership may invest in stock of certain non-U.S. corporations which generate largely passive investment-type income, or which hold a significant percentage of assets which generate such income (referred to as "passive foreign investment companies" or "PFICs"). These investments are subject to special tax rules designed to prevent deferral of U.S. taxation of the Partnership's share of the PFIC's earnings. In the absence of certain elections to report these earnings on a current basis, regardless of whether the Partnership actually receives any distributions from the PFIC, the limited partners would be required to report certain "excess distributions" from, and any gain from the disposition of stock of, the PFIC as ordinary income. This ordinary income would be allocated ratably to the Partnership's holding period for the stock. Any amounts allocated to prior taxable years would be taxable at the highest rate of tax applicable in that year, increased by an interest charge determined as though the amounts were underpayments of tax. Because the Partnership has elected to use a mark to market method of accounting pursuant to Code Section 475, the PFIC rules described above are not expected to materially impact the Partnership.

Currency Transactions - Under the Code, gains or losses attributable to fluctuations in exchange rates which occur between the time the Partnership accrues receivables or liabilities denominated in a non-U.S. currency and the time the Partnership actually collects such receivables or liabilities generally are treated as ordinary income or loss. Similarly, on disposition of debt securities denominated in a non-U.S. currency and on disposition of certain options, futures and foreign currency contracts, gains

or losses attributable to fluctuations in the value of non-U.S. currency between the date of acquisition of the security or contract and the date of disposition are also are treated as ordinary gain or loss.

Withholding Taxes and Foreign Tax Credit - Certain categories of income (including dividends and certain types of interest income), if any, derived by the Partnership from U.S. sources and allocable to the Partnership's non-U.S. investors will be subject to a U.S. tax of 30 per cent. (or lower treaty rate for eligible non-U.S. investors), which tax is generally withheld from such income.

Income received by the Partnership from sources within non-U.S. countries may be subject to withholding and other taxes imposed by such countries. Each limited partner may be entitled either to deduct (as an itemised deduction) his or her proportionate share of the non-U.S. taxes of the Partnership in computing his or her taxable income or to use the amount as a foreign tax credit against his or her U.S. federal income tax liability, subject to limitations. Generally, a credit for non-U.S. taxes is subject to the limitation that it may not exceed the taxpayer's U.S. tax attributable to his or her non-U.S. source taxable income. With respect to limited partners who are U.S. Taxpayers, certain currency fluctuation gains, including fluctuation gains from non-U.S. dollar-denominated debt securities, receivables and payables, will be treated as ordinary income derived from U.S. sources; Partnership gains from the sale of securities will also be treated as derived from U.S. sources. The limitation on the foreign tax credit is applied separately to non-U.S. source passive income (as defined for purposes of the foreign tax credit), including the non-U.S. source passive income realised by the Partnership. The foreign tax credit limitation rules do not apply to certain electing individual taxpayers who have limited creditable non-U.S. taxes and no non-U.S. source income other than passive investment-type income. The foreign tax credit generally is eliminated with respect to non-U.S. taxes withheld on income and gain if the Partnership fails to satisfy minimum holding period requirements with respect to the property giving rise to the income and gain.

Reporting Requirements - U.S. Taxpayer limited partners may be subject to additional U.S. tax reporting requirements on an annual basis, as well as following certain contributions to or changes in that partner's percentage ownership interest in the Partnership and certain other non-U.S. entities in which the Partnership may invest. Each U.S. Taxpayer which is deemed to be a direct or indirect PFIC shareholder also will be required to report annually such information as the U.S. Department of the Treasury shall require, regardless of whether such person has received any PFIC income or distributions in a given taxable year. Individuals holding foreign financial assets (including Limited Partnership Interests) having an aggregate value of more than $50,000 generally are required to disclose such holdings with such individual's U.S. tax returns. Significant penalties will apply to failures to disclose and to certain underpayments of tax attributable to undisclosed foreign financial assets. U.S. Taxpayers should consult their own U.S. tax advisors regarding any reporting responsibilities, including any potential obligation to file Form TD F 90-22.1 with the U.S. Department of Treasury.

State and Local Tax Considerations - In addition to the federal income tax consequences described above, prospective investors should consider potential state and local tax consequences of an investment in the Partnership. State and local laws often differ from federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction and credit. A limited partner's distributive share of the taxable income or loss of the Partnership generally will be required to be included in determining his reportable income for state and local tax purposes in the jurisdiction in which he resides.

B. Investors in the Company

The following discussion is a general summary of certain U.S. federal tax consequences that may result to the Company and its shareholders in connection with their investment in the Company. The discussion does not purport to deal with all of the U.S. federal income tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. In particular, because taxable U.S. Taxpayers generally would prefer an investment in the Partnership,

the discussion does not address the U.S. federal tax consequences to such investors of an investment in Shares. Such investors should consult their own tax advisors. The following discussion assumes that the Company will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the Code. Furthermore, the discussion assumes that no U.S. Taxpayer owns or will own directly or indirectly, or will be considered as owning by application of certain tax law rules of constructive ownership, 10 per cent. or more of the total combined voting power of all Shares. The Company does not, however, guarantee that will always be the case. Investors should consult their own tax advisors regarding the tax consequences to them of an investment in the Company under applicable U.S. federal, state, local and non-U.S. income tax laws as well as with respect to any special gift, estate and inheritance tax issues, in light of their particular circumstances.

Taxation of the Company

The Company intends to be treated as a corporation for U.S. federal income tax purposes. Additionally, the Company generally intends to conduct its affairs so that it will not be deemed to be engaged in a trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a U.S. trade or business carried on by the Company. If none of the Company's income is effectively connected with a U.S. trade or business carried on by the Company, certain categories of income (including dividends (and certain substitute dividends and other dividend equivalent payments) and certain types of interest income) derived by the Company from U.S. sources will be subject to a U.S. tax of 30 per cent., which tax is generally withheld from such income. Certain other categories of income, generally including capital gains (including those derived from options transactions) and interest on certain portfolio debt obligations (which may include United States Government securities), original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit, will not be subject to this 30 per cent. tax. If, on the other hand, the Company derives income which is effectively connected with a U.S. trade or business carried on by the Company, such income will be subject to U.S. federal income tax at the graduated rates applicable to U.S. domestic corporations, and the Company may also be subject to a branch profits tax.

Because the Company will invest substantially all of its assets in the Partnership, the determination of whether the Company is engaged in a U.S. trade or business will depend on whether the Partnership is so engaged. See "Investors in the Partnership" above.

Shareholders will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the Directors may from time to time request. Failure to furnish requested information may subject a shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption of such shareholder's Shares in the Company.

The Hiring Incentives to Restore Employment (HIRE) Act added Sections 1471 through 1474 to the Code. These provisions, known as the Foreign Asset Tax Compliance Act or "FATCA," impose a withholding tax of 30% on (i) certain U.S.-source interest, dividends, and certain other types of income, and (ii) the gross proceeds from the sale or disposition of assets which produce such types of income, which are received by a foreign financial institution, unless such foreign financial institution enters into an agreement with the Service to obtain certain information as to the identity of the direct and indirect owners of accounts in such institution. In addition, a withholding tax may be imposed on payments to certain foreign non-financial entities which do not obtain information as to their direct and indirect owners. In general, although these provisions became effective by statute on January 1, 2013, these rules would not apply to payments of interest, dividends, and certain other types of income from U.S. sources until after December 31, 2013, and would not apply to payments of gross proceeds from the sale or disposition of assets which produce such types of income until after December 31, 2016.

The IRS recently released final Regulations to be used in implementing the FATCA provisions, and which also contain a number of phased-in dates for compliance with their various provisions. Additional guidance, including final certification forms and the form of agreement to be entered into with the IRS have yet to be released and at this time it is uncertain exactly how FATCA will be implemented. The Company is still determining the effect that these rules will have on the Company or its investors. The Company believes, however, that it will be classified as a foreign financial institution and required to comply with the FATCA provisions, including entering into an agreement with the IRS, to avoid the withholding tax. The Investment Advisor, in its sole discretion, will determine how to comply with these rules, taking into account the possible burden to investors of collecting and providing information as well as the cost of not providing it. Among the possible effects of the legislation, depending on how it is interpreted and on how the Investment Advisor chooses to cause the Company to comply, are the following:

- In order to avoid incurring withholding tax, the Company might require its investors to provide information as to their direct and indirect owners, and to certify such information in such form as may be required.

- If the Investment Advisor allows investors who do not provide the required information as to their direct and indirect owners to remain in the Company, it is possible that a withholding tax might be imposed in respect of certain of the Company's income, to the extent that such income is attributable to such investors. In that case, the Investment Advisor may charge such tax to those investors who have not provided such information, and make such amendments to the allocation and distribution provisions so as to ensure that the economic burden of such tax is borne by those investors.

- Another possibility is that a withholding tax might be imposed in respect of certain of the Company's income, not limited to the portion attributable to investors who do not provide identifying information. This could occur if, for example, the Company does not enter into an agreement with the IRS. In this case, all investors in the Company could be adversely affected by the tax.

Shareholders should consult their tax advisors as to the filing and information requirements that may be imposed on them in respect of their ownership of Shares in the Company.

Taxation of Shareholders

The U.S. tax consequences to shareholders of distributions from the Company and of dispositions of Shares generally depend on the shareholder's particular circumstances, including whether the shareholder conducts a trade or business within the United States or is otherwise taxable as a U.S. Taxpayer.

U.S. Taxpayers will be required to furnish the Company with a properly executed IRS Form W-9; all other shareholders will be required to furnish an appropriate, properly executed IRS Form W-8. Amounts paid to a U.S. Taxpayer shareholder as dividends from the Company, or as gross proceeds from a redemption of Shares, generally will be reported to the U.S. Taxpayer shareholder and the U.S. Internal Revenue Service on an IRS Form 1099 (except as otherwise noted below). Failure to provide an appropriate and properly executed IRS Form W-8 (in the case of shareholders who are not U.S. Taxpayers) or IRS Form W-9 (for shareholders who are U.S. Taxpayers) may subject a shareholder to backup withholding tax. Backup withholding is not an additional tax. Any amounts withheld may be credited against a shareholder's U.S. federal income tax liability.

Tax-exempt Entities, corporations, non-U.S. shareholders and certain other categories of shareholders will not be subject to reporting on IRS Form 1099 or backup withholding, if such shareholders furnish the Company with an appropriate and properly executed IRS Form W-8 or IRS Form W-9, as applicable, certifying as to their tax-exempt status.

Taxation of U.S. Taxpayer Shareholders

Passive Foreign Investment Company ("PFIC") Rules - In General. The Company expects to be a PFIC within the meaning of Section 1297(a) of the Code. In addition, the Company may invest directly or indirectly in other entities that are classified as PFICs. Thus, investors may be treated as indirect shareholders of PFICs in which the Company invests. U.S. shareholders are urged to consult their own tax advisors with respect to the application of the PFIC rules.

PFIC Consequences - Tax-exempt Organisations - Unrelated Business Taxable Income. Certain entities (including qualified pension and profit-sharing plans, individual retirement accounts, 401(k) plans and Keogh plans) generally are exempt from U.S. federal income taxation except to the extent that they have UBTI. UBTI is income from a trade or business regularly carried on by a Tax-exempt Entity which is unrelated to the entity's exempt activities. Various types of income, including dividends, interest and gains from the sale of property other than inventory and property held primarily for sale to customers, are excluded from UBTI, so long as the income is not derived from debt-financed property.

Under current law, the PFIC rules apply to a Tax-exempt Entity that holds Shares only if a dividend from the Company would be subject to U.S. federal income taxation in the hands of the shareholder (as would be the case, for example, if the Shares were debt-financed property in the hands of the Tax-exempt Entity). It should be noted, however, that proposed regulations, which are expected to apply retroactively, may treat individual retirement accounts and other tax-exempt trusts (but not qualified plans) differently than other Tax-exempt Entities by treating the beneficiaries of such trusts as PFIC shareholders and thereby subjecting such persons to the PFIC rules.

Other Tax Considerations. The foregoing discussion assumes, as stated above, that no U.S. Taxpayer owns or will own, directly or indirectly, or be considered as owning by application of certain tax law rules of constructive ownership, 10 per cent. or more of the total combined voting power of all Shares. In the event that the ownership of Shares were so concentrated, other U.S. tax law rules which are designed to prevent deferral of U.S. income taxation (or conversion of ordinary income into capital gain) through investment in non-U.S. corporations could apply to an investment in the Company. For example, the Company could, in such a circumstance, be considered a "controlled foreign corporation", in which case, a U.S. Taxpayer might, in certain circumstances, be required to include that amount of the Company's earnings to which the shareholder would have been entitled had the Company currently distributed all of its earnings. (Under current law, such income inclusions generally would not be expected to be treated as UBTI, so long as not deemed to be attributable to insurance income earned by the Company.) Also, upon the sale or exchange of Shares, all or part of any resulting gain could be treated as a dividend. Similar rules could apply with respect to shares of any non-U.S. corporations that are held by a shareholder indirectly through the Company.

Reporting Requirements. U.S. Taxpayers may be subject to additional U.S. tax reporting requirements by reason of their ownership of Shares. For example, special reporting requirements may apply with respect to certain interests in, transfers to, and changes in ownership interest in, the Company and certain foreign entities in which the Company may invest. A U.S. Taxpayer also would be subject to additional reporting requirements in the event that it is deemed to own 10 per cent. or more of the voting stock of a controlled foreign corporation by reason of its investment in the Company. Each U.S. Taxpayer which is deemed to be a direct or indirect PFIC shareholder also will be required to report annually such information as the U.S. Department of the Treasury shall require, regardless of whether such person has received any PFIC income or distributions in a given taxable year. Individuals holding foreign financial assets (including Shares) having an aggregate value of more than $50,000 generally are required to disclose such holdings with such individual's U.S. tax returns. Significant penalties will apply to failures to disclose and to certain underpayments of tax attributable to undisclosed reportable foreign financial assets. U.S. Taxpayers should consult their own U.S. tax advisors regarding any reporting responsibilities resulting from an investment in the Company,

including any potential obligation to file Form TD F 90-22.1 with the U.S. Department of the Treasury.

Tax Shelter Reporting. Persons who participate in or act as material advisors with respect to certain "reportable transactions" must disclose required information concerning the transaction to the IRS. In addition, material advisors must maintain lists that identify such reportable transactions and their participants. Significant penalties apply to taxpayers who fail to disclose a reportable transaction. Although the Company is not intended to be a vehicle to shelter U.S. federal income tax, and the new regulations provide a number of relevant exceptions, there can be no assurance that the Company and certain of its shareholders and material advisors will not, under any circumstance, be subject to these disclosure and list maintenance requirements.

SPECIAL CONSIDERATIONS FOR BENEFIT PLAN INVESTORS

The tax discussion contained in this Private Placement Memorandum is not given in the form of a covered opinion, within the meaning of Circular 230 issued by the U.S. Secretary of the Treasury. Thus, we are required to inform you that you cannot rely upon any advice contained in this Private Placement Memorandum for the purpose of avoiding U.S. federal tax penalties. The tax discussion contained in this Private Placement Memorandum was written to support the promotion or marketing of the transactions or matters described in this Private Placement Memorandum. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

In General

Subject to the limitations applicable to investors generally, interests in the Fund may be purchased using assets of various benefit plans, including employee benefit plans ("ERISA Plans") subject to Title I of ERISA, or retirement plans subject to Section 4975 of the Code, such as plans intended to qualify under Code Section 401(a) (including plans covering only self-employed individuals) and individual retirement accounts (together with ERISA Plans, "Plans"). However, none of the Fund, the Investment Manager, the Investment Adviser, the Directors, the General Partner or the Administrator, nor any of their principals, agents, employees, affiliates or consultants, makes any representation with respect to whether interests in the Fund are a suitable investment for any such Plan.

In considering whether to invest assets of a Plan in Fund interests, the persons acting on behalf of or with any assets of the Plan should consider in the Plan's particular circumstances whether the investment will be consistent with their responsibilities and any special constraints imposed by the terms of such Plan and applicable U.S. federal, state or other law, including ERISA and the Code. Some of the responsibilities and constraints imposed by ERISA and the Code are summarised below. The following is merely a summary of those particular laws, however, and should not be construed as legal advice or as complete in all relevant respects. All investors are urged to consult their legal advisors before investing assets of an employee benefit plan in Fund interests and to make their own independent decisions.

Employee benefit plans that are not Plans, including, for example, governmental plans, church plans with respect to which no election has been made under Code Section 410(d), and non-United States plans, may be subject to laws regulating employee benefit plans other than ERISA and the Code. Such plans should conclude that an investment in the Fund would satisfy all such laws before making such an investment.

Fiduciary Responsibilities under ERISA

Persons acting as fiduciaries on behalf of or investing with any assets of an ERISA Plan are subject to specific standards of behaviour in the discharge of their responsibilities. As a result, such persons must, for example, conclude an investment in Fund interests by an ERISA Plan would be prudent, would be in the best interests of plan participants and their beneficiaries and in accordance with the

documents and instruments governing the ERISA Plan, and would satisfy the diversification requirements of ERISA. In making those determinations, such persons should take into account, among other factors, (a) that the Fund will invest the assets in each Class in accordance with the applicable investment objectives and strategies without regard to the particular objective of any class of investors, including Plans, (b) the fee structure of the Fund, (c) the tax effects of the investment, (d) the relative illiquidity of the investment and its effect on the cash flow needs of the Plan, (e) the Plan's funding objectives, (f) the risks of an investment in the Fund and (g) that, as discussed below, it is not expected that the Fund's assets will constitute the "plan assets" of any investing Plan, so that none of the Fund, the Investment Manager, the Investment Adviser, the Portfolio Support Manager, the Directors, the General Partner or the Administrator, nor any of their principals, agents, employees, affiliates or consultants will be a "fiduciary" as to any investing Plan.

ERISA imposes certain duties on persons who are ERISA Plan fiduciaries. In addition both ERISA and the Code prohibit certain transactions involving "plan assets" between the Plan and its fiduciaries or other parties in interest under ERISA or disqualified persons under the Code with respect to the Plan.

Identification of, and Consequences of Holding, Plan Assets under ERISA

Under the Plan Asset Rule, the prohibited transaction and other applicable provisions of ERISA and the Code, including the rules for determining who is a party in interest or a disqualified person, would generally be applied by treating the investing Plan's assets as including any Fund interests purchased but not, solely by reason of such purchase, including any of the underlying assets of the Fund. Under the Plan Asset Rule, however, this may not be the case if immediately after any acquisition or redemption of any equity interest in the Partnership, 25 per cent. or more of the value of any class of equity interests in the Partnership is held by Benefit Plan Investors. For the purposes of this 25 per cent. determination, the value of any equity interest held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Partnership or any person who provides investment advice with respect to Fund assets, or any affiliate of such a person (such as the General Partner, the Directors, the Investment Manager and the Investment Adviser), shall be disregarded. For this purpose, an "affiliate" of a person includes any person controlling, controlled by or under common control with that person, including by reason of having the power to exercise a controlling influence over the management or policies of such person.

The Partnership intends to limit the sale and transfer of interests in the Partnership, and may exercise the Partnership's right compulsorily to withdraw/redeem interests in the Partnership, to the extent necessary, to prevent the 25 per cent. threshold described above from being exceeded with respect to any class of equity interests, and consequently to prevent the underlying assets of the Partnership from being treated as "plan assets" of any Plan investing in the Partnership.

If the assets of the Partnership nonetheless were deemed to be "plan assets" under ERISA, the Investment Manager, the Investment Adviser, the Portfolio Support Manager and/or the General Partner could be characterised as a fiduciary of investing ERISA Plans under ERISA and they and their affiliates and certain of their delegates could be characterised as "parties in interest" under ERISA and/or "disqualified persons" under the Code with respect to investing Plans. Further, (a) the prudence and other fiduciary responsibility standards of ERISA applicable to investments made by ERISA Plans and their fiduciaries would extend to investments made with assets of the Partnership; (b) an ERISA Plan's investment in the Partnership's interests might expose the ERISA Plan fiduciary to co-fiduciary liability under ERISA for any breach of ERISA fiduciary duties by the Investment Manager, the Investment Adviser or the General Partner; (c) assets of the Partnership held outside the jurisdiction of the U.S. district courts might not be held in compliance with applicable DOL regulations; (d) the Plan's reporting obligations might extend to the assets of the Partnership; and (e) certain transactions in which the Partnership might seek to engage could constitute prohibited transactions under ERISA and/or the Code. A prohibited transaction involving a Plan, unless an exemption for the prohibited transaction were available, generally could subject an interested party to

an excise tax and to certain remedial measures imposed by ERISA; a prohibited transaction involving an individual retirement account in certain circumstances could result in its disqualification as well as an excise tax. DOL regulations do provide, however, that the ERISA requirement that plan assets be held in trust would be satisfied with respect to the assets of an entity that are deemed to be plan assets if the indicia of ownership of such assets (e.g., interests in the Partnership) are held in trust on behalf of an investing ERISA Plan by one or more of its trustees.

Each prospective investor that is a Plan or a governmental or non-electing church plan will be required to represent and warrant that the acquisition and holding of Limited Partnership Interests or Shares does not and will not constitute or result in a non-exempt prohibited transaction under Title I of ERISA or Code Section 4975, or a violation of any similar applicable law.

Even though the assets of a Plan that invests in the Fund should not include assets of the Partnership, a possible violation of the prohibited transaction rules under ERISA and the Code nonetheless could occur if an investment in the Fund were made with assets of a Plan with respect to which the Investment Manager, the Investment Adviser or the General Partner, or any of their affiliates, has discretionary authority or control or renders investment advice. Accordingly, the fiduciaries of a Plan should not permit investment in the Fund with plan assets if the Investment Manager, the Investment Adviser or the General Partner, or any of their affiliates, perform or have any such investment powers with respect to those assets, unless an exemption from the prohibited transaction rules applies with respect to such acquisition.

Plans' Reporting Obligations

The information contained herein and in the other documentation provided to investors in connection with an investment in the Fund is intended to satisfy the alternative reporting option for "eligible indirect compensation" on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

BEFORE MAKING AN INVESTMENT IN THE FUND, ANY PLAN FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISOR CONCERNING THE ERISA, TAX AND OTHER LEGAL CONSIDERATIONS OF SUCH AN INVESTMENT.

SUPPLEMENTAL DISCLOSURE FORM AND DECLARATIONS FOR U.S. PERSONS*

All U.S. Persons are required to:

(i) complete Part A (Supplemental Disclosure Form);

(ii) complete either Part B (if investing in the Partnership); or Part C below (if investing in the Company); and

(iii) complete the Subscription Agreement (if investing in the Partnership) on page 93 of the Private Placement Memorandum or the Application Form (if investing in the Company) on page 129 of the Private Placement Memorandum.

Capitalised terms not otherwise defined herein shall have the meanings set forth in the Fund's private placement memorandum dated 30 May 2013 (the "Private Placement Memorandum").

Part A: Supplemental Disclosure Form

Responses to this Supplemental Disclosure Form for U.S. Persons will be used by the Administrator to assess, on behalf of the Fund, the eligibility of the prospective investors. Please use block capitals. If the answer to any question below is "none" or "not applicable", please so indicate.

1. IDENTIFYING INFORMATION

Name of investor: _____

Principal address: _____

E-mail address: _____

Telephone: _____ Fax: _____

Social Security Number (for individuals) or
Employer Identification Number (for all others): _____

Legal status of investor: (*Tick the appropriate category*)

☐	Natural person (over 21 years of age)	☐	Employee Benefit Plan or Trust
☐	Corporation	☐	Trust (Non-Employee Benefit Plan)
☐	General Partnership	☐	Limited Liability Company
☐	Limited Partnership	☐	Other (Please specify): _____

2. SUPPLEMENTAL DATA FOR ENTITIES

If the investor is not a natural person, furnish the following supplemental data:

(a) Jurisdiction of organisation: _____

(b) Location of principal place of business: _____

City: _____

State: _____ Zip Code: _____

* Note: This form must be completed by any U.S. Persons wishing to invest in either Limited Partnership Interests or Shares. If you are a U.S. Taxpayer but not a U.S. Person, you are not required to complete this form.

(c) Year of organisation: _____

(d) Briefly identify the investor's primary business:

_____

(e) Is the investor a wholly owned or majority-owned subsidiary of another entity?

☐ Yes ☐ No

(f) Is the direct parent of the investor a wholly owned or majority-owned subsidiary of another entity?

☐ Yes ☐ No

(g) Was the investor organised for the specific purpose of investing in the Fund?

☐ Yes ☐ No

(h) If the investor is an entity engaged primarily in investing or trading securities:

(i) Have shareholders, partners or other holders of equity or beneficial interests in the investor been provided the opportunity to decide individually whether or not to participate, or the extent of their participation, in the investor's investment in the Fund (i.e. have investors in the investor been permitted to determine whether their capital will form part of the specific capital invested by the investor in the Fund)?

☐ Yes ☐ No

(ii) Does the current value of the amount of the investor's investment in the Fund exceed 40 per cent. of the value of the investor's total assets?

☐ Yes ☐ No

3. NET WORTH

What is the dollar amount of investor's estimated net worth (excluding the value of investor's principal residence, and its furnishings, and automobiles) at the time of the proposed investment in the Fund? If an investor is a natural person, net worth may be the investor's joint net worth with the investor's spouse. (*Note: An estimate or amount within a range may be given. A statement that the investor's net worth is more than 10 times with respect to entities, and 20 times with respect to individuals, the amount of the investment is also acceptable.*)

$_____

4. INVESTOR ELIGIBILITY

Investments will be accepted only from U.S. Persons who qualify as "accredited investors" within the meaning of Regulation D under the 1933 Act, as "qualified purchasers" under the 1940 Act, and as "qualified eligible persons" under CFTC Reg. 4.7(a)(2). These are the minimum standards for an investment in the Fund by U.S. Persons, and investors meeting these standards should carefully consider whether the Fund is an appropriate investment in their individual circumstances.

Each investor must indicate that the investor qualifies as an "accredited investor" pursuant to at least one of the following tests (*tick all categories which apply to the investor; the value of non-dollar assets should be converted at prevailing exchange rates*):

(a) ☐ The investor is a *natural person* who had an individual income in excess of $200,000 for each of the last two years (or joint income with the investor's spouse in excess of $300,000 in each of those years) and who reasonably expects to reach the same income level in the current year.

(b) ☐ The investor is a natural person whose individual net worth (or whose joint net worth with the investor's spouse) exceeds $1,000,000, excluding the value of the individual's primary residence.[1]

(c) ☐ The investor is an organisation described in Code Section 501(c)(3), a corporation, trust, or partnership, not formed for the specific purpose of investing in the Fund, with total assets in excess of $5,000,000 and, in the case of a trust which is not a business trust, whose investment in the Fund is directed by a sophisticated person as defined in 17 C.F.R. 230.506(b)(2)(ii).

(d) ☐ The investor is a bank or savings and loan association (whether acting in its individual or fiduciary capacity), registered broker or dealer, insurance company, investment company registered under the 1940 Act, business development company or licensed small business investment company (as such terms are used and defined in 17 C.F.R. 230.501(a)).

(e) ☐ The investor is an employee benefit plan established and maintained by a state or local government or agency which has total assets in excess of $5,000,000. (*If the employee benefit plan is a participant-directed plan (as defined below) please contact the Administrator.*)

(f) ☐ The investor is an employee benefit plan within the meaning of Title I of ERISA (including an Individual Retirement Plan), which satisfies at least one of the following conditions:

☐ it has total assets in excess of $5,000,000 (*If the employee benefit plan is a participant-directed plan (as defined below) please contact the Administrator.*); or

☐ the investment decision is being made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser; or

☐ it is a participant-directed plan (*i.e.*, tax-qualified defined contribution plan in which a participant may exercise control over the investment of assets credited to his or her account and the decision to invest is made by those participants investing), and each such participant qualifies as an accredited investor. (*If this sub-category applies, please contact the Administrator.*)

(g) ☐ The investor is a private business development company as defined in Section 202(a)(22) of the U.S. Investment Advisers Act of 1940.

(h) ☐ The investor is an entity in which *all* of the equity owners are persons described above (including but not limited to an individual retirement account).

Each investor must indicate that the investor qualifies as a "qualified purchaser" pursuant to at least one of the following tests (*tick all categories which apply to the investor; the value of non-dollar assets should be converted at prevailing exchange rates*):

(a) ☐ A *natural person* (including any person who will hold a joint, community property, or other similar shared ownership interest in the Fund with that person's qualified purchaser spouse) who owns at least $5,000,000 in Investments (as defined for the purposes of this section in Annex A to this Supplemental Disclosure Form);

(b) ☐ A company[2] that owns at least $5,000,000 in Investments and that is owned directly or indirectly by or for two or more natural persons who are related as siblings or spouses (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates

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[1] In calculating net worth, indebtedness secured by the person's primary residence, up to the fair market value of the primary residence at the date of this document, shall not be included as a liability (except that if the amount of such indebtedness exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability).

[2] For the purposes of this question 4, "company" includes a corporation, a partnership, an association, a joint stock company, a trust or a fund. In order to be a "qualified purchaser" any company that both: (i) would, but for an exception provided in Sections 3(c)(1) or 3(c)(7) of the 1940 Act, be an investment company and (ii) was in existence prior to May 1, 1996, must have complied with the consent provisions of Section 2(a)(51)(C) of the 1940 Act.

of such persons, or foundations, charitable organisations, or trusts established by or for the benefit of such persons ("Family Company");

(c) ☐ A trust that is not covered by clause (b) and that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other persons authorised to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a person described in clause (a), (b) or (d);

(d) ☐ A person (including a company), acting for its own account or the accounts of other qualified purchasers, who in the aggregate owns and invests on a discretionary basis, not less than $25,000,000 in Investments. (*If the qualified purchaser is a participant-directed employee benefit plan, please contact the Administrator.*);

(e) ☐ A "Qualified Institutional Buyer" as defined in Rule 144A under the 1933 Act (as that term is modified by the limitations imposed thereon by Rule 2a51-1(g)(1) under the 1940 Act). (If the qualified purchaser is a participant-directed employee benefit plan, please contact the Administrator.); or

(f) ☐ A company regardless of the amount of its Investments, each of the beneficial owners of which is a person described in (a), (b), (c), (d) or (e). (*If the qualified purchaser is a participant-directed employee benefit plan, please contact the Administrator.*)

5. INVESTMENT EXPERIENCE

Please provide the following information regarding the identity and background of the individual responsible for making the decision to invest in the Fund:

(a) Name of individual ultimately responsible for the investment decision: _____

(b) Relationship to investor: _____

(c) Principal occupation and current position (including name and address of employer if other than the investor): _____

(d) During the past five years has the individual been responsible for decisions to invest (whether on behalf of the investor or others) in any of the following: (NOTE: Please only answer "Yes" to any of the following if the frequency or dollar size of the investment decision has been sufficient for the individual to gain familiarity with the type of securities identified and the merits and risks of investing in such securities):

Publicly traded U.S. equity securities:	☐ Yes	☐ No
Publicly traded non-U.S. equity securities:	☐ Yes	☐ No
Widely held mutual funds or closed-end investment companies:	☐ Yes	☐ No
Private investment limited partnership or limited liability company units:	☐ Yes	☐ No
International securities:	☐ Yes	☐ No
Other non-publicly traded securities:	☐ Yes	☐ No

(e) Did the individual responsible for making the investment decision to invest in the Fund rely on the advice of any other consultant or advisor in formulating the investment decision?

☐ Yes ☐ No

If yes, please provide the name, business address and principal occupation of the independent consultant or advisor and indicate his or her relationship with the individual responsible for the investment decision:

Name: _____

Business: _____

Address: _____

Principal Occupation: _____

Relationship: _____

6. EMPLOYEE BENEFIT PLANS

(a) Is the investor a plan subject to the fiduciary responsibility provisions of Title I of ERISA or acting on behalf of any such plan?

☐ Yes ☐ No

(b) Is the investor a plan to which Section 4975 of the Code applies or acting on behalf of any such plan?

☐ Yes ☐ No

(c) Is the investor a governmental plan, non-electing church plan, or other employee benefit plan within the meaning of Section 3(3) of ERISA that is not a plan described in (a) or (b) above?

☐ Yes ☐ No

(d) Is the investor an entity any of the assets of which include assets of a plan described in (a) or (b) above?

☐ Yes ☐ No

If the answer to the above question is "yes", please indicate the maximum percentage of the investor's assets that it is anticipated might constitute the assets of Benefit Plan Investors during the period of its investment:

_____ per cent.

The investor agrees to notify the Administrator within five calendar days in writing if the investor knows or believes that the percentage stated above has been or is likely to be exceeded.

(e) Is the investor an insurance company general account?

☐ Yes ☐ No

If the answer to the above question is "yes", please indicate the maximum percentage of the investor's assets that it is anticipated might constitute the assets of Benefit Plan Investors during the period of its investment:

_____ per cent.

The investor agrees to notify the Administrator within five calendar days in writing if the investor knows or believes that the percentage stated above has been or is likely to be exceeded.

(f) Is the investor an Individual Retirement Account ("IRA") or subscribing as a trustee or custodian for an IRA?

☐ Yes ☐ No

(g) If the investor is subscribing as a trustee or custodian for an Individual Retirement Account ("IRA"), is the investor a qualified IRA custodian or trustee?

☐ Yes ☐ No

(If the answer to item 6(g) above is "no", please contact the Administrator.)

(h) Is the investor a participant-directed plan?

☐ Yes ☐ No

(If the answer to item 6(h) above is "yes", please contact the Administrator.)

The undersigned agrees to notify the Fund promptly of any changes in the foregoing information which may occur prior to or following an investment in the Fund.

SIGNATURE: _____ **NAME:** _____

TITLE OF AUTHORISED SIGNATORY: _____ **DATE:** _____

JOINT APPLICANTS (if applicable)

	NAME:	**SIGNATURE:**	**DATE:**
1.			
2.			
3.			

(For internal use by the Administrator only - please do not write below this line)

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Part B: Partnership Declarations (to be completed by the Limited Partnership Interest applicants)

A. The information provided in this Supplemental Disclosure Form and Declarations for U.S. Persons is accurate and complete as of the date hereof, and the investor will promptly notify the General Partner of any changes in such information whether arising prior to or after the Subscription Agreement has been accepted and signed by the General Partner.

B. If the investor is acting as agent, representative or nominee for the account of a third party (the "Beneficial Owner"), the investor acknowledges and agrees that the agreements, representations and warranties made by the investor herein are also made for and on behalf of (to the fullest extent possible) the Beneficial Owner and the investor represents and warrants that it has all requisite power and authority to execute this Supplemental Disclosure Form and Declarations for U.S. Persons and that, in doing so, the investor will not be in breach of any laws or regulations of any competent jurisdiction.

C. I am/We are: a citizen of the United States of America at least 21 years of age, and have the legal capacity to execute, deliver, and perform this document; or a corporation or partnership, created or organised, and in good standing, in or under the laws of the United States or any state thereof (including the District of Columbia). If I am/we are an estate, our income is subject to U.S. federal income taxation regardless of source, and if I am/we are a trust, a court within the United States is able to exercise primary supervision over our administration and one or more U.S. fiduciaries have the authority to control all of our substantial decisions, and the person executing this Supplemental Disclosure Form and Declarations for U.S. Persons has the full power and authority to do so and I/we have the full power and authority to become a limited partner in the Partnership. I/We attach a copy of my/our governing instruments to the application. I am/We are not organised for the specific purpose of becoming a limited partner in the Partnership or, if I/we have been organised for the specific purpose of acquiring the Limited Partnership Interests, each of the beneficial owners is separately an accredited investor as defined in Rule 501(a) of Regulation D under the 1933 Act.

D. I/We acknowledge that based upon my/our representation that I am/we are a "qualified purchaser", the General Partner will consider me/us to be a "qualified eligible person" for purposes of compliance with the rules of the CFTC, as applicable.

E. I/We hereby agree to notify the General Partner promptly of any changes in the foregoing representations which may occur prior to or following an investment in the Partnership. I/We further agree that the representations and warranties made herein will be deemed to be reaffirmed by me/us at any time I/we make an additional investment in the Partnership and the act of making such additional investments will be evidence of such reaffirmation. I/We acknowledge that the General Partner on behalf of the Partnership may from time to time establish entities for investment or other purposes. I/We agree that the representations made herein as well as any notifications or reaffirmations I/we make may be relied upon by such entities in the event that interests in such entities are distributed to me/us by the Fund as part of a distribution, withdrawal proceeds payment or otherwise as if such representations were made directly to such entity.

SIGNATURE: _____ **NAME:** _____

TITLE OF AUTHORISED SIGNATORY: _____ **DATE:** _____

JOINT APPLICANTS (if applicable)

	NAME:	**SIGNATURE:**	**DATE:**
1.			
2.			
3.			

NOTES:

(1) A corporation should affix its common seal or execute under the hand of a duly authorised official who should state his representative capacity.

(2) The representations may be completed by a duly authorised agent of the Subscriber. Such person represents and warrants that he is duly authorised to sign this form.

(3) If this form is not completed to the satisfaction of the Administrator, the application may not be accepted.

Part C: Company Declarations (to be completed by Share applicants)

A. The information provided by me/us in this Supplemental Disclosure Form and Declarations for U.S. Persons is accurate and complete as of the date hereof. I/We will promptly notify the Company of any changes in such information whether arising prior to or after notification of the acceptance of this subscription.

B. If the investor is acting as agent, representative or nominee for the account of a third party (the "Beneficial Owner"), the investor acknowledges and agrees that the agreements, representations and warranties made by the investor herein are also made for and on behalf of (to the fullest extent possible) the Beneficial Owner and the investor represents and warrants that it has all requisite power and authority to execute this Supplemental Disclosure Form and Declarations for U.S. Persons and that, in doing so, the investor will not be in breach of any laws or regulations of any competent jurisdiction.

C. I/We acknowledge that I/we have been furnished with the Private Placement Memorandum which sets forth the relevant terms and conditions of this investment and such other documents, materials and information as I/we deem necessary or appropriate for evaluating an investment in the Company. I/We confirm that I/we have carefully read and understood these materials and have made further investigation as I/we or my/our advisors have deemed appropriate to verify the accuracy of such materials and to evaluate the merits and risks of this investment. I/We acknowledge that I/we have had an opportunity to ask questions of, and receive answers from, those acting on behalf of the Company concerning the Company, the terms and conditions of the offering and the information contained in the aforementioned offering materials and that all such questions have been answered to our full satisfaction.

D. I/We acknowledge that there are certain restrictions on the transfer of Shares and that I/we am/are in a financial position to hold the Shares indefinitely. I/We acknowledge that the ability to redeem Shares may be limited under certain circumstances described in the Private Placement Memorandum. My/Our financial condition is such that I am/we are presently not under (and do not contemplate any future) necessity or constraint to dispose of the Shares to satisfy any existing or contemplated debt or undertaking. I/We recognise that the Company is a speculative investment involving a high degree of financial risk and I/we can bear the economic risk of losing my/our entire investment in Shares. My/Our overall commitment to investments is not disproportionate to my/our net worth. I am/We are familiar with the nature of, and risks attendant to, investment in securities of the type being subscribed for and have determined that the purchase of the Shares is consistent with my/our investment objectives. I/We acknowledge that meeting the criteria to be permitted to invest in Shares in no way implies that such investment is appropriate for me/us.

E. I/We understand that the Shares have not been and will not be registered under the 1933 Act, in reliance upon an exemption from registration, and that the Company is not and will not be registered under the 1940 Act. I/We will not sell, distribute or otherwise dispose of any Shares unless an exemption from such registration is available and necessary approval by the Company in its discretion is obtained. I/We understand that the Company is under no obligation to assist us in complying with any exemption from registration. Except as disclosed in this Supplemental Disclosure Form and Declarations for U.S. Persons, I/we am/are purchasing the Shares solely for my/our own account for investment and not for the account of any other person and not with a view to the resale or other distribution of the Shares, and no other person has or will have a direct or indirect beneficial interest in any of such Shares. I/We will notify the Company prior to any proposed sale or other transfer of any Shares or any beneficial interest therein. I/We understand and agree that my/our right to transfer any Shares shall be subject to the approval of the Company, which may be granted or withheld in the Company's sole discretion. I/We agree that the Company may refuse or condition any transfer without reason and intends to refuse any transfer of any Shares if, in the Company's judgement, the transfer may jeopardise the Company's exemption from 1940 Act regulation or require the Shares to be registered under the 1933 Act.

F. So long as I/we shall own Shares, I/we shall not acquire any right or option to acquire Shares without the prior written consent of the Company and shall notify the Company promptly after I/we become aware that an affiliated person proposes to acquire or has acquired Shares or any right or option to acquire Shares.

G. I/We understand that if at any time, in the sole and absolute discretion of the Directors, it appears necessary or advisable to redeem any Shares held by me/us to reduce the risk of a material effect on the status of the Company or the Partnership or any of the shareholders of the Company or partners of the Partnership, the Investment Manager or the Investment Adviser under the tax or other laws of the United States, the Directors shall have the right in their discretion and without prior notice to redeem any or all of such Shares without my/our consent.

H. If I am/we are a natural person, I/we have the legal capacity to execute, deliver, and perform the Application Form and this Supplemental Disclosure Form and Declarations for U.S. Persons. If we are a corporation, partnership, limited liability company, trust or other entity, such entity is duly formed and organised, validly existing and in good standing under the laws of the jurisdiction of its formation and such entity is authorised to make an investment in the Company and otherwise to comply with its obligations under the Application Form and this Supplemental Disclosure Form and Declarations for U.S. Persons; the person signing the Application Form and this Supplemental Disclosure Form and Declarations for U.S. Persons on behalf of such entity has been duly authorised by such entity to do so; and the Application Form and this Supplemental Disclosure Form and Declarations for U.S. Persons have been duly executed and delivered on our behalf and each is a valid and binding agreement, enforceable against us in accordance with its terms. In addition, we will, upon the request of the Company, deliver any documents, including an opinion of our counsel, evidencing our existence, the legality of an investment in the Company and the authority of the person executing on our behalf. We are not organised for the specific purpose of acquiring the Shares or, if we have been organised for the specific purpose of acquiring the Shares, each of the beneficial owners is separately an accredited investor as defined in Rule 501(a) of Regulation D under the 1933 Act.

I. I/We acknowledge that I/we have been advised to consult with my/our own attorney regarding legal matters concerning the Company and to consult with my/our tax advisor regarding the tax consequences of acquiring, holding and disposing of Shares.

J. I/We acknowledge that based upon my/our representation that I am/we are a "qualified purchaser," the Company will consider me/us to be a "qualified eligible person" for purposes of compliance with the rules of the CFTC, as applicable.

K. I/We agree that the transfer or assignment of the Shares acquired shall be made only in strict accordance with the provisions of the Private Placement Memorandum and all applicable laws. Within 10 days after receipt of a written request therefor from the Company, I/we agree to provide such information and to execute and deliver such documents as the Company may deem reasonably necessary to comply with any and all laws and ordinances to which the Company is or may be subject.

L. I/We hereby agree to notify the Company promptly of any changes in the foregoing representations which may occur prior to or following an investment in the Company. I/We further agree that the representations and warranties made herein will be deemed to be reaffirmed by me/us at any time I/we make an additional investment in the Company and the act of making such additional investments will be evidence of such reaffirmation. I/We acknowledge that the General Partner on behalf of the Partnership may from time to time establish entities for investment or other purposes. I/We agree that the representations made herein as well as any notifications or reaffirmations I/we make may be relied upon by such entities in the event that interests in such entities are distributed to me/us by the Fund as part of a dividend, distribution, redemption proceeds payment or otherwise as if such representations were made directly to such entity.

SIGNATURE: _____ **NAME:** _____

TITLE OF AUTHORISED SIGNATORY: _____ **DATE:** _____

JOINT APPLICANTS (if applicable)

	NAME:	**SIGNATURE:**	**DATE:**
1.	_____	_____	_____

2.			
3.			

NOTES:

(1) A corporation should affix its common seal or execute under the hand of a duly authorised official who should state his representative capacity.

(2) The representations may be completed by a duly authorised agent of the Subscriber. Such person represents and warrants that he is duly authorised to sign this form.

(3) If this form is not completed to the satisfaction of the Administrator the application may not be accepted.

ANNEX A
to the
Supplemental Disclosure Form and Declarations for U.S. Persons

For the purposes of determining "qualified purchaser" status, the term "Investments" means all of the following:

(i) Securities (as defined by Section 2(a)(1) of the 1933 Act), other than securities of an issuer that controls, is controlled by, or is under common control with, the investor, unless the issuer of such securities is any of the following:

(A) An investment company, a company that would be an investment company under the 1940 Act but for the exclusions provided by Sections 3(c)(1) through 3(c)(9) of the 1940 Act or the exemptions provided by Rules 3a-6 or 3a-7 thereunder, or a commodity pool;

(B) A company that files reports pursuant to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, or that has a class of securities that is listed on a "designated offshore securities market" as that term is defined by Regulation S under the 1933 Act; or

(C) A company with shareholders' equity of not less than $50 million (determined in accordance with generally accepted accounting principles) as reflected on the company's most recent financial statements, provided that such financial statements present the information as of a date within 16 months preceding the date on which the investor invests in the Fund.

(ii) Real estate held for "Investment Purposes," as described below.

(iii) "Commodity Interests" held for Investment Purposes, as described below. "Commodity Interests" means commodity futures contracts, options on commodity futures contracts, and options on physical commodities traded on or subject to the rules of:

(A) Any contract market designated for trading such transactions under the U.S. Commodity Exchange Act of 1936, as amended ("CEA") and the rules thereunder; or

(B) Any board of trade or exchange outside the United States, as contemplated in Part 30 of the rules under the CEA.

(iv) "Physical Commodities" held for Investment Purposes, as described below. "Physical Commodity" means any physical commodity with respect to which a Commodity Interest is traded on a market specified in (iii)(A) or (B) immediately above.

(v) To the extent not securities, "Financial Contracts" entered into for Investment Purposes, as described below. "Financial Contracts" means any arrangement that:

(A) Takes the form of an individually negotiated contract, agreement, or option to buy, sell, lend, swap, or repurchase, or other similar individually negotiated transaction commonly entered into by participants in the financial markets;

(B) Is in respect of securities, commodities, currencies, interest or other rates, other measures of value, or any other financial or economic interest similar in purpose or function to any of the foregoing; and

(C) Is entered into in response to a request from a counterparty for a quotation, or is otherwise entered into and structured to accommodate the objectives of the counterparty to such arrangement.

(vi) If the investor is a company that would be an investment company but for one of the exclusions provided by Section 3(c)(1) or Section 3(c)(7) of the 1940 Act, or a commodity pool, any amounts payable to the investor pursuant to a firm agreement or similar binding commitment pursuant to which a person has agreed to acquire an interest in, or make capital contributions to, the investor upon demand of the investor; and

(vii) Cash and cash equivalents (including foreign currencies) held for Investment Purposes, as described below, including:

(A) Bank deposits, certificates of deposit, bankers acceptances and similar bank instruments held for Investment Purposes; and

(B) The net cash surrender value of an insurance policy.

Investment Purposes. For purposes of determining if something is held for "Investment Purposes" under the definition of "Investments" the following applies. Real estate is not considered to be held for Investment Purposes by an investor if it is used by the investor or a Related Person, as described below, for personal purposes or as a place of business, or in connection with the conduct of the trade or business of the investor or a Related Person, *provided that* real estate owned by an investor who is engaged primarily in the business of investing, trading or developing real estate in connection with such business may be deemed to be held for Investment Purposes. Residential real estate is not deemed to be used for personal purposes if deductions with respect to such real estate are not disallowed by Code Section 280A. A Commodity Interest or Physical Commodity owned, or a financial contract entered into, by the investor who is engaged primarily in the business of investing, reinvesting, or trading in Commodity Interests, Physical Commodities or financial contracts in connection with such business may be deemed to be held for Investment Purposes.

Related Person. The term "Related Person" means a person who is related to the investor as a sibling, spouse or former spouse, or is a direct lineal descendant or ancestor by birth or adoption of the investor, or is a spouse of such descendant or ancestor, *provided that*, in the case of a Family Company, a Related Person includes any owner of the Family Company and any person who is a Related Person of such owner.

Valuation. For purposes of determining whether an investor is a qualified purchaser, the aggregate amount of Investments owned and invested on a discretionary basis by the investor shall be the Investments' fair market value on the most recent practicable date or their cost, *provided that*, in the case of Commodity Interests, the amount of Investments shall be the value of the initial margin or option premium deposited in connection with such Commodity Interests; and, in each case, certain deductions (described below) from the amount of Investments owned by the investor must be made. In determining whether any person is a qualified purchaser there is deducted from the amount of such person's Investments the amount of any outstanding indebtedness incurred to acquire or for the purpose of acquiring the Investments owned by such person. In determining whether a Family Company is a qualified purchaser, additionally there shall be deducted from the value of such Family Company's Investments any outstanding indebtedness incurred by an owner of the Family Company to acquire such Investments.

Joint Investments. In determining whether a natural person is a qualified purchaser, there may be included in the amount of such person's Investments any Investments held jointly with such person's spouse, or Investments in which such person shares with such person's spouse a community property or similar shared ownership interest. In determining whether spouses who are making a joint investment in the Fund are qualified purchasers, there may be included in the amount of each spouse's Investments any Investments owned by the other spouse (whether or not such Investments are held jointly). In each case, the amount of any such Investments shall be reduced by any deductions specified above (under "Valuation") with respect to each spouse.

Investments by Subsidiaries. For purposes of determining the amount of Investments owned by a company under the second (d) under Question 4 of the Supplemental Disclosure Form, there may be included Investments owned by majority-owned subsidiaries of the company and Investments owned by a company ("Parent Company") of which the company is a majority-owned subsidiary, or by a majority-owned subsidiary of the company and other majority-owned subsidiaries of the Parent Company.

Certain Retirement Plans and Trusts. In determining whether a natural person is a qualified purchaser, there may be included in the amount of such person's Investments any Investments held in an individual retirement account or similar account the Investments of which are directed by and held for the benefit of such person.

PART III: SUPPLEMENTARY INFORMATION IN RELATION TO THE PARTNERSHIP

The Partnership is an exempted limited partnership formed under the Cayman Partnership Law. The Partnership will continue unless dissolved under the terms of the Partnership Agreement.

INVESTING IN THE PARTNERSHIP

Purchases

Initial applications for subscription for Limited Partnership Interests may be submitted at any time during the relevant initial offer period, which period will end with respect to each Class as of 5:00 p.m. (Dublin time) on the first Dealing Day on which a subscription for the relevant Series is effected and, provided that cleared funds are received by that time, together with a signed subscription agreement, a capital account will be established for the subscriber thereafter.

Thereafter, applications to invest may be made monthly in respect of any Dealing Day and must be received by the Administrator by 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day or by such earlier or later date and/or time as the Directors may determine generally or in respect of specific applications and, provided that cleared funds are received by that time, together with a signed subscription agreement, a capital account will be established for the subscriber thereafter. Requests received after 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day, or by such earlier or later date as the Directors may determine generally or in respect of specific applications, are held over until the next Dealing Day and the capital account will then be established thereafter. The General Partner may reject any subscription application, in whole or in part, for any or no reason. No interest shall be payable on any subscription monies returned to investors in respect of rejected applications.

The General Partner may deduct from the subscription proceeds paid by a Limited Partner such sum as it may consider represents the appropriate pro rata provision for duties and charges which would be incurred on the assumption that all the underlying investments held by the relevant Series were to be acquired on that Valuation Day and apply such sums *pro rata* to credit the capital accounts of the other Limited Partners of that Series.

The minimum initial investment per investor in respect of Class 1 Series A (USD), Series B (EUR) and Series C (GBP) Limited Partnership Interests is $100,000 or the euro or sterling equivalent thereof, payable in full (net of any initial fees and bank charges), or such higher amount as the Directors may determine generally or in relation to specific applications. The Directors may waive the applicable minimal in respect of subscriptions by the Directors, the General Partner and any person who has for the purposes of the Mutual Funds Law caused the preparation or distribution of this Private Placement Memorandum. Further contributions by existing limited partners can be made for any amount.

The Directors may in their absolute discretion charge interest to an investor in such amount as they deem reasonable in respect of late subscription monies received by the Fund in respect of a subscription.

Transfers

The Partnership Agreement provides that a limited partner may not assign his Limited Partnership Interests (except by operation of law), nor substitute another person as a limited partner, without the prior written consent of the General Partner, which consent may be withheld for any reason or given subject to conditions. All transfers must be effected by written instrument signed by the transferor and the transferee and containing the name and address of the transferee, in such manner and form and subject to such evidence as the General Partner shall consider appropriate. All new limited partners must complete the Subscription Agreement with such amendments and additional documentation as the General Partner may prescribe.

Withdrawals

Limited partners may withdraw all or any part of their capital account monthly in respect of any Dealing Day provided that a written request is received by the Administrator in Dublin at least 30 days before the relevant Dealing Day or by such earlier or later date as determined by the Directors generally or in respect of specific requests and provided that if the requested withdrawal would reduce his capital account below $100,000, or the euro or sterling equivalent thereof (as applicable), he may, at the option of the General Partner, be deemed to be retiring from the Partnership and be paid his liquidating share. Requests not received by the specified date and time prior to the Dealing Day will (subject to the Directors' discretion to determine otherwise) be held over until the next Dealing Day and the Limited Partnership Interests will then be withdrawn according to the balance on the relevant limited partner's capital account on that day. If a withdrawal request is made by fax, the original must follow by post and the withdrawal proceeds will not be forwarded until this is received.

The General Partner may limit the value of withdrawals of a Series of Limited Partnership Interests and/or withdrawals from the Partnership on any Dealing Day to 20 per cent. of the total value of such Series of Limited Partnership Interests and/or the Partnership then in issue in circumstances where the General Partner believes that owing to its perception of the liquidity of the underlying investments, such an action would be in the overall interests of the limited partners. Where this restriction applies, withdrawals will be on a pro rata basis and any withdrawals which for this reason do not occur on any particular Dealing Day will be carried forward, for realisation in respect of the next Deal Day *pro rata* with requests for withdrawals of the same Series received by the Administrator in respect of Dealing Days subsequent to the imposition of any gate. The Directors may determine to impose a gate at any time, whether before, during or after the Dealing Day with respect to which the gate is to be imposed.

Withdrawals will normally be settled in cash in the currency of investment but may, at the discretion of the General Partner, be settled in securities and/or other property selected by the General Partner or partly in cash and partly in securities and/or other property selected by the General Partner. In the event that a withdrawal is to be settled *in specie* or in kind, the Directors reserve the right to establish from time to time a separate Class or Classes of the Partnership representing those assets intended to be transferred *in specie* or in kind to the withdrawing limited partner pending their transfer and payment for the withdrawal shall to such extent be satisfied by the issuance to such limited partner of Limited Partnership Interests of the new Class.

Upon the withdrawal of a limited partner the General Partner may deduct from his capital account such sum as the General Partner may consider represents the appropriate *pro rata* provision for duties, charges or expenses incurred or likely to be incurred in relation to the realisation of all or part of the investments attributable to the withdrawal or, where considered appropriate by the General Partner, in relation to the realisation of all investments held on that relevant Valuation Day and apply such amount in crediting the capital accounts of the other limited partners. In making any adjustment as indicated above, the General Partner may value investments for such purposes on the basis of the latest available "bid" prices for underlying long positions or "offer" prices for underlying short positions or, where it considers it prudent to do so, follow some other method of valuation which it considers appropriate for these purposes.

Payments for withdrawals will normally be made within seven Business Days of the finalisation of the net asset value of the relevant Series in respect of the relevant Dealing Day, provided that the General Partner has the discretion to settle withdrawal requests in whole or in part at a later date where the disposal of the underlying assets is not reasonably practicable without being seriously detrimental to the interests of limited partners or if, in the opinion of the General Partner, a fair price cannot be calculated for the relevant assets. The General Partner may withhold payment from persons who have withdrawn prior to a suspension of net asset value calculation as set out at pages 28 to 30 until after the suspension is lifted. Without prejudice to the generality of the foregoing, the General Partner, at its discretion, may elect to distribute to the relevant limited partner in respect of the relevant withdrawal an amount calculated on the basis of the amount actually realised or deemed by the General Partner to

be realisable by the Partnership in respect of the cash and other assets of the Partnership referable to that part of the relevant limited partner's capital account represented by the withdrawal taking into account all costs, duties, charges and expenses incurred in connection with such realisation. In such event, the payment for the withdrawal shall be made as soon as reasonably practicable and in instalments.

Where the value of a limited partner's holding is less than $100,000 or the euro or sterling equivalent thereof (as applicable), then, at the option of the General Partner, he may be deemed to be retiring from the Partnership. The General Partner may withdraw all or part of its capital account on the same terms as other investors save that no notice is required to withdraw sums attributable to the Performance Allocation. If the General Partner, in its discretion, deems it to be in the best interests of the Partnership, it may require any limited partner to retire from the Partnership on not less than 20 days' notice or upon such shorter notice as the General Partner shall deem appropriate in circumstances where the limited partner has acquired its interests in the Partnership in contravention of any terms upon which an application for such interests were made or in the event that the continued ownership of any Limited Partnership Interests by any person would result in a risk of regulatory, legal, taxation or material disadvantage on the status of the Partnership or any of its limited partners in any jurisdiction, the Company or the General Partner.

If, on any Dealing Day, the net asset value of the Partnership has, on any Valuation Day within the previous period of four consecutive months, been less than $10,000,000, the General Partner may on that Dealing Day (or such other day within four months thereafter as the Directors may determine) compulsorily require all remaining limited partners to retire. In such a case, the withdrawal price will be equal to a *pro rata* share of the assets of the Partnership attributable to a Class less all liabilities attributable to the Class including those accrued or contingent upon the liquidation of the Partnership. The General Partner may also liquidate any Series falling below $2,000,000, €2,000,000 or £2,000,000 in value.

TAX CONSIDERATIONS

The statements on taxation below are intended to be a summary of certain Cayman Islands, United States and U.K. tax consequences of an investment in the Partnership and are based on the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

The Partnership may be subject to exchange control restrictions in jurisdictions in which investments are made. In addition, the Partnership and/or the limited partners may be subject to local withholding and/or other taxes in respect of income or gains derived from the Partnership's investment in any jurisdiction.

Prospective investors should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Limited Partnership Interests in the places of their citizenship, residence and domicile. The tax consequences for each limited partner of acquiring, holding, withdrawing from or disposing of Limited Partnership Interests will depend upon the relevant laws of any jurisdiction to which the limited partner is subject. Prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations.

The Partnership may be subject to local withholding taxes in respect of income or gains derived from its investments in underlying investee countries. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Partnership and to limited partners may change from time to time.

Cayman Islands

As an exempted limited partnership, the Partnership has applied for and expects to receive from the Governor in Cabinet of the Cayman Islands an undertaking in accordance with Section 17 of the Cayman Partnership Law that, for a period of 50 years from the date of the undertaking, no laws of the Cayman Islands imposing any tax on profits, income, gains or appreciations shall apply to the Partnership or any partner thereof in respect of the operations or assets of the Partnership or the partnership interest of any partner therein and that no tax in the nature of estate duty or inheritance tax shall be payable in respect of the obligations of the Partnership or the interests of the partners therein.

No capital or stamp duties are levied in the Cayman Islands on the issue or withdrawal of Limited Partnership Interests. An annual registration fee is payable by the Partnership in the Cayman Islands. At current rates the fee is approximately $1,464 per annum. In addition, the Partnership must pay a mutual fund registration fee of approximately $3,060 per annum.

United States

U.S. Persons and U.S. Taxpayers intending to invest in the Partnership should also consider the tax disclosures contained in "Part II: Additional Information for U.S. Investors".

United Kingdom

The Directors intend that the affairs of the General Partner should be managed and conducted so that it does not become resident in the United Kingdom for U.K. taxation purposes. Accordingly, and provided that the Fund does not carry on a trade in the U.K. (i) through a permanent establishment situated in the U.K., for corporation tax purposes, or (ii) in such manner as to bring the profits of the Fund within the charge to income tax, neither the General Partner nor any non-U.K. resident limited partner should be subject to U.K. corporation tax or income tax on income and capital gains arising to the Fund save as noted below in relation to possible withholding tax on certain U.K. source income. The Directors intend that the affairs of the General Partner are conducted so that no such U.K. taxable presence will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such taxable presence coming into being will at all times be satisfied.

In the event that the Partnership is regarded as carrying on a trade for U.K. tax purposes through the agency of the Investment Manager, it is expected that any non-U.K. Limited Partners should not be subject to U.K. taxation on profits or gains arising to them by reason of a statutory exemption. In particular, the Directors and the Investment Manager intend to manage the General Partner and the Fund's investments in such manner, so as to ensure that the statutory exemption will apply but it cannot be guaranteed that the conditions necessary for exemption will at all times be satisfied.

Interest and other income received by the Partnership which has a U.K. source may be subject to withholding taxes in the U.K.

Limited Partnership Interests are not being actively marketed to U.K. residents. Any person who is resident in the U.K. for U.K. taxation purposes and who wishes to acquire Limited Partnership Interests should seek their own advice as to the tax consequences of acquiring, holding and disposing of such an interest.

PARTNERSHIP SUBSCRIPTION PROCEDURES

Below are the procedures for subscribing for Limited Partnership Interests. Investors wishing to subscribe for Shares are referred to "Share Subscription Procedures" on page 126 and the "Application Form - Shares" starting on page 129.

1. APPLICATIONS

Your application to subscribe for Limited Partnership Interests should be made by completing the Subscription Agreement with the General Partner (see pages 93-107), Appendix B and Appendix C and sending them to:

Cheyne Global Credit Enhanced Fund L.P.
c/o Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

Attn: Shareholder Services

Fax: +353 1 672 5361
Tel: +353 1 622 9321

U.S. Persons must also complete and return the relevant additional declarations and disclosures set out in the "Supplemental Disclosure Form and Declarations for U.S. Persons" beginning on 73 in Part II together with (in the case of both U.S. and non-U.S. Persons) such other documentation as the Directors may from time to time request.

U.S. Taxpayers also must complete and return a properly executed IRS Form W-9 certifying as to their U.S. tax status; all other subscribers must complete and return an appropriate, properly executed IRS Form W-8 certifying as to their non-U.S. tax status. Blank forms can be downloaded from http://www.irs.gov/formspubs/.

Investors may request further copies of the Subscription Agreement from the Administrator. The Administrator must be sent a Subscription Agreement for each subscription for Limited Partnership Interests.

New limited partners must invest a minimum of $100,000 for Class 1 Series A (USD), Series B (EUR) or Series C (GBP) Limited Partnership Interests, or the euro or sterling equivalent thereof (net of initial fees and bank charges). The General Partner may waive the applicable minimal in respect of subscriptions by the Directors, the General Partner and any person who has for the purposes of the Mutual Funds Law caused the preparation or distribution of this Private Placement Memorandum. Additional contributions from existing limited partners can be made for any amount. Subscription monies should be paid in the same currency of the Series being subscribed for and should be remitted from an account in the name of the subscriber (third party payments will not be accepted).

2. PAYMENT BY SWIFT OR TELEGRAPHIC TRANSFER

Investors may make payment by SWIFT from an account held in the name of the subscribing investor (details of which should be available from your bank). Investors should fax or write to the Administrator informing them of their decision to subscribe, such application to be received by the Administrator no later than 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day. The investor's bank must be instructed at the time of subscription to forward the appropriate remittance by the fastest available means to reach the bank listed below by 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day. The subscriber's bank should also be instructed to

fax the Administrator with details of the transfer it is making containing the information set out at Appendix A on page 144.

Payment, net of charges, should be sent to:

Series A (USD)

Currency: US$

Bank: Citibank, N.A. New York

SWIFT BIC: CITIUS33

Account Name: Cheyne Gl Cr Enhanced Fund LP

Account Number: 13661016

IBAN: GB70CITI18500813661016

SSIs: Please pay USD [amount] direct via MT103 to Citibank N.A. London (CITIGB2L) for credit to 13661016, Cheyne Gl Cr Enhanced Fund LP, with separate cover message (MT202) via your correspondent bank to Citibank, N.A. New York (CITIUS33).

Series B (EUR)

Currency: €

Bank: Citibank N.A. London

SWIFT BIC: CITIGB2L

Account Name: Cheyne Gl Cr Enhanced Fund LP

Account Number: 13660990

IBAN: GB93CITI18500813660990

SSIs: Please pay EUR [amount] without deduction via direct clearing linkage to Citibank N.A., London (CITIGB2L) for credit to 13660990, Cheyne Gl Cr Enhanced Fund LP or IBAN GB93CITI18500813660990

Series C (GBP)

Currency: GBP

Bank: Citibank N.A. London

Swift: CITIGB2L

Sort Code: 18-50-08

Beneficiary: Cheyne Gl Cr Enhanced Fund LP

Account Number: 13661008

IBAN: GB92CITI18500813661008

SSIs: Please pay GBP [amount] without deduction via direct clearing linkage to Citibank N.A., London (CITIGB2L) for credit to 13661008, Cheyne Gl Cr Enhanced Fund LP or IBAN GB92CITI18500813661008.

3. GENERAL INFORMATION

Prospective limited partners will not be accepted into the Partnership until the Administrator is satisfied that cleared funds have been received.

The General Partner reserves the right to reject any subscription for Limited Partnership Interests in whole or in part, in which event the application money or any balance will be returned by post or to the account from which it was received at the risk of the subscriber. Any interest earned on such sums will accrue to the Fund.

Contract notes showing details of all transactions will be sent to investors or their agents promptly following finalisation of the net asset value. All queries regarding the completion of the Subscription Agreement should be addressed to the Administrator.

4. WITHDRAWALS

Limited partners must notify the Administrator in writing of the bank account into which the withdrawal amounts are to be paid. Withdrawals may be requested by fax provided the original signed withdrawal request is received by the Administrator prior to the Dealing Day. If a limited partner wishes to have his withdrawal amount paid into an alternative account, then an original form of request in writing, signed by the limited partner (or his duly authorised agent or attorney) must be received prior to the Dealing Day. Withdrawal proceeds will only be paid to an account in the limited partner's name.

SUBSCRIPTION AGREEMENT

CHEYNE GLOBAL CREDIT ENHANCED FUND L.P.

This Subscription Agreement must be completed if the subscriber wishes to subscribe for Limited Partnership Interests. If the subscriber wishes to subscribe for Shares, please see "Share Subscription Procedures" on page 126 and "Application Form - Shares" starting on page 129.

SUBSCRIPTION AGREEMENT made the ____day of _____, by and among Cheyne General Partner Inc. (the "General Partner") and the undersigned subscriber (the "Subscriber").

WHEREAS, the General Partner serves as general partner of Cheyne Global Credit Enhanced Fund L.P. (the "Partnership") upon the terms and conditions set forth in the partnership agreement of the Partnership (the "Partnership Agreement"), a copy of which is available from the General Partner; and

WHEREAS, the Subscriber desires to become a limited partner in the Partnership with a capital contribution ("Capital Contribution") or to subscribe for additional Limited Partnership Interests by making an additional Capital Contribution in each case in the amount set forth below such Subscriber's name at the end hereof.

WHEREAS, the Subscriber confirms that payment, net of charges, has been sent to:

Capitalised terms not otherwise defined herein shall have the meanings provided in the private placement memorandum dated 30 May 2013, as supplemented from time to time (the "Private Placement Memorandum").

NOW, THEREFORE, in consideration of the foregoing, it is hereby irrevocably agreed:

1. If the Subscriber is acting as agent, representative or nominee for the account of a third party (the "Beneficial Owner"), the Subscriber acknowledges and agrees that the agreements, representations and warranties made by the Subscriber herein are also made for and on behalf of (to the fullest extent possible) the Beneficial Owner and the Subscriber represents and warrants that it has all requisite power and authority to enter into this Subscription Agreement and the transactions contemplated hereby and that, in so doing, the Subscriber will not be in breach of any laws or regulations of any competent jurisdiction.

2. The Subscriber hereby agrees to (i) become a limited partner in the Partnership on the terms and conditions set forth in the Partnership Agreement, (ii) be a party to the Partnership Agreement, and (iii) be bound by the terms of the Partnership Agreement. The Subscriber shall be admitted as a limited partner of the Partnership on the Dealing Day on or following this Subscription Agreement having been accepted and signed by the General Partner. The Subscriber understands that neither the Partnership nor the General Partner is required to accept or sign this Subscription Agreement, and that the Partnership reserves the right to terminate this offering at any time.

3. The Subscriber agrees to contribute to the Partnership and the General Partner agrees to accept the Capital Contribution as a capital contribution to the Partnership. The Capital Contribution shall be in cash unless the General Partner, in its sole discretion, permits contributions in securities acceptable to the General Partner.

4. The Capital Contribution of the Subscriber is payable in full on or before the Dealing Day.

5. Subscriptions will be accepted only from persons who qualify as eligible investors as provided in the Private Placement Memorandum and all investments will be made and

received on the basis of the Private Placement Memorandum. The Subscriber further represents, warrants, acknowledges and agrees that:

(a) He is entering into this Subscription Agreement relying solely on the facts and terms set forth in this Subscription Agreement, the Private Placement Memorandum, any additional documents given to him by the General Partner, and the Partnership Agreement and he has received copies of all such documents and the General Partner has not made any representations of any kind or nature to induce him to enter into this Subscription Agreement except as specifically set forth in such documents. The Partnership has afforded him the opportunity to ask questions and receive answers to his full satisfaction concerning the terms and conditions of this offering and to obtain any additional information to the extent the Partnership possesses such information or could acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information contained in the Private Placement Memorandum.

(b) (i) His ordinary business or professional activity includes the buying and selling of investments, whether as principal or agent;[1] or

(ii) that he individually (or jointly with his spouse) has a net worth in excess of $l,000,000; or

(iii) they are an institution with a minimum amount of assets under discretionary management of $5,000,000.

(c) He has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Partnership and to make an informed decision with respect thereto; is aware of the risks inherent in investing in Limited Partnership Interests and the method by which the assets of the Partnership are held and/or traded; and can bear the risk of loss of his entire investment.

(d) That due to anti-money laundering requirements operating within its jurisdiction, the Administrator may require proof of identity as described in the Private Placement Memorandum (or any other information required by the Administrator) before the application can be processed or withdrawal proceeds can be paid and the General Partner (on its own behalf and on behalf of the Partnership, the Directors, the Investment Manager and the Administrator) shall be held harmless and indemnified against any loss ensuing due to the failure to process this application or pay withdrawal proceeds, if such information as has been required has not been provided by him. The Subscriber acknowledges and agrees that the Limited Partnership Interests may not be issued until such time as the Administrator has received and is satisfied with all the information and documentation requested to verify the Subscriber's identity. Where, at the sole discretion of the Administrator, Limited Partnership Interests are issued prior to the Administrator having received all the information and documentation required to verify the Subscriber's identity, the Subscriber will be prohibited from withdrawing any Limited Partnership Interests so issued, and the Partnership or the Administrator on its behalf reserves the right to defer any withdrawal payment or distribution to the Subscriber, until such time as the Administrator has received and is satisfied with all the information and documentation requested to verify the Subscriber's identity.

[1] In calculating net worth, indebtedness secured by the person's primary residence, up to the fair market value of the primary residence at the date of this document, shall not be included as a liability (except that if the amount of such primary residence at the date of this document, shall not be included as a liability (except that if the amount of such indebtedness exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability).

Please provide the applicable AML documentation as detailed in the notes on "Anti-Money Laundering and Know-Your-Customer Documentation" attached to this Subscription Agreement.

(e) He has made an investigation of the pertinent facts relating to the operation of the Partnership and has reviewed the terms of the Partnership Agreement to the extent that he deems necessary in order to be fully informed with respect thereto.

(f) He has such knowledge and experience in financial, tax and business matters that he is capable of evaluating the merits and risks of an investment in the Partnership and making an informed decision with respect thereto, he understands the method of compensation under the Partnership Agreement and its risks, and he is able to bear the economic risk of a complete loss of his investment in the Partnership. The Subscriber acknowledges that an investment in the Partnership includes a high degree of risk.

(g) He is ☐ or is not ☐ (*tick the appropriate box*) a U.S. Person or investing for the benefit of, directly or indirectly, a U.S. Person. If he is a U.S. Person or investing for the benefit of, directly or indirectly, a U.S. Person, he has also completed and submitted the Supplemental Disclosure Form and Declarations for U.S. Persons contained in Part II of the Private Placement Memorandum.

(h) Tick (a) or (b) below as appropriate

(a) ☐ Declaration of the Subscriber

The Subscriber is applying for Limited Partnership Interests on his own behalf and is beneficially entitled to the Limited Partnership Interests in respect of which this declaration is made.

The Subscriber declares that:

- he is not currently resident or ordinarily resident in Ireland; and
- should the Subscriber become resident or ordinarily resident in Ireland he will provide the Partnership with prior written notice thereof, whereupon the Partnership may treat such notice as a request for the withdrawal of his entire investment in the Partnership.

(b) ☐ Declaration as Intermediary

The Subscriber is applying for Limited Partnership Interests on behalf of other persons who are beneficially entitled to the Limited Partnership Interests, and he declares that:

- to the best of his knowledge and belief, none of the beneficiaries is resident or ordinarily resident in Ireland; and
- he will inform the Partnership immediately, in writing, if he becomes aware that this declaration is no longer correct, whereupon the Partnership may treat such notice as a request for the withdrawal of his entire investment in the Partnership.

(i) He will not, subject to the conditions set forth in the Private Placement Memorandum, sell or offer to sell or transfer Limited Partnership Interests in the United States or to or for the benefit of, directly or indirectly, a U.S. Person.

(j) He will be acquiring the Limited Partnership Interests for investment and not with a view to or a present intention of distribution or resale to others. He understands that the Limited Partnership Interests have not been, and will not be, registered under the 1933 Act, in reliance upon an exemption from registration, and that the Partnership is not, and will not be, registered under the 1940 Act. He agrees that his interest in the Partnership may not be sold, transferred, or otherwise disposed of except pursuant to an exemption from registration under the 1933 Act and all other applicable U.S. securities laws. He understands that he may not assign his interest in the Partnership or any beneficial interest therein, in whole or in part (except by operation of law), to any other person, nor will he be entitled to substitute for himself as a limited partner any other person, except with the prior written consent of the General Partner in its sole discretion.

(k) He understands the effect of the limitations on disposition and of his representation that his interest in the Partnership will not be sold, transferred or otherwise disposed of except pursuant to an exemption from registration under the 1933 Act and the written consent of the General Partner. He recognises that the Partnership Agreement provides for limited opportunities to liquidate an investment in the Partnership, and that such liquidation may be accomplished by a distribution from the Partnership of portfolio securities. He has adequate means of providing for his current needs and contingencies and an investment in the Partnership will not adversely affect his overall need for diversification and liquidity. He is familiar with the nature of, and risks attendant to, investment in the type of Limited Partnership Interests being subscribed for and has determined that the investment in the Partnership is consistent with his investment objectives. He acknowledges that meeting the criteria to be permitted to invest in the Partnership in no way implies that such investment is appropriate for him. He will notify the General Partner prior to any proposed sale or other transfer of any Limited Partnership Interests or any beneficial interest therein. He understands and agrees that his right to transfer any Limited Partnership Interests shall be subject to the approval of the General Partner, which may be granted or withheld in the General Partner's sole discretion. He agrees that the General Partner may refuse any transfer without reason or condition any transfer in any way.

(l) So long as the Subscriber shall be a limited partner, the Subscriber shall not acquire any right or option to acquire Limited Partnership Interests without the prior written consent of the Partnership and shall notify the Partnership promptly after the Subscriber becomes aware that an affiliated person of the Subscriber proposes to acquire or has acquired Limited Partnership Interests or any right or option to acquire Limited Partnership Interests.

(m) The Subscriber understands that if, at any time, the continued ownership of any Limited Partnership Interests by the Subscriber would result in tax or regulatory consequences to the Partnership, the Company or the General Partner, the General Partner may (without notice) require the Subscriber to retire from the Partnership.

(n) The General Partner, the Directors and the Administrator are each authorised and instructed to accept and execute any instructions in respect of this application and the Limited Partnership Interests to which it relates given by the Subscriber by fax. The Subscriber hereby acknowledges and agrees that neither the Fund nor the Administrator shall be responsible for any mis-delivery or non-receipt of any fax if they have not acknowledged receipt thereof. Faxes sent to the Fund or the Administrator shall only be effective when actually acknowledged by the Fund or the Administrator. In the event that no acknowledgement is received from the Administrator within five days of submission of the request, the Subscriber agrees that it should contact the Administrator on +353 1622 9321 to confirm receipt by the

Administrator of the request. The Subscriber hereby indemnifies the General Partner (on its own behalf and on behalf of the Directors, the Investment Manager, the Investment Adviser, the Portfolio Support Manager and the Administrator) and agrees to keep each of them indemnified, against any loss of any nature whatsoever arising to each of them as a result of any of them acting or failing to act on facsimile instructions. The General Partner, the Directors, the Investment Manager, the Investment Adviser, the Portfolio Support Manager and the Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.

(o) The Subscriber is ☐ or is not ☐ (*tick the appropriate box*) a U.S. Taxpayer. If the Subscriber is a U.S. Taxpayer, then the Subscriber has reviewed the disclosures relating to U.S. taxation set forth in Part II: Additional Information for U.S. Investors – U.S. Tax Considerations and the Subscriber understands the U.S. tax consequences of such an investment. The Subscriber agrees to provide the General Partner with such additional tax information as it may from time to time request. **Note: U.S. Taxpayers must provide a properly executed IRS Form W-9; all other Subscribers must provide an appropriate, properly executed IRS Form W-8.** ***Failure to furnish requested information may subject a subscriber to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory withdrawal of such subscriber's interest in the Partnership.***

(p) The Subscriber is ☐ or is not ☐ (*tick the appropriate box*) tax-exempt under Section 501(a) of the U.S. Internal Revenue Code.

(q) The Subscriber is ☐ or is not ☐ (*tick the appropriate box*) a partnership, estate, trust, S corporation, nominee or similar pass-through entity that is owned, directly or indirectly through one or more other such pass-through entities, by a U.S. Taxpayer.

(r) The Subscriber acknowledges that certain laws and regulations may require disclosure of his identity (and other details) under some circumstances, and such disclosures may be a matter of public record. The Subscriber hereby consents to such disclosure.

(s) The Subscriber is ☐ or is not ☐ (*tick the appropriate box*) a person (including an entity) that has discretionary authority or control with respect to the assets of the Fund or a person who provides investment advice with respect to Fund assets, or an "affiliate" of such a person. For purposes of this representation, an "affiliate" is any person controlling, controlled by or under common control with the Fund or any of its investment advisers (including the General Partner, the Investment Manager and the Investment Adviser), including by reason of having the power to exercise a controlling influence over the management or policies of the Fund or its investment adviser(s) (including the General Partner, the Investment Manager and the Investment Adviser).

(t) The Subscriber hereby acknowledges that it has received and considered the Private Placement Memorandum and that this Subscription Agreement is made on the terms thereof and subject to the Partnership Agreement. The Subscriber acknowledges and agrees that the Private Placement Memorandum may be amended by the General Partner from time to time and agrees that the Subscriber will be bound by any subsequent amendments to the Private Placement Memorandum notified to the Subscriber provided that any variations of class rights reflected in the revised Private Placement Memorandum have been approved by the requisite vote of limited partners called for in the Partnership Agreement.

(u) The Subscriber acknowledges and understands that the Partnership is being organized and generally intends to be managed so as to qualify for the benefit of a "safe harbor" from treatment as a corporation for U.S. federal income tax purposes. The Subscriber agrees, represents and warrants that: (i) the Subscriber is purchasing the Limited Partnership Interests for its own account and is the sole beneficial owner thereof for U.S. federal income tax purposes, (ii) either (1) the Subscriber is not, for U.S. federal income tax purposes, a partnership, trust, estate or "S Corporation" as defined in the Internal Revenue Code of 1986, as amended (the "Code") (in each case a "Pass-Through Entity") or (2) the Subscriber is, for U.S. federal income tax purposes, a Pass-Through Entity, and (a) it is not a principal purpose of the use of the tiered arrangement to permit the Partnership to satisfy the 100 partner limitation in Treasury Regulation Section 1.7704-1(h)(1) and (b) at no time during the term of the Partnership will substantially all of the value of a beneficial owner's interest in the Subscriber (directly or indirectly) be attributable to the Subscriber's ownership of the Limited Partnership Interests and (iii) the Subscriber has not transferred and will not transfer its Limited Partnership Interests on or through an established securities market within the meaning of Code Section 7704(b).

6. If the Subscriber is an individual, he has the legal capacity to execute, deliver and perform this Subscription Agreement.

7. If the Subscriber is a corporation or a partnership, it is in good standing, in or under the laws of the jurisdiction in which it was created or organised. The person executing this Subscription Agreement for the Subscriber, if the Subscriber is a corporation, partnership, trust or estate, has the full power and authority under the Subscriber's governing instruments to do so and the Subscriber has the full power and authority under its governing instruments to become a limited partner in the Partnership.

8. If the Subscriber is a corporation, partnership, trust or other entity, it represents that the equity owners of the Subscriber share in the profits and losses of all investments of the Subscriber in the same way on the basis of their proportional ownership, and do not have *non-pro rata* interests in specified investments of the Subscriber. Based on most recent valuations available, the Subscriber's investment in the Partnership constitutes less than 40 per cent. of its net assets and the Subscriber agrees to notify the Partnership at the end of any quarter that its investment in the Partnership exceeds 40 per cent. of the Subscriber's net assets.

9. (a) The Subscriber is ☐ or is not ☐ (*tick the appropriate box*) a Benefit Plan Investor or investing on behalf of or with any assets of a Benefit Plan Investor. ***(Note: The Partnership will not currently accept investments by Benefit Plan Investors. Benefit Plan Investors seeking to invest in the Partnership must contact the Administrator.)***

(b) The Subscriber is ☐ or is not ☐ (*tick the appropriate box*) an entity whose underlying assets include plan assets by reason of a plan's investment in the entity. (*Such entities must contact the Administrator.*) If the Subscriber is such an entity, the maximum percentage of the entity's assets that it is anticipated might constitute Benefit Plan Investor assets during the period of its investment is:

_____ per cent.

The Subscriber agrees to notify the Administrator within five calendar days in writing if it knows or believes that the percentage stated above has been or is likely to be exceeded.

(c) If the Subscriber is, or is acting on behalf of or with any assets of, a Benefit Plan Investor or a governmental plan or non-electing church plan then, to the extent applicable, (i) it is aware of and has taken into consideration the diversification

requirements of and other fiduciary duties under Section 404(a)(1) of ERISA or any other similar applicable law; (ii) it has concluded that its proposed investment in the Partnership is a prudent one; (iii) the fiduciary or other person signing this Subscription Agreement is independent of the investment adviser(s) to the Partnership, the Directors, any intermediaries that have marketing agreements with the Partnership, the General Partner and any of their affiliates, and has not relied upon any investment advice or recommendation of any such person as a basis for the decision to invest in the Partnership; (iv) this subscription and the investment contemplated hereby are in accordance with all requirements applicable to the plan under its governing instruments and under ERISA, the Code, and/or other similar applicable law; (v) the Subscriber represents and warrants that its acquisition and holding of Limited Partnership Interests does not and will not constitute or result in a non-exempt prohibited transaction under ERISA or Code Section 4975, or a violation of any similar applicable law; and (vi) the Subscriber acknowledges and agrees that none of the Investment Manager, the Investment Adviser nor the General Partner shall be a "fiduciary" (within the meaning of Section 3(21) of ERISA, Section 4975(e) of the Code or other similar applicable law) with respect to any assets of the plan by reason of the Subscriber's investment in the Partnership.

10. If the Subscriber is a commodity pool, the Subscriber's investment in the Partnership is directed by an entity which is (i) not required to be registered in any capacity with the CFTC or to be a member of the National Futures Association ("NFA"); (ii) exempt from such registration; or (iii) duly registered with the CFTC in an appropriate capacity or capacities and is a member in good standing of the NFA.

11. The Subscriber or any of its affiliates are derivative or structured product providers and the Subscriber is investing as part of a derivative or structured product program:

Yes ☐ No ☐ (*tick the appropriate box*)

If the "Yes" box is ticked, the Subscriber has provided on a separate sheet an overview of the key economic terms of the structured product to be supported by this investment and the Subscriber represents and warrants that neither it nor any of its affiliates will enter into or issue any derivative or structured product (each a "Structured Product"), the return on which is based, directly or indirectly, in whole or in part, on the value of the Partnership or any Limited Partnership Interests, with or to any entity (each, a "Structured Product Investor"), such that (i) the Structured Product Investor (and, where the Structured Product is held by the Structured Product Investor on behalf of any underlying beneficial owner, such underlying beneficial owner) would be (1) a beneficial owner of Limited Partnership Interests for purposes of the 1940 Act, unless such Structured Product Investor (and, where applicable, underlying beneficial owner) is either (A) both a "qualified purchaser" as defined in Section 2(a)(51) of the 1940 Act and the rules thereunder and an "accredited investor" as defined in Rule 501(a) in Regulation D under the 1933 Act, or (B) not a U.S. Person; or (2) a holder of Limited Partnership Interests who is a Benefit Plan Investor; and (ii) the sale of the Structured Product or the purchase of the Structured Product by any Structured Product Investor (and, where the Structured Product is held by the Structured Product Investor on behalf of any underlying beneficial owner, such underlying beneficial owner) would result in any violation by the Partnership and/or any investment adviser to the Partnership of any laws or regulations in any jurisdiction.

If the "No" box is ticked, the Subscriber represents and warrants that neither it nor any of its affiliates will enter into or issue any Structured Product, the return on which is based, directly or indirectly, in whole or in part, on the value of the Partnership or any Limited Partnership Interests.

12. Except as set forth in the Private Placement Memorandum, or the documents referred to therein, no representations or warranties have been made to the Subscriber by the Partnership or any agent, employee or affiliate of the Partnership; and in entering into this transaction, the Subscriber is not relying upon any information other than that contained in such Private Placement Memorandum or the documents referred to therein, and the results of the Subscriber's own independent investigation. The Subscriber confirms that the Limited Partnership Interests were not offered to the Subscriber by any means of general solicitation or general advertising. The undersigned is not purchasing Limited Partnership Interests (i) as a result of or subsequent to becoming aware of any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium, generally available electronic communication, broadcast over television or radio or generally available to the public on the internet; (ii) as a result of or subsequent to attendance at a seminar or meeting called by any of the means set forth in (i); or (iii) as a result of or subsequent to any solicitations by a person not previously known to it in connection with investments in securities generally. Moreover, the undersigned confirms that it has received no representations, warranties or written communications with respect to the offering of Limited Partnership Interests other than those contained in the Private Placement Memorandum.

13. The Subscriber acknowledges that it has been advised to consult with the Subscriber's own attorney regarding legal matters concerning the Partnership and to consult with the Subscriber's tax advisor regarding the tax consequences of acquiring, holding and disposing of Limited Partnership Interests.

14. The Subscriber represents that all information provided to the Partnership concerning himself, his financial position or his knowledge of financial and business matters is, and all representations and warranties made herein are, correct and complete as of the date hereof, and if there should be any changes in such information prior to or following his having been admitted to the Partnership, he will immediately provide the Partnership with such information. The Subscriber hereby agrees that any representation and warranties made hereunder will be deemed to be reaffirmed by him at any time he makes an additional capital contribution to the Partnership and the act of making such additional contribution will be evidence of such reaffirmation.

15. The Subscriber acknowledges that he will indemnify and hold harmless the General Partner (on its own behalf and on behalf of the Partnership, the Investment Manager, the Investment Adviser, the Portfolio Support Manager, the Administrator and their respective members/directors, officers and employees) against any loss, liability, cost or expense (including without limitation attorneys' fees, taxes and penalties) which may result directly or indirectly, from any misrepresentation or breach of any warranty, condition, covenant or agreement set forth herein or in any other document delivered by the Subscriber to the Partnership.

16. The Subscriber warrants that he has the right and authority to make the investment pursuant to this Subscription Agreement and that he will not be in breach of any laws or regulations of any competent jurisdiction and he will hereby indemnify the General Partner (on its own behalf and on behalf of the Partnership, the Directors, the Investment Manager, the Investment Adviser, the Portfolio Support Manager, the Administrator and other limited partners) for any loss suffered by them as a result of this warranty/representation not being true in every respect.

17. The Subscriber understands this application is irrevocable unless the law of the jurisdiction of residence of the undersigned provides otherwise.

18. The undersigned hereby severally irrevocably constitutes, and empowers to act alone, the General Partner as his true and lawful agent and attorney-in-fact, with full power of

substitution and full power and authority in his name, place and stead, to carry out the intention and purpose of this Subscription Agreement, including without limitation, authority to enter into, make, execute, sign, acknowledge, swear to, record, publish, file and deliver this Subscription Agreement, the Partnership Agreement, all amendments to the Partnership Agreement and any exhibits thereto effected in accordance with the Partnership Agreement and other certificates, documents and amendments thereto required to be acted on from time to time in accordance with applicable laws and in the conduct of the business of the Partnership, as well as certain other documents that may be required by various governmental or quasi-governmental agencies, in connection with the operation, termination or dissolution of the Partnership. Any person dealing with the Partnership may presume conclusively and rely upon the fact that any instrument referred to above is authorised, regular and binding, without further inquiry.

The foregoing appointment shall be deemed to be a power coupled with an interest given to secure a proprietary interest of the donee of the power in recognition of the fact that each of the limited partners will be relying upon the power of the General Partner to act as contemplated by this Subscription Agreement and the Partnership Agreement in such filing and such other action by it on behalf of the Partnership. The foregoing power of attorney shall be irrevocable and shall survive the death, incapacity, bankruptcy, insolvency, dissolution, or termination of the undersigned.

Each of the limited partners is aware that the terms of the Partnership Agreement permit certain amendments of the Partnership Agreement, the Schedules thereto and certain other actions to be taken or omitted by, or with respect to, the Partnership, in each case with the approval of fewer than all the limited partners. If, as, and when:

(i) such an amendment is proposed or such an action is proposed to be taken or omitted by, or with respect to, the Partnership which requires, under the terms of the Partnership Agreement, actual consent of fewer than all the limited partners (or none of the limited partners); and

(ii) the consent of those limited partners whose consent is required (if any) has been given in the manner contemplated by the Partnership Agreement;

then each non-consenting limited partner agrees that the agent specified above, with full power of substitution, is hereby authorised and empowered to execute, acknowledge, make, swear to, verify, deliver, record, file and/or publish, for and on behalf of such non-consenting limited partner, and in his name, place and stead, any and all instruments and documents which may be necessary or appropriate under Cayman Islands law and any and all other applicable laws and regulations to permit such amendment to be lawfully made or action lawfully taken or omitted. Each consenting and non-consenting limited partner is fully aware that he and each other limited partner has executed this special power of attorney and that each limited partner will rely on the effectiveness of such powers with a view to the orderly administration of the Partnership's affairs.

19. The Subscriber hereby undertakes and agrees that it shall not at any time, whether before, during or after the time which the Subscriber is a limited partner of the Partnership, apply to or petition any court for, or take any other action to commence, the winding up and/or dissolution of the Partnership.

20. This Agreement shall inure to the benefit of and be binding upon each of the parties hereto, his or its heirs or legal representatives. If the Subscriber is more than one person, the obligations of the Subscriber shall be joint and several and the agreements, representations, warranties and acknowledgements herein contained shall be deemed to be made by and be binding upon each such person and his respective heirs or legal representatives.

21. The Subscriber hereby designates and appoints the General Partner with full power of substitution, as the Subscriber's true and lawful proxy for the purpose of voting the Limited Partnership Interests subscribed for herein or otherwise acquired as such proxy may determine on any and all matters which may arise at any meeting of partners and upon which such Limited Partnership Interests could be voted by partners present in person at such meeting. This proxy may be revoked by the owner of record of the Limited Partnership Interests hereby subscribed for, either personally or by presentation of a subsequently executed proxy at any meeting of partners or by written notice to the General Partner at the above address (or such other address as the Partnership or the General Partner shall furnish in writing to a partner) received prior to any such meeting.

22. The Subscriber consents to details relating to the Subscriber's application and holdings being disclosed to the Investment Manager and the Investment Adviser and any other entity which may carry out marketing and/or investor servicing duties in respect of the Fund. The Subscriber consents to the disclosure of any information in this Subscription Agreement, and any other information furnished to the Partnership, to any of its service providers, to any of its duly authorised agents, governmental authority, self-regulatory organisation or, to the extent required by law, to any other person.

23. In signing this Subscription Agreement, the Subscriber hereby consents to the Partnership and its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the personal information contained in this Subscription Agreement, as well as any other personal information furnished in connection with the investment in the Partnership (the "Information"):

    (i) to manage and administer the Subscriber's holding in the Partnership and any related accounts on an on-going basis and in connection with registration and transfer agency services provided to the Partnership, data storage and maintenance;

    (ii) for any other specific purposes where the Subscriber has given specific consent to do so;

    (iii) to carry out statistical analysis and market research;

    (iv) for the prevention of money laundering, financing of terrorism and fraud and to comply with legal or regulatory requirements applicable to the Partnership or the Subscriber or any service providers to the Partnership (including statutory reporting obligations to the Central Bank of Ireland, the Irish Revenue Commissioners or other relevant regulators);

    (v) for disclosure or transfer whether in Ireland or countries outside Ireland and the European Union, including, without limitation, the United States and India, which may not have data protection laws or have data protection laws that do not provide the same level of protection as EU data protection law, to third parties including the Subscriber's financial advisor (where appropriate), regulatory bodies, the Central Bank of Ireland, the Irish Revenue Commissioners or other relevant regulators, auditors, technology providers or to the Partnership and its delegates, including the Administrator, and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above, provided that any such transfer will only be carried out for the purposes described above or as otherwise required by law or regulation, and in accordance with applicable data protection legislation; and

    (vi) for other legitimate business interests of the Partnership.

By signing this Subscription Agreement, the Subscriber consents (to the extent required) to the processing of the Information relating to it, including the transfer of the Information outside the EEA, in the manner outlined above. To the extent that the Information relates to another individual, the Subscriber warrants that it has been authorised by that individual to provide the Information to the Partnership and where necessary to consent on that individual's behalf to the use of the Information as relates to that individual, including the transfer of the Information outside the EEA, in the manner outlined above.

The Subscriber hereby acknowledges its right of access to and the right to amend and rectify its personal data, as provided herein.

The Subscriber consents to the recording of telephone calls made to and received from the Subscriber by the General Partner, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

The Subscriber hereby acknowledges and agrees that the Fund or the Administrator and its delegate may deliver and make reports, statements and other communications available in electronic form, such as by email posting on a website.

For those Subscribers who wish to receive Schedules K-1 (Form 1065) via electronic means, pursuant to new requirements from the United States Internal Revenue Service (the "IRS") for the electronic delivery of Schedules K-1 (Form 1065), the Partnership is required to obtain your written, signed consent in order to provide your Schedules K-1 via email.

The Subscriber acknowledges and agrees that:

(i) its consent shall apply to all present and future Schedules K-1 delivered from the Partnership to the Subscriber until such time that the Subscriber withdraws its consent and that such withdrawal request must be in writing (electronically or on paper);

(ii) if the Subscriber does not consent to electronic delivery of Schedules K-1, the Schedules K-1 will be provided in paper form;

(iii) in addition to electronic Schedules K-1, the Subscriber is entitled to receive paper Schedules K-1, upon written request by email to the Administrator;

(iv) if the Subscriber wishes to withdraw consent to the Partnership's electronic delivery of Schedules K-1, it must do so affirmatively by written notice (electronically or on paper) to the Administrator and the Subscriber shall be notified of the Partnership's receipt of the withdrawal of consent and the effective date of such withdrawal;

(v) the Subscriber must notify the Partnership of any change in email address by email to the Administrator; and

(vi) the Partnership shall cease to furnish Schedules K-1, electronically or otherwise, beginning with the year after the year in which the Subscriber ceases to be a limited partner of the Partnership.

Does the Subscriber consent to receive any and all present and future Schedules K-1 via encrypted email notification?

Yes ☐ **No** ☐

24. The Subscriber represents that it has not requested, agreed to receive or accepted any financial or other benefit in any form (a "Benefit"):

(a) intending that in consequence of such Benefit the subscriber would perform improperly any relevant activity or function relating to this investment;

(b) where such request or acceptance of the Benefit itself constitutes the improper performance by the Subscriber of any relevant activity or function relating to this investment;

(c) where such request or acceptance of the Benefit is a reward for the improper performance by the Subscriber of any relevant activity or function relating to this investment; and/or

(d) where in anticipation or in consequence of such request, agreement to receive or acceptance of the Benefit by the Subscriber any relevant function or activity relating to this investment has been performed improperly.

For the avoidance of doubt, any request for, agreement to receive or acceptance by the Subscriber of any reasonable and proportionate corporate hospitality in connection with the making of the investment shall not constitute a Benefit.

25. The Subscriber acknowledges that neither Akin Gump LLP nor Mourant Ozannes represents the Subscriber with respect to the Subscriber's investment in the Partnership (including the Subscriber's decision to invest in the Partnership) or the on-going operations of the Fund, and that the Subscriber has been advised to consult its own counsel. The Subscriber further acknowledges that it has read and understands the disclosures in the Private Placement Memorandum relating to Akin Gump LLP and Mourant Ozannes, including the potential conflicts that may arise in connection with Akin Gump LLP's and/or Mourant Ozannes' representation of the Fund.

The Subscriber hereby acknowledges and agrees that in the event that any dispute or controversy arises between any Subscriber and the Fund, or between any Subscriber and the Investment Manager and/or any of its affiliates that Akin Gump LLP represents, then the Subscriber agrees that Akin Gump LLP may represent the Fund or the Investment Manager and/or their respective affiliates in any such dispute or controversy to the fullest extent permitted by applicable law, regulation or professional rules in the relevant jurisdictions and the Subscriber hereby consent to such representation. The Subscriber hereby further acknowledges and agrees that in the event that any dispute or controversy arises between any Subscriber and the Fund, then the Subscriber agrees that Mourant Ozannes may represent the Fund in any such dispute or controversy to the fullest extent permitted by applicable law, regulation or professional rules in the relevant jurisdictions and the Subscriber hereby consent to such representation.

26. If the Subscriber is a segregated portfolio company, series company or similar company or other similar form of organisation (including, *inter alia*, a trust or contractual arrangement), the Subscriber agrees, represents and warrants that each agreement, representation and warranty in this Subscription Agreement is made, true and correct with respect to both the company or other organisation and each, cell, portfolio, series or other similar part or account.

27. The Subscriber acknowledges that measures aimed at the prevention of money laundering and terrorist financing will require the verification of its identity, address and source of funds and in certain circumstances of the relevant beneficial owner. In addition, this also requires the ongoing monitoring of the business relationship between the Subscriber and the Administrator. The Subscriber also acknowledges that the commencement of a business relationship with politically exposed persons, commonly referred to as PEPs, requires a higher level of scrutiny. A PEP is an individual who is or has, at any time in the preceding 12 months, been entrusted with a prominent public function, his/her immediate family members and/or close associates of such person.

PEP Confirmation

The Subscriber confirms that it is a PEP Yes ☐

No ☐

In the case of an incorporated applicant, the Subscriber confirms that its beneficial owner(s) is/are PEPs

Yes ☐

No ☐

Source of Funds

If the Subscriber has answered Yes to the previous question, please confirm the following:

The Subscriber's source of funds is from (please tick as appropriate)

Income ☐

Savings ☐

Gift or inheritance ☐

Proceeds of a sale ☐

If the source of funds is not covered in any of the categories above please briefly specify them below: **(Please complete fully as incomplete applications may be rejected)**

The Subscriber acknowledges that the Administrator reserves the right not to issue Limited Partnership Interests until such time as the Administrator has received and is satisfied with all the information and documentation requested to verify its identity, address, PEP status and source of funds. The Subscriber also acknowledges that the Administrator shall be held harmless by it against any loss suffered by the Administrator arising as a result of a failure to process its application for Limited Partnership Interests if such information and documentation as has been requested by the Administrator has not been provided by it. The Subscriber also confirms that if its status changes, it will alert the Administrator.

28. The U.S. Foreign Account Tax Compliance Act and the regulations (whether proposed, temporary or final), including any subsequent amendments, and administrative guidance promulgated thereunder (or which may be promulgated in the future) ("FATCA") impose or may impose a number of obligations on the Partnership. In this regard:

(i) The Subscriber acknowledges that, in order to comply with the provisions of FATCA and avoid the imposition of U.S. federal withholding tax, the General Partner and its agents, including, but not limited to, the Investment Manager, the Investment Adviser and the Administrator, may, from time to time and to the extent provided under FATCA, (i) require further information and/or documentation from the Subscriber, which information and/or documentation may (A) include, but is not limited to, information and/or documentation relating to or concerning the Subscriber, the Subscriber's direct and indirect beneficial owners (if any), any such person's identity,

residence (or jurisdiction of formation) and income tax status, and (B) need to be certified by the Subscriber under penalties of perjury, and (ii) provide or disclose any such information and documentation to the IRS or other governmental agencies of the United States.

(ii) The Subscriber agrees that it shall provide such information and/or documentation concerning itself and its direct and indirect beneficial owners (if any), as and when requested by the General Partner or any of its agents, as the General Partner or any of its agents, in its or their sole discretion, determine is necessary or advisable for the Partnership to comply with its obligations under FATCA.

(iii) The Subscriber agrees to waive any provision of law of any non-U.S. jurisdiction that would, absent a waiver, prevent the Partnership's compliance with FATCA, including, but not limited to, the Subscriber's provision of any requested information and/or documentation.

(iv) The Subscriber acknowledges that if the Subscriber does not timely provide the requested information and/or documentation or waiver, as applicable, the General Partner may, at its sole option and in addition to all other remedies available at law or in equity, immediately or at such other time or times, withdraw all or a portion of the Subscriber's investment, prohibit in whole or part the Subscriber from participating in additional investments and/or deduct from the Subscriber's account and retain amounts sufficient to indemnify and hold harmless the Partnership and its agents, including, but not limited to, the General Partner, the Investment Manager, the Investment Adviser and the Administrator, or any other subscriber/investor, or any partner, member, shareholder, director, manager, officer, employee, delegate, agent, affiliate, executor, heir, assign, successor or other legal representative of any of the foregoing persons, from any and all withholding taxes, interest, penalties and other losses or liabilities suffered by any such person on account of the Subscriber's failure to timely provide any requested information and/or documentation; provided that the foregoing indemnity shall be in addition to and supplement any other indemnity provided under this Subscription Agreement.

(v) The Subscriber acknowledges that the General Partner, in consultation with the Investment Manager, will determine in its sole discretion, whether and how the Partnership shall comply with FATCA, and any such determinations shall include, but not be limited to, an assessment of the possible burden to Subscribers, the Partnership and the Administrator of timely collecting information and/or documentation.

(vi) The Subscriber acknowledges and agrees that it shall have no claim against the Partnership and its agents, including, but not limited to, the Investment Manager, the Investment Advisers and the Administrator, or any other subscriber/investor, or any partner, member, shareholder, director, manager, officer, employee, delegate, agent, affiliate, executor, heir, assign, successor or other legal representative of any of the foregoing persons, for any damages or liabilities attributable to any FATCA compliance related determinations pursuant to this paragraph 30; provided that the foregoing indemnity shall be in addition to and supplement any other indemnity provided under this Subscription Agreement.

29. The Subscriber hereby agrees to notify the General Partner promptly of any changes in the foregoing representations which may occur prior to or following an investment in the Partnership. The Subscriber further agrees that the representations and warranties made herein will be deemed to be reaffirmed by the Subscriber at any time the Subscriber makes an additional investment in the Partnership and the act of making such additional investments

will be evidence of such reaffirmation. The Subscriber acknowledges that the General Partner on behalf of the Partnership may from time to time establish entities for investment or other purposes. The Subscriber agrees that the representations made herein as well as any notifications or reaffirmations the Subscriber makes may be relied upon by such entities in the event that interests in such entities are distributed to the Subscriber by the Partnership as part of a distribution, withdrawal proceeds payment or otherwise as if such representations were made directly to such entity.

30. The Subscriber agrees that this Subscription Agreement shall be governed by the laws of and subject to the nonexclusive jurisdiction of the courts of the Cayman Islands. The Subscriber further agrees that this Subscription Agreement is entered into in Ireland.

The undersigned agrees to notify the Partnership promptly of any changes in the foregoing information which may occur prior to or following an investment in the Partnership.

The Subscriber represents that the following individual or individuals are authorised to act on behalf of the Subscriber to give and receive instructions between the Partnership (or its representatives, including the Partnership's administrator) and the Subscriber. Such individuals are the only persons so authorised until further written notice, signed by one or more of such individuals, and delivered to the Administrator.

Name	Specimen Signature
_____	_____
_____	_____
_____	_____

Payment details for my/our subscription are as follows:

(a) Name and Address of Financial Institution Wiring/Paying Subscription Monies

(b) Name and Number of Account at Financial Institution being debited

Withdrawal proceeds paid by telegraphic transfer should be made to the bank listed below

Withdrawal proceeds paid by telegraphic transfer should be made to the bank listed below

Name of Bank: _____
City: _____ Country: _____
Branch office (and Sort Code): _____
Account Name: _____ Account No: _____
Correspondent Bank Swift _____ Beneficiary IBAN _____

IN WITNESS WHEREOF, the parties hereto have executed this Subscription Agreement as a deed as of the date first written above.

General Partner

Cheyne General Partner Inc.

By: _____

Name:

Title:

Subscriber

_____
Name of Subscriber

_____
Signature of Subscriber
or Authorised Signatory

_____
Title of Authorised Signatory

Signed and delivered as a Deed in the presence of:

_____
Signature of Witness

_____
Name and Address of Witness

_____
Taxpayer Identification or Social Security Number of Subscriber

_____
Taxable Year End of Subscriber

_____
State or Country of Formation (for entities only)

The Person subscribing for
Limited Partnership Interests is (tick one):

☐ Individual (over 21 years of age)

☐ Tenants in Common (one individual over 21 years of age)

☐ Joint Tenants with Rights of Survivorship (one individual over 21 years of age)

☐ Employee Benefit Plan or Trust

☐ Revocable Trust (Non-Employee Benefit Plan)

☐ Irrevocable Trust (Non-Employee Benefit Plan)

☐ Corporation

☐ General Partnership

☐ Limited Partnership

☐ Limited Liability Company

☐ Other: _____

Series A (USD) - dollars
Capital Contribution: $ _____

Series B (EUR) - euros
Capital Contribution: € _____

Series C (GBP) - sterling
Capital Contribution: £ _____

Applications for an initial purchase of Limited Partnership Interests must be for an amount not less than $100,000 or the euro or sterling equivalent thereof net of initial fees and bank charges. Further applications by existing limited partners can be made for any amount.

Address of Subscriber:

_____

_____

Principal Business Occupation of Subscriber:

_____

PART IV: SUPPLEMENTARY INFORMATION IN RELATION TO THE COMPANY

The investment objective of the Company is to seek to maximise total returns through investment in the Partnership as a limited partner. All of the Company's assets (save for incidental cash or cash equivalent balances) will be invested in the corresponding Series of Limited Partnership Interests. References throughout this document to the investment objective, policy, restrictions and risk factors of the Company or the Fund therefore refer to the investment objective, policy, restrictions and risk factors of the Partnership.

DIRECTORS

The Directors, who have overall responsibility for the establishment and supervision of the Company's investment objective, are also the directors of the General Partner. A brief description appears on page 11. All Directors serve in a non-executive capacity.

ADMINISTRATION

The Administrator administers the day-to-day operations and business of the Company. It is responsible for calculating the net asset value of the Company and the net asset value per Share. It also administers the Company's books and records and its interests as a limited partner in the Partnership. The Administrator serves as the Company's subscription, redemption and transfer agent. The Administrator also acts as administrator to the Partnership.

PRIME BROKER AND CUSTODY

Each relevant Series invests in a separate capital account in the Partnership of the equivalent Series which is reflected by book entry in the records of the Partnership. Issue proceeds are transferred by the Company to the Partnership's account with the Prime Broker on behalf of the General Partner as soon as is practicable for immediate investment by the Partnership and vice versa to immediately meet redemption requests (and expenses of the Company) by shareholders. Accordingly, there is no prime broker or custodian for the Company.

FEES, PERFORMANCE ALLOCATION AND EXPENSES

By virtue of its investment in the Partnership, shareholders suffer the fees and other costs and expenses referred to in relation to the Partnership. The Company is also responsible for the additional costs and expenses incurred in its operation, including, without limitation, taxes, expenses for legal, auditing and consulting services, promotional activities, registration fees and other expenses due to supervising authorities, insurance, interest, listing costs (if applicable) and the cost of the publication of the net asset value. To avoid double charging, shareholders do not incur any separate investment management, prime brokerage or administration fees at the Company level save for those accounting and secretarial fees directly attributable to the Company (if any). The General Partner is responsible for the fees and certain expenses of the Investment Manager and the Investment Adviser.

The General Partner will be entitled to a Performance Allocation in respect of each Series. The Performance Allocation will be made in arrears in respect of each Performance Period in respect of a Series.

Performance Allocation in respect of Class 1 Series A (USD), Series B (EUR) and Series C (GBP)

The Performance Allocation made by the Company to the General Partner in respect of each Series in Class 1 is equal to 15 per cent., of the increase in the net asset value per Share (after adding back any distributions) of the relevant Series outstanding in respect of each Performance Period subject to a high water mark. The use of a high water mark (as described below) ensures that investors will not be subject to a Performance Allocation until any previous losses are recovered.

The Performance Allocation is accrued and taken into account in the calculation of the net asset value per Share of the applicable Series on each Valuation Day. In the event that a shareholder redeems Shares, prior to the end of a Performance Period, an amount equal to any accrued but unallocated Performance Allocation in respect of such Shares is deducted from the redemption proceeds and such accrued Performance Allocation is re-allocated to the General Partner promptly thereafter. The Performance Allocation in respect of each Performance Period is calculated by reference to the net asset value before the deduction of any accrued Performance Allocation.

Adjustment Due to Deficit and Premium Subscriptions

(a) Deficit Subscriptions

Where an investor subscribes for Shares in a Series at a time when the net asset value per Share of that Series is less than the high water mark for the Series then an adjustment is required to reduce inequalities that may otherwise result to the respective subscriber or to the General Partner. The high water mark is the greater of: -

(i) the highest net asset value per Share of a Series on the last day of any Performance Period; and

(ii) the initial price of $100 for Series A (USD) Shares, €100 for Series B (EUR) Shares and £100 for Series C (GBP), in each case adjusted to take into account distributions made if any.

Where Shares are subscribed at a time when the net asset value per Share is less than the high water mark for that Series, no Performance Allocation will be accrued within the Series for existing shareholders until the high water mark for that Series has been recovered. New shareholders will however, in effect, be required to pay an equivalent Performance Allocation with respect to any subsequent appreciation in the net asset value per Share of those Shares until the high water mark has been reached. This will be achieved by the Company having the power to redeem a portion of that shareholder's holding for no consideration and to pay the equivalent Performance Allocation at the end of each Performance Period to the General Partner. After the high water mark has been achieved, the Performance Allocation will be calculated and levied in the same manner as for all other Shares.

(b) Premium Subscriptions

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

The Equalisation Credit will be at risk in the Company and will therefore appreciate or depreciate based on the performance of the Company subsequent to the subscription. In the event of a decline in the net asset value per Share, the Equalisation Credit due to the shareholder will reduce in line with the Performance Allocation accrual for other Shares namely by an amount equal to 15 per cent. of the amount of the loss on a per Share basis until the Equalisation Credit is exhausted. Subsequent appreciation in the value of the Premium Shares will result in a recapture of any Equalisation Credit lost due to such reductions, but only to the extent of the previously lost Equalisation Credit up to the amount paid at subscription.

At the end of the Performance Period, an amount equal to the lower of either the Equalisation Credit paid at the time of the Premium Subscription (less any Equalisation Credit previously

applied) or 15 per cent. of the excess of the asset value per Premium Share over the high water mark is applied in the subscription for additional Shares for the shareholder. If the shareholder redeems Premium Shares before the last day in any Performance Period, the shareholder will receive additional redemption proceeds equal to any Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Premium Shares being redeemed and the denominator of which is the number of Premium Shares owned by the shareholder immediately prior to the redemption.

The Performance Allocation is subject to adjustment upon completion of the relevant audit for the Performance Period.

INVESTING IN THE COMPANY

Dealings

Unless otherwise requested, Shares will be acquired in registered form and ownership will be evidenced solely by entry on the Company's register of shareholders. Applicants for Shares are required to specify on application a bank account into which the proceeds of any redemptions will be paid. Any subsequent alteration of such instructions must be in writing and duly signed by the shareholder. Applicants are allocated a number (a "Shareholder Account Number").

Valuations

The Administrator will normally determine the net asset value of each relevant Series by deducting the total liabilities from the total assets of each such Series. Total assets include the sum of any cash, accrued interest and the current value of the interest of the Series as a limited partner of the equivalent Series in the Partnership. Total liabilities include all liabilities including any borrowings (if any), accrued expenses (including the Performance Allocation made to the General Partner) and any contingencies for which reserves are determined to be required. The valuation of each Series interest in the Partnership will be the value of its capital account as calculated in accordance with the provisions of the Partnership Agreement and subject to adjustment for the allocation of profits and losses from New Issues, if any.

The net asset value per Share of each Series will be determined by dividing the net asset value attributable to the Series by the number of Shares in that Series outstanding.

Purchases

Initial applications for subscription for Class 1 Series A (USD), Series B (EUR) and/or Series C (GBP) Shares may be submitted at any time during the relevant initial offer period, which period will end with respect to each Class as of 5:00 p.m. (Dublin time) on the first Dealing Day on which a subscription for that Series is effected and, provided that cleared funds are received by that time together with the signed Application Form, Shares will be issued thereafter at a price of $100, €100 or £100 per Share, as appropriate.

Thereafter, applications to subscribe for Class 1 Series A (USD), Series B (EUR) and/or Series C (GBP) Shares may be made in respect of any Dealing Day and must be received by the Administrator by 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day or by such earlier or later date and/or time as the Directors may determine generally or in respect of specific applications and, provided that cleared funds are received by that time together with the signed Application Form, Shares will be issued thereafter at the price calculated for such Dealing Day.

Requests received after 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day will (subject to the Directors' discretion to determine otherwise) be held over until the next Dealing Day and Shares will then be issued at the price applicable on that day. If an application is received by

the Administrator by fax, the original must follow by post. The Administrator will send to the investor an acknowledgement of his purchase. Shares are issued to four decimal places.

The minimum initial investment per investor in respect of Class 1 Series A (USD), Series B (EUR) and Series C (GBP) Shares is $100,000 or the euro or sterling equivalent thereof, payable in full (net of any initial fees and bank charges) or such higher amount as the Directors may at their discretion determine generally or in respect of specific applications. The Directors may waive the applicable minimal in respect of subscriptions by the Directors, the General Partner and any person who has for the purposes of the Mutual Funds Law caused the preparation or distribution of this Private Placement Memorandum. Further investments in the Shares may be made for any amount.

The Fund may apply a portion of the funds subscribed as a credit to the other investors in the interests of equality. This adjustment may represent such sum as may be considered to represent the appropriate pro rata provision for duties, charges and expenses which would be incurred or likely to be incurred on the assumption that all or part of the proceeds of a particular subscription were to be invested in the underlying investments of the Partnership or, where considered appropriate, all underlying investments of the Partnership held were to be acquired on the relevant Valuation Day. In making any such adjustment, underlying investments may be valued on the basis of the latest available "offer" prices for underlying long positions or "bid" prices for underlying short positions or, where considered prudent, some other method of valuation which is considered appropriate for these purposes may be followed. Where this occurs, the Company may make a corresponding addition to the Share subscription price.

The Directors may in their absolute discretion charge interest to an investor in such amount as they deem reasonable in respect of late subscription monies received by the Fund in respect of a subscription.

Save on a suspension of dealings, applications to subscribe for Shares are irrevocable.

It is likely that U.S. Taxpayers (other than U.S. tax exempt entities) will prefer an investment in the Partnership.

Transfers

All transfers of Shares will be effected by written instrument signed by the transferor and containing the name and address of the transferee and the number of Shares being transferred, or in such other manner or form and subject to such evidence as the Directors shall consider appropriate. The transfer will take effect on registration of the transferee as holder of the Shares (and, if applicable, on surrender of any certificate representing the transferred Shares). The transferee will be required to give the warranties contained in the Application Form. The Directors may decline to register any transfer of Shares, including, but not limited to, in circumstances where, in the opinion of the Directors, the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantages for the Company. The Directors will decline to register any transfer where the transfer would result in the transferee holding Shares with a net asset value of less than $100,000 or the euro or sterling equivalent thereof.

Redemptions

Shareholders may request the redemption of all or some of their Shares in respect of any Dealing Day provided that a written request is received by the Administrator at least 30 days before the relevant Dealing Day or by such earlier or later date as the Directors may determine generally or in respect of specific requests.

Requests not so received will (subject to the Directors' discretion to determine otherwise) be held over until the next Dealing Day and Shares will then be redeemed at the price applicable on that day. If a redemption request is received by the Administrator by fax, the original must follow by post.

Redemption requests may be made by fax, provided that the signed redemption request is received by the Administrator prior to the Dealing Day. The redemption request should quote the Shareholder Account Number. In respect of joint holders, redemption requests require the authority of all persons specified in the standing signing authority previously provided by the investor to the Administrator under the terms of the Application Form.

If Shares are held in certificated form, the Share certificate together with a duly signed redemption instruction (which includes the instruction on the reverse of the Share certificate) must be received by the Administrator on or prior to the relevant Dealing Day.

Redemption proceeds will normally be paid within seven Business Days of the finalisation of the net asset value of the relevant Series in respect of the relevant Dealing Day, provided that the Directors have the discretion to settle redemption requests in whole or in part at a later date where the disposal of the underlying assets is not reasonably practicable without being seriously detrimental to the interests of shareholders or, if in the opinion of the Directors, a fair price cannot be calculated for the relevant assets.

Without prejudice to the generality of the foregoing, the Directors may, at their discretion, may elect to distribute to the relevant shareholder in respect of the relevant redemption an amount calculated on the basis of the amount actually realised or deemed by the Directors to be realisable by the Company in respect of the cash and other assets of the Company referable to that part of the relevant shareholder's holding in the Shares represented by the redemption taking into account all costs, duties, charges and expenses incurred in connection with such realisation. In such event, the payment for the redemption shall be made as soon as reasonably practicable and may be made in instalments.

Redemptions will normally be settled in cash in the currency of investment but may, at the discretion of the Directors, be settled in securities selected by the Directors or partly in cash and partly in securities selected by the Directors. In the event that a redemption is to be settled *in specie*, the Directors reserve the right to establish from time to time a separate Class or Classes or account of the Company representing those assets intended to be transferred *in specie* to the redeeming shareholder pending their transfer and payment for the redemption shall to such extent be satisfied by the issuance to such shareholder of the Company of the new Class or establishment of the relevant account.

Redemption proceeds will not be paid until the Administrator has received a valid redemption request. Where a written request is received without the relevant Share certificate (if certificated), provisional redemption will be made but the proceeds of redemption will be held by the Administrator (without payment of interest) until the certificate and duly signed instructions have been received.

The Fund may deduct from the redemption payment due such sum as it may consider represents the appropriate *pro rata* provision for duties, charges or expenses incurred or likely to be incurred in relation to the realisation of all or part of the underlying investments of the Partnership attributable to the withdrawal or, where considered appropriate, in relation to the realisation of all investments held on the relevant Valuation Day. In making any such adjustment, investments may be valued on the basis of the latest available "bid" prices for underlying long positions or "offer" prices for underlying short positions or, where it is considered prudent, some other method of valuation which is considered appropriate may be followed. Where this occurs, the Company will make a corresponding deduction from the redemption price in respect of Shares being redeemed on that Dealing Day.

The Directors may limit the value of withdrawals of a Series of Limited Partnership Interests and/or withdrawals from the Partnership on any Dealing Day to 20 per cent. of the total value of the Limited Partnership Interests of such Series and/or the Fund then in issue in circumstances where the Directors believe that, owing to their perception of the liquidity of the underlying investments, such an action would be in the overall interests of investors. Where withdrawals by the Company are restricted by the operation of this policy, the Directors will limit the total number of Shares which may be redeemed on such Dealing Day accordingly. Where this restriction applies, withdrawals and redemptions will be on a *pro rata* basis and any withdrawals and redemptions which for this reason do

not occur on any particular Dealing Day will be carried forward, subject to the foregoing restrictions, for realisation on the next Dealing Day in priority to requests subsequently received by the Administrator.

Partial redemptions of Shares may be effected. If applicable, a certificate for the retained Shares is sent, normally, within 28 days. The Company has the right to redeem compulsorily any shareholding where the net asset value of that holding is less than $100,000 or the euro or sterling equivalent thereof (as applicable). The Company also has the right to make a compulsory redemption in the circumstances set out on page 123.

If Shares are held in certificated form, the Share certificate together with a duly signed redemption instruction (which includes the instruction on the reverse of the Share certificate) must be received by the Administrator on or prior to the relevant Dealing Day. Where a written request is received without the relevant Share certificate, provisional redemption will be made, but the proceeds of redemption will be held by the Administrator (without payment of interest) until the certificate and duly signed instructions have been received.

Possible Suspension

The General Partner is empowered to suspend the calculation of net asset value of the Partnership and/or subscription and/or withdrawal rights for investors. If the General Partner declares such a suspension, the Directors will also suspend of the calculation of the Company's net asset value of the corresponding Class(es) or Series and/or subscription and/or redemption rights in the Company.

Notice of any suspension will be given to any shareholder tendering his Shares for redemption without delay. The Directors will take all reasonable steps to bring any period of suspension to an end as soon as possible. If the request is not withdrawn, the redemption will take place as of the first Business Day following the termination of the suspension.

TAX CONSIDERATIONS

General

The statements on taxation below are intended to be a general summary of certain Cayman Islands U.S. and U.K. tax consequences that may result to the Company and shareholders. The statements relate to shareholders holding Shares as an investment (as opposed to an acquisition by a dealer) and are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made, will endure indefinitely.

Prospective shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Shares in the places of their citizenship, residence and domicile. The tax consequences for each shareholder of acquiring, holding, redeeming or disposing of Shares will depend upon the relevant laws of any jurisdiction to which the shareholder is subject. Prospective investors should seek their own professional advice as to such tax consequences, as well as to any relevant exchange control or other laws and regulations.

The Company, via the Partnership, may be subject to local withholding taxes in respect of income or gains derived from its investments in underlying investee countries. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Company and to its shareholders may change from time to time.

Cayman Islands

As an exempted company, the Company has applied for and expects to receive from the Governor in Cabinet of the Cayman Islands an undertaking in accordance with Section 6 of the Tax Concessions Law (as amended) of the Cayman Islands that, for a period of 20 years from the date of the undertaking, no laws of the Cayman Islands imposing any tax on profits, income, gains or appreciations shall apply to the Company or its operations and that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations of the Company.

Under current Cayman Islands law no tax would be charged in the Cayman Islands on profits or gains of the Company and dividends of the Company would be payable to the shareholders resident in or outside the Cayman Islands without deduction of tax. No stamp duty is levied in the Cayman Islands on the transfer or redemption of Shares. An annual registration fee will be payable by the Company in the Cayman Islands. At current rates the fee will be approximately $854 per annum. In addition, the Company must pay a mutual fund registration fee of approximately $4,268 per annum.

United States

U.S. Persons and U.S. Taxpayers intending to invest in the Company should also consider the tax disclosures contained in Part II: Additional Information for U.S. Investors.

United Kingdom

The Company

The Directors intend that the affairs of the Company should be managed and conducted so that it does not become resident in the U.K. for U.K. taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (i) through a permanent establishment situated in the U.K., for corporation tax purposes, or (ii) in such manner as to bring the Company

within the charge to income tax, the Company will not be subject to U.K. corporation tax or income tax on income and capital gains arising to it save as noted below in relation to possible withholding tax on certain U.K. source income. The Directors and the Investment Manager intend that the affairs of the Company and the Fund are conducted so that no such U.K. taxable presence will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such taxable presence coming into being will at all times be satisfied.

Interest and other income received by the Company which has a U.K. source may be subject to withholding taxes in the U.K.

Shareholders

It is the current policy of the Directors that no dividends will be paid to shareholders. However, in the event that dividends are paid and subject to their personal circumstances, shareholders resident in the U.K. for taxation purposes may be liable to U.K. income tax or corporation tax in respect of any dividends or other distributions of income by the Company, whether or not such distributions are reinvested. In addition, to the extent that approval of any Class or Series is obtained to become a "reporting fund" (the "Reporting Classes") shareholders in such Reporting Classes may be treated as receiving reportable income in respect of income arising for the particular Class (see further "Shareholders in Reporting Classes" below). For individual shareholders in the Company who are subject to U.K. tax, a dividend tax credit of 1/9th of the dividend should be available to such investors on dividends (including reportable income) received from the Company. However, as a result of anti-avoidance rules such credit will not be available to individual investors in any Class where the market value of the Class's investments in debt instruments, securities and certain other offshore funds which invest in similar assets exceeds 60 per cent. of the market value of all of the assets of the Class at any relevant time. Investors in these Classes (if any) will be treated as receiving an interest payment which will not carry the tax credit.

Companies within the charge to U.K. corporation tax should generally be exempt from U.K. corporation tax on distributions (including reportable income) made by the Company although it should be noted that this exemption is subject to certain exclusions (particularly in the case of "small companies" as defined in section 931S of the Corporation Tax Act 2009 ("CTA 2009")) and specific anti-avoidance rules.

Special tax rules apply to investments made in an offshore fund within the meaning of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010"). Individual classes of shares within the same offshore fund are treated as separate offshore funds for these purposes. The tax treatment of shareholders in a Reporting Class differs in various respects from those in respect of other Classes (the "Non-Reporting Classes") and the tax treatment of each is set out separately below.

Shareholders in Non-Reporting Classes

Each of the Non-Reporting Classes will be deemed to constitute an "offshore fund" for the purposes of TIOPA 2010. Under this legislation, any gain arising on the sale, disposal or redemption of shares in an offshore fund held by persons who are resident in the U.K. for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where a fund is accepted by HM Revenue & Customs as a "reporting fund" throughout the period during which shares in the Fund have been held. The Non-Reporting Share classes will not apply to be "reporting funds" and accordingly shareholders who are resident in the U.K. for tax purposes may be liable to U.K. income taxation in respect of any gain realised on disposal or redemption of Shares in Non-Reporting Classes. Any such gain may thus remain taxable notwithstanding any general or specific U.K. capital gains tax exemption or allowance available to a shareholder and this may result in certain investors incurring a proportionately greater U.K. taxation charge. Any losses arising on the disposal of Shares by shareholders who are resident in the U.K. may be eligible for capital gains loss relief. The Directors currently intend that Classes denominated in a currency other than Sterling will be Non-Reporting Classes.

Shareholders in Reporting Classes

Each Reporting Class (if any) will be deemed to constitute an "offshore fund" for the purposes of TIOPA 2010. The legislation provides that any gain arising on the sale, redemption or other disposal of Shares of an offshore fund (which may include, where applicable, compulsory redemption by the Company) will be taxed at the time of such sale, redemption or disposal as income and not as a capital gain. These provisions do not apply if the Company (generally or in respect of the relevant Classes) successfully applies for reporting fund status and retains such status throughout the period during which the Shares are held. The Directors reserve the right to seek approval of any Series of the Company as a "reporting fund" for U.K. taxation purposes.

In order for Reporting Classes to qualify as reporting funds, the Company must apply to HM Revenue & Customs for entry of each class into the regime. For each accounting period, it must then report to investors 100 per cent. of the income attributable to the relevant Class, that report being made within six months of the end of the relevant accounting period. U.K. resident individual investors may be taxable on such reported income, whether or not the income is actually distributed. Income for these purposes is computed by reference to income for accounting purposes as adjusted for capital and other items. In particular, shareholders should note that any profit derived from trading activities (as distinct from investment activities) will be regarded as reportable income. Ultimately, this will depend upon the actual activities undertaken and, due to a lack of clear guidance with respect to the distinction between trading and investment activities, no guarantee can be given that proposed activities will not constitute trading activities. If the Fund's activities prove to be trading in whole or part, the annual reportable income of shareholders and their corresponding tax liability is likely to be significantly greater than would otherwise be the case.

Provided each of the Reporting Classes obtains and retains reporting fund status, any gains realised on the disposal of Shares in the Classes will be subject to taxation as a capital gain and not as income unless the investor deals in securities. Any such gain may accordingly be reduced by any general or specific U.K. exemption in respect of capital gains available to a shareholder and may result in certain investors incurring a proportionately lower U.K. taxation charge.

Subject to the regulations mentioned below, under the reporting fund regime reportable income is attributed only to those investors who remain as shareholders at the end of the relevant accounting period. This means that, particularly where actual dividends are not declared in relation to all the income of a Reporting Class, shareholders could receive a greater or lesser share of dividend income than anticipated in certain circumstances such as when, respectively, Class size is shrinking or expanding. Regulations enable (but do not oblige) a reporting fund to operate dividend equalisation or to make income adjustments, which should minimise this effect. The Directors reserve the right to operate dividend equalisation or to make income adjustments in respect of any Class.

Chapter 3 of Part 6 of CTA 2009 provides that, if at any time in an accounting period a corporate investor within the charge to U.K. corporation tax holds an interest in an offshore fund, and there is a time in that period when that fund fails to satisfy the "non-qualifying investments test", the interest held by such a corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in CTA 2009 (the "Corporate Debt Regime"). The Shares will constitute interests in an offshore fund. In circumstances where the test is not satisfied (for example where a Class (via the Partnership) invests in cash, securities, debt instruments or offshore funds or open-ended companies that themselves do not satisfy the "non-qualifying investments test" and the market value of such investments exceeds 60 per cent. of the market value of all its investments), the Class will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, where the test is not met all returns on the Class in respect of each corporate investor's accounting period during which the test is not met (including gains, profits and deficits and exchange gains and losses) will be taxed or relieved as an income receipt or expense on a fair value accounting basis. Accordingly, a corporate investor in the Company may, depending on its own circumstances, incur a charge to

corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). The provisions relating to non-reporting funds (outlined above) would not then apply to such corporate shareholders and the effect of the provisions relating to holdings in controlled foreign companies (outlined below) would then be substantially mitigated.

The attention of individual shareholders ordinarily resident in the U.K. is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 under which the income accruing to the Company may be attributed to such a shareholder and may render them liable to taxation in respect of the undistributed income and profits of the Company. This legislation will, however, not apply if such a shareholder can satisfy HM Revenue & Customs that either:

(i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or

(ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

Part 9A TIOPA 2010 subjects U.K. resident companies to tax on the profits of companies not so resident in which they have an interest. The provisions, broadly, affect U.K. resident companies which have, alone or together with certain other associated persons, control over a non-resident company where that non-resident company is subject to a lower level of taxation in its territory of residence compared with the U.K. The legislation is not directed towards the taxation of capital gains.

The attention of persons resident in the U.K. for taxation purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 ("section 13"). Section 13 applies to a "participator" for U.K. taxation purposes (which term includes a shareholder) if at any time when any gain accrues to the Company which constitutes a chargeable gain for those purposes, at the same time, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the U.K. for taxation purposes, be a "close" company for those purposes. The provisions of section 13 could, if applied, result in any such person who is a "participator" in the Company being treated for the purposes of U.K. taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds on a just and reasonable basis to that person's proportionate interest in the Company as a "participator". No liability under section 13 could be incurred by such a person however, where such proportion does not exceed one quarter of the gain. In the case of U.K. resident individuals domiciled outside the U.K., section 13 applies only to gains relating to U.K. situate assets of the Company and gains relating to non-U.K. situate assets if such gains are remitted to the U.K.

Individuals who are resident in the U.K. but not domiciled in the U.K. for taxation purposes should note that if they are applying for Shares in the Sterling denominated Classes they may be required to make payment directly into a U.K. bank account. Where such an individual intends to meet subscription proceeds from funds sourced outside the U.K., it is conceivable that such a payment might give rise to a taxable remittance for the purposes of U.K. taxation, depending upon the particular circumstances of that individual. Accordingly, it is recommended that such individuals seek independent taxation advice in this respect before making a subscription for Shares from such funds.

The European Union Savings Directive

As the Fund is not a UCITS authorised fund in accordance with European Union Directive 85/611/EEC (as amended), is not licensed as a mutual fund under section 5 of the Cayman Mutual Funds Law (as amended) nor is regarded as a UCITS equivalent under the laws of the relevant

jurisdictions, the European Union Savings Directive 2003/48/EC (the "Directive") should not apply to payments made in respect of Shares by the Company or the Administrator. Where the Directive applies to an undertaking for collective investment which has the relevant percentage of its assets invested in debt instruments as defined in the Directive, a paying agent in a member state of the European Union such as the Administrator is required to provide to its home tax authorities details of payments of interest or, (as relevant to the Company) deemed interest paid by the paying agent to or for the benefit of an individual resident in another European Union member state which will be shared with the tax authorities of that other European Union member state.

Shareholders should note that the European Commission has proposed an extension of the scope of the Directive to include all investment funds or schemes, whether or not they are constituted as UCITS, and certain other changes. Draft amendments have not been published and whilst the consultation process continues it remains uncertain if, or when, any changes will be implemented.

CONSTITUTION OF THE COMPANY

Constitution

(a) The Company was incorporated with limited liability on 8 May 2013 in the Cayman Islands under the provisions of the Cayman Companies Law as an exempted company with limited liability (registered no. QH-277509).

(b) The authorised share capital of the Company is $50,000 comprising 49,900,000 redeemable voting preference shares of $0.001 par value each, in issue or authorised and available for issue, which may be classified as Class 1 Series A (USD), Series B (EUR) and Series C (GBP) and 100 founder shares of $1.00 each.

(c) The founder shares were taken up by the subscriber to the Memorandum in order that the Company be incorporated and have been transferred to the General Partner. The founder shares confer the right to vote at general meetings of the Company only when no Shares are in issue and give the rights in the winding-up of the Company as set out under "Winding up" on page 125. They confer no other right to participate in the profits or assets of the Company.

(d) The Shares are issued pursuant to a resolution of the Directors.

(e) No Shares have preference or pre-emptive rights. There are no outstanding options or any special rights relating to any Shares. All Shares participate equally in the net assets of their respective Class on liquidation and in dividends and other distributions as declared.

(f) The Company was incorporated with the capacity of issuing various Classes of Shares. There is only one Class of Shares in issue and as of the date of this document, no further Classes have been created.

The Memorandum and Articles comprise the Company's constitution. The following summary is not exhaustive. These documents are available for inspection at the Company's registered office.

(a) Memorandum

The Memorandum provides in paragraph 3 that the Company's principal objects are unrestricted (except as prohibited by law).

(b) Articles

The Articles contain certain provisions of the following effect:

Issue of Shares

Subject as provided in the Articles, the Private Placement Memorandum or the Cayman Companies Law, the Shares shall be at the disposal of the Directors, who in their absolute discretion may issue, allot, grant options over or otherwise dispose of, the same to such persons on such terms and in such manner as they may think fit, save that no Share shall be issued at a discount, except in accordance with the Cayman Companies Law. Fractional Shares may be issued up to four decimal places. The Directors may in their absolute discretion refuse to issue any Shares to any subscriber. Shares are issued in registered form.

The Company is authorised to issue 49,900,000 Shares of $0.001 par value each. Shares shall be issued in Classes each having a designated currency of issue. The following Classes/Series are currently authorised:

Series A (USD)	dollars
Series B (EUR)	euros
Series C (GBP)	sterling

More Classes may be issued in the future. The Shares shall be issued in such Class as the Directors determine, each such Class representing the capital contribution made by holders of the relevant Class of Shares. Each Class of Shares shall rank equally in priority and preference save as expressly provided in the Articles. Future Classes shall be issued for a price denominated in such currency as the Directors determine. The capital contributions made in respect of each such Class (and resulting investments therewith) shall be maintained in separate accounts with separate records in the relevant currency in the books of the Company, the subscription proceeds of each Class of Shares being invested in the corresponding partnership interests of the Partnership denominated in the currency of issue of such Class and upon such other terms and conditions as may be determined by the Directors and specified in the Private Placement Memorandum from time to time.

Alterations of Share Capital

Subject to the provisions of the Articles, the Cayman Companies Law or this Private Placement Memorandum, the Company may by ordinary resolution increase the share capital by such sum, to be divided into new shares of such amount, as the resolution shall prescribe. The Company may also by ordinary resolution consolidate and divide all or any of its share capital into shares of a larger amount than its existing Shares. The Company may also by ordinary resolution subdivide its existing Shares, or any of them, into Shares of smaller amounts than is fixed by the Memorandum, subject to the provisions of the Cayman Companies Law.

The Company may with the sanction of a special resolution reduce its share capital or any capital redemption reserve or share premium account and may also purchase its own Shares on terms agreed with the holder.

Variation of Class Rights

The rights attaching to any Share Class (unless otherwise provided by the terms of issue of that Share Class) may be varied with the consent in writing of two thirds of such holders of the issued Shares of that Class or with the sanction of a resolution passed by not less than two thirds of such holders of the Shares of that Class as may be present in person or by proxy at a separate general meeting of the holders of the Shares of that Class. To every such separate general meeting, the provisions of the Articles applying to general meetings shall apply but so that the necessary quorum shall be any one or more persons holding or representing by proxy not less than one third of the issued Shares of the Class and that any holder of Shares of the Class present in person or by proxy may demand a poll.

Founder Shares

The founder shares shall confer no right to participate in the profits or assets of the Company other than the return of the nominal value thereof. The founder shares carry no voting rights except where no redeemable shares are in issue or on a change of name of the Company.

Redeemable Shares

The Shares shall be redeemable voting preference shares. The holders of Shares shall be entitled to receive notice of and to attend and to vote at any general meeting of the Company. On a return of capital on liquidation or winding up of the Company, the assets of the Company available for distribution among its shareholders shall be applied in the following priority:-

(i) firstly, in the payment to the holders of the Shares of each Class of a sum in the currency in which that Class is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the net asset value of the Shares of such Class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the portfolio of net assets of the Company represented by each Class of Shares (an "investment account"). In the event that there are insufficient assets available in the relevant investment account, to enable such payment to be made recourse shall be had:

   (A) first, to any assets of the Company not comprised within any of the investment accounts; and

   (B) second, to the assets remaining in the investment accounts for the other Classes of Shares (after payment to the holders of the Shares of that Class to which they relate of the amounts to which they are respectively entitled under this paragraph (i)) pro rata to the total value of such assets remaining within each investment account;

(ii) secondly, in the payment to the holders of Shares of a particular Class any balance then remaining in the relevant investment account, such payment being made in proportion to the number of Shares held;

(iii) thirdly, in the payment to the holders of founder shares of the nominal amount of such founder shares; and

(iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the investment accounts, such payment being made in proportion to the number of Shares held.

The Shares of each Class shall entitle the holders thereof to any dividends that may be declared in respect of the Shares of that Class.

No Shares shall be issued to an ineligible investor so designated by the Directors and the Directors shall have power to impose such further restrictions on the Shares as they may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of these Articles, the Cayman Companies Law or the applicable requirements of any country or governmental authority.

Subject to the provisions of and the restrictions contained in the Cayman Companies Law and the Private Placement Memorandum, a holder of Shares shall be entitled to redeem all or any of such Shares in respect of any Dealing Day or such day as the Directors may determine by such number of days prior written notice to the Company as determined by the Directors from time to time and otherwise in such form given in such manner as the Directors shall from time to time determine but no Shares shall be redeemed whilst the calculation of the net asset value of the Company is suspended.

The Directors may elect in their absolute discretion to effect a redemption payment to any or all redeeming shareholders, either in whole or in part, in specie or in kind rather than in cash in which event the Directors shall use the same valuation procedures used in determining the net asset value of the Company and of the relevant Class to determine the value to be attributed to the relevant securities to be transferred or assigned to the redeeming shareholders who shall receive securities of a value equal to the redemption payment to which they would otherwise be entitled and who shall be responsible for all custody and other costs involved in changing the ownership of the relevant securities from the Company to the redeeming shareholders and on-going custody costs. Any such distributions in specie will not materially prejudice the interests of existing shareholders.

The Directors may make such further regulations concerning redemption as they shall from time to time deem necessary.

The Directors may determine from time to time with respect to the Shares of each Class the minimum aggregate number of Shares to be subscribed for during the initial offering period before any such Shares of such Class are issued, the minimum number of such Shares to be issued to each prospective shareholder, the minimum number of Shares of each Class capable of being redeemed by any shareholder in respect of any Dealing Day or such day as the Directors may determine (or an amount in respect thereof) and the minimum number of Shares (or any amount in respect thereof) to be otherwise issued to or held on an ongoing basis after any redemptions by each shareholder.

The Directors may in their absolute discretion suspend the rights of redemption of redeemable Shares of any of Class or Series in such circumstances as they think appropriate, including in circumstances in which the calculation of the net asset value of such Class or Series has not been suspended.

Transfer of Shares

Shares may be transferred by a form of transfer in any usual or common form or such other form as may be approved by the Directors in their discretion. Share transfers shall be executed by or on behalf of the transferor and, if so requested by the Directors, by or on behalf of the transferee, and the transferor shall be deemed to remain a holder of the Shares until the name of the transferee is entered into the register of shareholders in respect thereof.

The Directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of Shares which are not fully paid-up or any transfer of any Share to a person of whom they do not approve. The Directors may decline to register a transfer of Shares to a U.S. Person or to any persons who are not eligible investors or where the holding of such Shares may result in regulatory, pecuniary, legal, tax or material administrative disadvantages for the Company or the holders of any Class or Series of Shares or in any other circumstances that are set out in this Private Placement Memorandum as being circumstances entitling the Directors to refuse to register a transfer of Shares. The Directors may decline to register a transfer during the 21 days before a general meeting. They may also, in their absolute discretion, decline to register a transfer when the transfer instrument is not accompanied by the relevant application or subscription form, from the transferee and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and verify the identity of the transferee. The Directors may decline to register the transfer where the transfer would result in the transferee holding Shares with a net asset value of less than the minimum investment for the Class or Series concerned.

If the Directors decline to register a transfer of Shares, they shall, within one month after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

The Directors may also suspend the registration of transfers at such times and for such periods as the Directors may from time to time determine provided always that registration of transfers shall not be suspended for more than thirty days in any calendar year.

Compulsory Redemption and Transfer of Shares

The Directors may in their absolute discretion, with or without cause, at any time by notice in writing to any shareholder (including for the avoidance of doubt a person whose continuing ownership of Shares would cause an undue risk of adverse tax or other consequences to the Company or any of its agents or any of the shareholders), compulsorily redeem or require the transfer of all or any of the Shares held by such person on any redemption day, not being less fewer than five days nor more than 60 days from the date of such notice.

Change of Name

The Company's name may be changed without the consent of the holder(s) of Shares if the holder(s) of the founder shares pass(es) a resolution resolving to change it.

General Meetings

The Directors may whenever they think fit, convene an extraordinary general meeting. If at any time there are no Directors, any shareholder entitled to vote may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. The Directors shall, upon the receipt of a requisition expressing the object of the meeting in writing of any one or more shareholders holding 10 per cent. or more of the Shares entitled to vote, convene an extraordinary general meeting, such meeting to be convened by the Directors within 21 days from the date of delivery of the requisition at the registered office (for a date not later than 45 days after the date of such deposit) or failing that, convened by any of the requisitionists subject to the Articles as to notice.

At least 21 days' notice of a general meeting is required to be given to such persons as are entitled to vote or may otherwise be entitled under the Articles to receive such notices, but with the consent of all the shareholders entitled to receive notice, that meeting may be convened by shorter notice or without notice and in such manner as those shareholders think fit.

No business shall be transacted at any general meetings unless a quorum of shareholders is present at the time when the meeting proceeds to business. One or more shareholders holding in aggregate not less than one third of the total issued share capital of the Company present in person or by proxy and entitled to vote shall be a quorum. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting, the shareholder or shareholders present and entitled to vote shall be a quorum.

An ordinary resolution may be passed by a majority of shareholders entitled to vote present at the meeting in person or by proxy. A special resolution requires a two thirds majority of shareholders entitled to vote present at the meeting in person or by proxy. An ordinary or special resolution may be passed by unanimous written resolution.

On a show of hands every shareholder present in person or by proxy and entitled to vote shall have one vote. On a poll every such shareholder present in person or by proxy entitled to vote shall have one vote for each Share of which he is the holder. On the holding of a poll, every shareholder who votes need not cast all the votes he uses in the same way.

In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

On a show of hands or a poll, votes may be given either personally or by proxy. The instrument appointing a proxy may be in any usual or common form or in such other form as the Directors may approve and shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting no later than 24 hours prior to the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

Directors

The minimum number of Directors shall be two and, unless the Company shall by ordinary resolution otherwise determine, the maximum number shall be ten. The Company may by ordinary resolution appoint any person to be a Director and may by ordinary resolution remove a Director. A Director may appoint a proxy or an alternate to act on his behalf and such proxy or alternate shall count towards a quorum.

The Directors may be entitled to remuneration for their services as Directors. The Directors shall be entitled to be reimbursed for travel, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination of one such method and partly the other.

There is no shareholding qualification for Directors.

The business of the Company shall be managed by the Directors (outside the United Kingdom) and the Directors may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company as are not, by the Cayman Companies Law or the Articles, required to be exercised by the Company in general meeting. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock and other securities and guarantees whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

The Directors may meet together (either within or outside the Cayman Islands but outside of the United Kingdom) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall not have a second or casting vote. A Director may at any time summon a meeting of Directors by giving at least five days' written notice to every other Director. The notice shall set forth the general nature of the business to be considered provided however that notice may be waived by all the Directors (or their alternates) either at, before or after the meeting.

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors. Unless so fixed by the Directors, two Directors (or their proxies) will constitute a quorum.

No Director shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested or be liable to be avoided, nor shall any Director (or alternate Director) so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of any fiduciary relationship thereby established. A Director may be counted in the quorum of any relevant meeting which he attends and shall be at liberty to vote in respect of any contract or arrangement in which he is so interested as aforesaid, provided, however, that the nature of the interest of any Director in any such contract or transaction shall be disclosed by him at, or prior to, its consideration and any vote thereon and a general notice that a Director is a shareholder of any specified firm or company and/or

is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

Notices

A notice may be given by the Company to any shareholder either personally or by sending it by courier, post, fax or e-mail to him at his registered address, or (if he has no registered address) to the address, if any, supplied by him to the Company for the giving of notices to him. Where a notice is delivered personally or sent by courier, service of the notice shall be deemed to be effected when delivered. Where a notice is sent by post, service of the notice shall be deemed to be effected at the expiration of seven days after it was posted. Where a notice is sent by fax or email, service of the notice shall be deemed to be effected by properly addressing and sending such notice through the appropriate transmitting medium and to have been effected on the day the same is sent.

Notice of every general meeting shall be given to every shareholder entitled to vote except those shareholders entitled to vote who (having no registered address) have not supplied to the Company an address for the giving of notices to them. No other persons shall be entitled to receive notices of general meetings. A notice may be given by the Company to the joint holders by giving notice to the joint holder first named on the register of shareholders in respect of the Share.

Winding Up

If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Cayman Companies Law, divide amongst the relevant shareholders, in specie or in kind, the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided and may determine how such divisions shall be carried out as between Shares of different Classes or Series. The liquidator shall apply the assets of the Company in such a manner and order as he thinks fit in satisfaction of creditors' claims.

Indemnity

Every Director and officer for the time being of the Company or any trustee for the time being acting in relation to the affairs of the Company and their representatives, heirs, executors, administrators, personal representatives or successors or assigns shall, in the absence of fraud or wilful default, be indemnified and secured harmless out of the assets and funds of the Company against all actions, proceedings, costs, charges, expenses, including reasonable travelling expenses, losses, damages or liabilities, which any such person may incur or become liable in respect of or by reason of any contract entered into or act or thing done by him as such officer or servant, or in any way in discharge of his duties. No such Director or officer shall be liable or answerable (i) for the acts, receipts, neglects, defaults or omissions of any other Director, officer or agent; (ii) for joining in any receipt for money not received by him personally or other act for conformity; (iii) for any loss on account of defect of title to any property of the Company; (iv) on account of the insufficiency of any security in or upon which any of the assets of the Company shall be invested or for any loss of any of the assets of the Company which shall be invested; (v) for any loss incurred through any bank, broker or other agent; (vi) for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any assets, securities or effects shall be deposited; (vii) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on his part; or (viii) 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 happens through his own fraud or wilful default.

Amendments

Subject to the Cayman Companies Law and the rights attaching to the various Classes or Series of Shares, the Company may at any time and from time to time, by special resolution, alter or amend the Articles and/or the Memorandum in whole or in part.

SHARE SUBSCRIPTION PROCEDURES

Below are the procedures for subscribing for Shares. Investors wishing to subscribe for Limited Partnership Interests are referred to "Partnership Subscription Procedures" on page 90 and the "Subscription Agreement" starting on page 93.

1. APPLICATIONS

Your application to invest in the Shares should be made by sending the printed Application Form together with Appendix B and Appendix C to the address shown at the top of the Application Form.

Investors may request copies of the Application Form from the Administrator. The Administrator must be sent a completed Application Form for each Share issue.

U.S. Persons must also complete the Supplemental Disclosure Form and Declarations for U.S. Persons beginning at page 73 in Part II together with (in the case of both U.S. and non-U.S. Persons) such other documentation as the Directors may from time to time request.

U.S. Taxpayers must also complete and return a properly executed IRS Form W-9 certifying as to their U.S. tax status; all other applicants must complete and return an appropriate, properly executed IRS Form W-8 certifying as to their non-U.S. tax status. Blank forms can be downloaded from http://www.irs.gov/formspubs/.

Applications for an initial purchase of Shares must be for an amount of not less than $100,000, or the euro or sterling equivalent thereof (net of any initial fees and bank charges). Further applications by existing shareholders can be made for any amount. Subscription monies are payable in the currency of the relevant Series being subscribed for. Only the net proceeds (after deduction of the conversion expenses) will be applied towards payment of the subscription monies.

2. PAYMENT BY SWIFT OR TELEGRAPHIC TRANSFER

Applicants may make payment by SWIFT from an account held in the name of the subscribing investor (details of which should be available from your bank). Subscription applications should be received by the Administrator by fax or by post no later than 5.00 p.m. (Dublin time) on the Business Day prior to the relevant Dealing Day. The applicant's bank must be instructed at the time of application to forward the appropriate remittance by the fastest available means to reach the bank listed below by 5.00 p.m. (Dublin time) on the on the Business Day prior to the relevant Dealing Day. The applicant's bank should also be instructed to fax the Administrator with details of the transfer it is making containing the information set out at Appendix A to the Application Form.

Payment, net of charges, should be sent to:

Series A (USD)

Currency: US$

Bank: Citibank, N.A. New York

SWIFT BIC: CITIUS33

Account Name: Cheyne Gl Cr Enhanced Fund Inc

Account Number: 13661091

IBAN: GB82CITI18500813661091

SSIs: Please pay USD [amount] direct via MT103 to Citibank N.A. London (CITIGB2L) for credit to 13661091, Cheyne Gl Cr Enhanced Fund INC with separate cover message (MT202) via your correspondent bank to Citibank, N.A. New York (CITIUS33).

Series B (EUR)

Currency: €

Bank: Citibank N.A. London

SWIFT BIC: CITIGB2L

Account Name: Cheyne Gl Cr Enhanced Fund Inc

Account Number: 13661075

IBAN: GB29CITI18500813661075

SSIs: Please pay EUR [amount] without deduction via direct clearing linkage to Citibank N.A., London (CITIGB2L) for credit to 13661075, Cheyne Gl Cr Enhanced Fund INC or IBAN GB29CITI18500813661075

Series C (GBP)

Currency: GBP

Bank: Citibank N.A. London

Swift: CITIGB2L

Sort Code: 18-50-08

Beneficiary: Cheyne Gl Cr Enhanced Fund Inc

Account Number: 13661083

IBAN: GB07CITI18500813661083

SSIs: Please pay GBP [amount] without deduction via direct clearing linkage to Citibank N.A., London (CITIGB2L) for credit to 13661083, Cheyne Gl Cr Enhanced Fund INC or IBAN GB07CITI18500813661083.

3. GENERAL INFORMATION

Shares will not be finally allotted until the Administrator is satisfied that cleared funds have been received and the net asset value applicable to the relevant Dealing Day has been finalised.

The Company reserves the right to reject any application in whole or in part, in which event the application money or any balance will be returned to the account from which it was received at the risk of the applicant. Any interest earned on such sums will accrue to the Fund.

If the amount paid does not correspond to a specific number of Shares, the Company will issue such number of Shares as is applicable, calculated to four decimal places.

4. CONTRACT NOTES

Contract notes showing details of all transactions, on receipt of a completed Application Form and satisfactory evidence of the identity of the investor, will be sent to investors or their agents promptly following finalisation of the net asset value.

5. INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

Registration - Please write name(s) using block capitals and fill in the address as indicated. Where there are joint applicants, all correspondence will be sent to the first named applicant at that address. If a nominee is appointed, all correspondence will be sent to the nominee.

Investment - All applications must be made in writing using the printed Application Form.

Applications for an initial purchase of Shares must be for an amount of not less than $100,000 or the euro or sterling equivalent thereof (net of any initial fees and bank charges). Further applications by existing shareholders can be made for any amount.

Signature - The Disclosure Statement should be read carefully and signed by the applicant(s) on the appropriate line(s). If any signature is different from the name given for registration purposes, please complete the full name in block capitals and state the capacity in which the Application Form is being signed, where indicated.

Redemption of Shares - Redeeming shareholders must notify the Administrator of the bank account into which redemption proceeds are to be paid (which must be the account from which subscription monies were transferred). Redemption may be requested by fax provided the signed redemption request is received by the Administrator prior to the relevant Dealing Day. If a shareholder wishes to have his redemption proceeds paid into an alternative account, then a request in writing, signed by the shareholder (or his duly authorised agent or attorney), must be received.

In respect of joint holders, redemption requests require the authority of all persons specified in the standing signing authority previously provided by the investor to the Administrator under the terms of the Application Form.

Transmittal and Mailing Instructions - The Application Form should be sent to the address shown on the Application Form.

Queries - All queries regarding the completion of the Application Form should be addressed to the Administrator.

APPLICATION FORM – SHARES*

To: Cheyne Global Credit Enhanced Fund Inc.
c/o Citibank Europe plc
1 North Wall Quay
Dublin 1, Ireland
Attn: Shareholder Services

Fax No: +3531 672 5361
Tel No: +353 1 622 9321

Please use block capitals

FIRST OR SOLE APPLICANT

Name _____

Address _____

_____ Postal Code _____

Country _____ Email Address _____

Tel. No. _____ Fax No. _____

CORRESPONDENCE ADDRESS (if different from above). All correspondence will be sent to the above address, unless the following section is completed.

Name _____

Address _____

_____ Postal Code _____

Country _____ Email Address _____

Tel. No. _____ Fax No. _____

INVESTMENT

Please insert your Shareholder Account Number (if already allocated).....

(Applications received without a Shareholder Account Number will be assigned a number which will appear on the contract note.)

Amount Remitted	*Bank Transfer*
Series A (USD) $_____	☐
Series B (EUR) €_____	☐
Series C (GBP) £_____	☐

* This Application Form must be completed if the subscriber wished to subscribe for Shares. If the subscriber wishes to subscribe for Limited Partnership Interests, please see "Partnership Subscription Procedures" on page 90 and "Subscription Agreement" starting on page 93.

Please complete. The minimum initial investment in respect of the Series A (USD) is $100,000 and the euro and sterling equivalents thereof in the case of the Series B (EUR) and the Series C (GBP) Shares (in each case, net of any bank charges) or such higher amount as the Directors may at their discretion determine generally or in respect of specific applications. Further investments in the Shares may be made in any amount.

I/We confirm payment details for my/our subscription are as follows:

(a) Name and Address of Financial Institution Wiring/Paying Subscription Monies

(b) Name and Number of Account at Financial Institution being debited

Redemption of Shares

Redemption of Shares by telegraphic transfer should be made to the bank listed below:-

Name of Bank _____ _____

City _____ Country _____

Branch Office (and Sort Code) _____ _____

Account Name _____ Account No _____

DISCLOSURE STATEMENT

To: Cheyne Global Credit Enhanced Fund Inc., Citibank Europe plc.

Capitalised terms not otherwise defined herein shall have the meanings provided in the private placement memorandum dated 30 May 2013, as supplemented from time to time (the "Private Placement Memorandum").

(1) If I am/ we are acting as agent, representative or nominee for the account of a third party (the "Beneficial Owner"), I/we acknowledge and agree that the agreements, representations and warranties made by me/us herein are also made for and on behalf of (to the fullest extent possible) the Beneficial Owner and I/we represent and warrant that I/we have all requisite power and authority to enter into this Application Form and the transactions contemplated hereby and that, in so doing, I/we will not be in breach of any laws or regulations of any competent jurisdiction.

(2) I/We hereby acknowledge that I/we have received and considered the current Private Placement Memorandum and that this application is made on the terms thereof and subject to the Memorandum and Articles. I/We acknowledge and agree that the Private Placement Memorandum may be amended by the Directors from time to time and agree that I/we will be bound by any subsequent amendments to the Private Placement Memorandum notified to me/us.

(3) I/We hereby irrevocably apply for such number of Shares (including fractions) at a price determined in accordance with the Private Placement Memorandum. I/We acknowledge that the Company reserves the right to reject any application in whole or in part for any or no reason.

(4) I/We warrant and declare that (i) my/our ordinary business or professional activity includes the buying or selling of investments, whether as principal or agent; or (ii) I individually (or jointly with my spouse) have a net worth in excess of $1,000,000[†]; or (iii) I/we am/are an institution with a minimum amount of assets under discretionary management of $5,000,000.

(5) I/We warrant that: (a) I/we have the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Company and to make an informed decision with respect thereto; (b) I am/we are aware of the risks inherent in investing in the Shares and the method by which the assets of the Company are held and/or traded; and (c) I/we can bear the risk of loss of my/our entire investment.

(6) I/We warrant that I/we have the right and authority to make the investment pursuant to this Application Form and that I/we will not be in breach of any laws or regulations of any competent jurisdiction and I/we hereby indemnify the Company (on its own behalf and on behalf of the General Partner, the Investment Manager, the Investment Adviser, the Portfolio Support Manager, the Administrator and other shareholders) for any loss suffered by them as a result of this warranty/representation not being materially accurate in every respect.

(7) I/We certify that I am/we are ☐ or am/are not ☐ (*tick the appropriate box*) a U.S. Person or investing for the benefit of, directly or indirectly, a U.S. Person. If I am/we are a U.S. Person or investing for the benefit of, directly or indirectly, a U.S. Person, then I/we have also completed and submitted the Supplemental Disclosure Form and Declarations for U.S. Persons set out at Part II of the Private Placement Memorandum.

(8) I/We hereby certify that (a) I/we will not, subject to the conditions set forth in the Private Placement Memorandum, sell or offer to sell or transfer Shares in the United States or to or for the direct or indirect benefit of a U.S. Person; (b) I/we will be acquiring the Shares for investment and not with a view to or a present intention of distribution or resale to others; and (c) I/we understand that (i) the Company has not been and will not be registered under the 1940 Act, (ii) the Shares have not been, and will not be, registered under the 1933 Act, and (iii) the Shares have not been qualified under the securities laws of any state of the United States and, absent approval by the Directors and except as permitted under the 1933 Act, the 1940 Act and any applicable state securities laws, the Shares may not be offered, sold or transferred in the United States or to or for the benefit of, directly or indirectly, any U.S. Person. I/We will notify the Company prior to any proposed sale or other transfer of any Shares or any beneficial interest therein. I/We understand and agree that my/our right to transfer any Shares shall be subject to the approval of the Company, which may be granted or withheld in the Company's sole discretion. I/We agree that the Company may refuse any transfer without reason or condition any transfer in any way.

(9) Except as set forth in the Private Placement Memorandum, or the documents referred to therein, no representations or warranties have been made to me/us by the Company or Partnership or any agent, employee or affiliate of either; and in entering into this transaction, I am/we are not relying upon any information other than that contained in the Private Placement Memorandum or the documents referred to therein, and the results of my/our own independent investigation. I/We confirm that the Shares were not offered to me/us by any means of general solicitation or general advertising. I am/We are not purchasing Shares (i) as a result of or subsequent to becoming aware of any advertisement, article, notice or other

[†] In calculating net worth, indebtedness secured by the person's primary residence, up to the fair market value of the primary residence at the date of this document, shall not be included as a liability (except that if the amount of such indebtedness exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability).

communication published in any newspaper, magazine or similar medium, generally available electronic communication, broadcast over television or radio or generally available to the public on the internet; (ii) as a result of or subsequent to attendance at a seminar or meeting called by any of the means set forth in (i); or (iii) as a result of or subsequent to any solicitations by a person not previously known to me/us in connection with investments in securities generally. Moreover, I/we confirm that we have received no representations, warranties or written communications with respect to the offering of Shares other than those contained in the Private Placement Memorandum.

(10) I/We will hold Shares on behalf of a U.S. Taxpayer: Yes ☐ No ☐ (*tick the appropriate box*)

Note: It is likely that investment in the Company will not appeal to persons who are taxable U.S. Taxpayers. If they nevertheless wish to invest they must tick the "yes" box above.

If the "yes" box is ticked, I/we have reviewed the disclosures relating to U.S. taxation set forth in Part II: Additional Information for U.S. Investors – U.S. Tax Considerations and I/we understand the U.S. tax consequences of such an investment. I/We agree to provide the Company with such additional tax information as it may from time to time request. **Note: U.S. Taxpayers must provide a properly executed IRS Form W-9; all other applicants must provide properly executed and appropriate IRS Form W-8.** ***Failure to furnish requested information may subject a subscriber to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or compulsory redemption of such subscriber's Shares.***

(11) (a) I/We declare that the entity hereby subscribing for Shares is ☐ or is not ☐ (*tick the appropriate box*) a Benefit Plan Investor or investing on behalf of or with any assets of a Benefit Plan Investor.

(b) I/We declare that the entity hereby subscribing for Shares is ☐ or is not ☐ (*tick the appropriate box*) an entity whose underlying assets include plan assets by reason of a plan's investment in the entity. (Such entities must contact the Administrator.) If I am/we are such an entity, the maximum percentage of the entity's assets that it is anticipated might constitute Benefit Plan Investor assets during the period of its investment is:

_____ per cent.

I/We undertake to notify the Administrator within five calendar days in writing if I/we know or expect that such maximum percentage has been or is likely to be exceeded.

(c) If I am/we are a Benefit Plan Investor, or am/are acting on behalf of, or investing with any assets of, a Benefit Plan Investor or a governmental plan or non-electing church plan, then, to the extent applicable, (i) I am/we are aware of and have taken into consideration the diversification requirements and other fiduciary duties under Section 404(a)(1) of ERISA, or other similar applicable law; (ii) I/we have concluded that my/our proposed investment in the Company is a prudent one; (iii) the fiduciary or other person signing the Application Form is independent of the investment adviser(s) to the Company, the Directors, any intermediaries who have marketing agreements with the Company, the General Partner and any of their affiliates, and has not relied upon any investment advice or recommendation of any such person as a basis for the decision to invest in the Company; (iv) this subscription and the investment contemplated hereby are in accordance with all requirements applicable to the plan under its governing instruments and under ERISA, the Code, and/or other similar applicable law; (v) I/we represent and warrant that my/our acquisition and

holding of Shares does not and will not constitute or result in a non-exempt prohibited transaction under ERISA or Code Section 4975, or a violation of any similar applicable law; and (vi) I/we acknowledge and agree that none of the Investment Manager, the Investment Adviser, the Directors or the General Partner shall be a "fiduciary" (within the meaning of Section 3(21) of ERISA, Section 4975 of the Code or other similar applicable law) with respect to any assets of the plan by reason of my/our investment in the Company.

(12) I/We declare that I/we am/are ☐ or am/are not ☐ (*tick the appropriate box*) a person (including an entity) that has discretionary authority or control with respect to the assets of the Fund or a person who provides investment advice with respect to Fund assets, or an "affiliate" of such a person. For purposes of this representation, an "affiliate" is any person controlling, controlled by or under common control with the Fund or any of its investment advisers (including the Investment Manager and the Investment Adviser), including by reason of having the power to exercise a controlling influence over the management or policies of the Fund or its investment adviser(s) (including the Investment Manager and the Investment Adviser).

(13) If I am/we are a commodity pool, my/our investment is directed by an entity which is (i) not required to be registered in any capacity with the CFTC or to be a member of the National Futures Association ("NFA"); (ii) exempt from such registration; or (iii) duly registered with the CFTC in an appropriate capacity or capacities and is a member in good standing of the NFA.

(14) I am/We are or any of my/our affiliates are derivative or structured product providers and I am/we are investing as part of a derivative or structured product program:

Yes ☐ No ☐ (*tick the appropriate box*)

If the "Yes" box is ticked, I/we have provided on a separate sheet an overview of the key economic terms of the structured product to be supported by this investment and I/we represent and warrant that neither I/we nor any of my/our affiliates will enter into or issue any derivative or structured product (each a "Structured Product"), the return on which is based, directly or indirectly, in whole or in part, on the value of the Company or my/our Shares, with or to any entity (each, a "Structured Product Investor"), such that (i) the Structured Product Investor (and, where the Structured Product is held by the Structured Product Investor on behalf of any underlying beneficial owner, such underlying beneficial owner) would be: (1) a beneficial owner of Shares for purposes of the 1940 Act, unless such Structured Product Investor (and, where applicable, underlying beneficial owner) is either (A) both a "qualified purchaser" as defined in Section 2(a)(51) of the 1940 Act and the rules thereunder and an "accredited investor" as defined in Rule 501(a) in Regulation D under the 1933 Act or (B) not a U.S. Person; or (2) a holder of Shares who is a Benefit Plan Investor; and (ii) the sale of the Structured Product or the purchase of the Structured Product by any Structured Product Investor (and, where the Structured Product is held by the Structured Product Investor on behalf of any underlying beneficial owner, such underlying beneficial owner) would result in any violation by the Company and/or any investment adviser to the Company of any laws or regulations in any jurisdiction.

If the "No" box is ticked, I/we represent and warrant that neither I/we nor any of my/our affiliates will enter into or issue any Structured Product, the return on which is based, directly or indirectly, in whole or in part, on the value of the Company or my/our Shares.

(15) I/We acknowledge that due to anti-money laundering requirements operating within its jurisdiction, the Administrator may require proof of identity as described in the Private Placement Memorandum (or any other information required by the Administrator) before the application can be processed or redemption proceeds can be paid and the Company (on its

own behalf and on behalf of the Directors, the Investment Manager, the Investment Adviser and the Administrator) shall be held harmless and indemnified against any loss ensuing due to the failure to process this application, if such information as has been required has not been provided by me/us. In order to comply with the anti-money laundering regulations applicable to the Company and the Administrator, Appendix A to this Application Form must be completed by the financial institution which will be remitting the subscription money on behalf of the subscriber.

Please provide the application AML documentation as detailed in the notes on "Anti-Money Laundering and Know-Your-Customer Documentation attached to this Application Form.

(16) I/We acknowledge that measures aimed at the prevention of money laundering and terrorist financing will require the verification of my/our identity, address and source of funds and in certain circumstances of the relevant beneficial owner. In addition, this also requires the ongoing monitoring of the business relationship between the me/us and the Administrator. I/We also acknowledge that the commencement of a business relationship with politically exposed persons, commonly referred to as PEPs, requires a higher level of scrutiny. A PEP is an individual who is or has, at any time in the preceding 12 months, been entrusted with a prominent public function, his/her immediate family members and/or close associates of such person.

PEP Confirmation

I/We confirm that I am/we are a PEP Yes ☐

No ☐

In the case of an incorporated applicant, we confirm that our beneficial owner(s) is/are PEPs

Yes ☐

No ☐

Source of Funds

If you have answered "Yes" to the previous question, please confirm the following:

My/our source of funds is from (*please tick as appropriate*)

Income ☐

Savings ☐

Gift or inheritance ☐

Proceeds of a sale ☐

If your source of funds is not covered in any of the categories above please briefly specify them below: **(Please complete fully as incomplete applications may be rejected)**

I/we acknowledge that the Administrator reserves the right not to issue Shares until such time as the Administrator has received and is satisfied with all the information and documentation

requested to verify my/our identity, address, PEP status and source of funds. I/we also acknowledge that the Administrator shall be held harmless by me/us against any loss suffered by the Administrator arising as a result of a failure to process its application for Shares if such information and documentation as has been requested by the Administrator has not been provided by me/us. I/we also confirm that if its status changes, I/we will alert the Administrator.

(17) I/We acknowledge and agree that Shares may not be issued until such time as the Administrator has received and is satisfied with all the information and documentation requested to verify my/our identity. Where, at the sole discretion of the Administrator, Shares are issued prior to the Administrator having received all the information and documentation required to verify my/our identity, I/we will be prohibited from redeeming any Shares so issued, and the Company or the Administrator on its behalf reserves the right to defer any redemption or payment or distribution to me/us, until such time as the Administrator has received and is satisfied with all the information and documentation requested to verify my/our identity.

(18) I/We accept that the Company has authority to redeem a portion of my/our investments in the Company and to pay the proceeds to the General Partner as part of any Performance Allocation payable in accordance with the provisions of the Private Placement Memorandum.

(19) I/We hereby confirm that the Company, the Directors and the Administrator are each authorised and instructed to accept and execute any instructions in respect of this application and the Shares to which it relates given by me/us by facsimile. We hereby acknowledge and agree that neither the Fund nor the Administrator shall be responsible for any mis-delivery or non-receipt of any fax if they have not acknowledged receipt thereof. Faxes sent to the Fund or the Administrator shall only be effective when actually acknowledged by the Fund or the Administrator. In the event that no acknowledgement is received from the Administrator within five days of submission of the request, I/we agree that I/we should contact the Administrator on +353 1622 9321 to confirm receipt by the Administrator of the request. I/We hereby indemnify the Company (on its own behalf and on behalf of the Directors and the Administrator) and agree to keep each of them indemnified, against any loss of any nature whatsoever arising to each of them as a result of any of them acting or failing to act on facsimile instructions. The Company, the Directors and the Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instructions or other instrument believed, in good faith, to be genuine or to be signed by properly authorised persons.

(20) I/We hereby designate and appoint the General Partner with full power of substitution as my/our true and lawful proxy for the purpose of voting the Shares subscribed for herein or otherwise acquired as such proxy may determine on any and all matters which may arise at any meeting of shareholders and upon which such Shares could be voted by shareholders present in person at such meeting. This proxy may be revoked by the owner of record of the Shares hereby subscribed for, either personally or by presentation of a subsequently executed proxy at any meeting of shareholders or by written notice to the General Partner at the above address (or such other address as the Company or the General Partner shall furnish in writing to a shareholder) received prior to any such meeting.

(21) I/We consent to details relating to my/our application and holdings being disclosed to the Investment Manager, the Portfolio Support Manager, the Investment Adviser and any company which may carry out marketing and/or investor servicing duties in respect of the Fund. I/We consent to the disclosure of any information in this application, and any other information furnished to the Company, to any of its service providers, to any to its duly authorised agents, governmental authority, self-regulatory organisation, or, to the extent required by law, to any other person.

(22) I/We acknowledge that certain laws and regulations may require disclosure of my/our identity (and other details) under some circumstances and such disclosures may be a matter of public record. I/We hereby consent to such disclosure.

(23) I/We acknowledge that I/we will indemnify and hold harmless the Company (on its own behalf and on behalf of the Investment Manager, the Investment Adviser and the Administrator and their respective directors, officers and employees) against any loss, liability, cost or expense (including without limitation attorneys' fees, taxes and penalties) which may result, directly or indirectly, from any misrepresentation or breach of any warranty, condition, covenant or agreement set forth herein or in any other document delivered by me/us to the Company.

(24) I/We hereby acknowledge and agree that the Company or the Administrator as its delegate may deliver and make reports, statements and other communications available in electronic form, such as email or by posting on a web site.

(25) In signing this Application Form, I/we hereby consent to the Company and its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the personal information contained in this Subscription Agreement, as well as any other personal information furnished in connection with the investment in the Company (the "Information"):

(i) to manage and administer the Subscriber's holding in the Company and any related accounts on an on-going basis and in connection with registration and transfer agency services provided to the Company, data storage and maintenance;

(ii) for any other specific purposes where the Subscriber has given specific consent to do so;

(iii) to carry out statistical analysis and market research;

(iv) for the prevention of money laundering, financing of terrorism and fraud and to comply with legal or regulatory requirements applicable to the Company or the Subscriber or any service providers to the Company (including statutory reporting obligations to the Central Bank of Ireland, the Irish Revenue Commissioners or other relevant regulators);

(v) for disclosure or transfer whether in Ireland or countries outside Ireland and the European Union, including, without limitation, the United States and India, which may not have data protection laws or have data protection laws that do not provide the same level of protection as EU data protection law, to third parties including the Subscriber's financial advisor (where appropriate), regulatory bodies, the Central Bank of Ireland, the Irish Revenue Commissioners or other relevant regulators, auditors, technology providers or to the Company and its delegates, including the Administrator, and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above, provided that any such transfer will only be carried out for the purposes described above or as otherwise required by law or regulation, and in accordance with applicable data protection legislation; and

(vi) for other legitimate business interests of the Company.

By signing this Application Form, I/we consent (to the extent required) to the processing of the Information relating to me/us, including the transfer of the Information outside the EEA, in the manner outlined above. To the extent that the Information relates to another individual, I/we warrant that I/we have been authorised by that individual to provide the Information to

the Company and where necessary to consent on that individual's behalf to the use of the Information as relates to that individual, including the transfer of the Information outside the EEA, in the manner outlined above.

I/We hereby acknowledge my/our right of access to and the right to amend and rectify my/our personal data, as provided herein.

I/We consent to the recording of telephone calls made to and received from me/us by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

(26) I/We hereby undertake and agree that I/we will not at any time, unless such action is recommended by the Directors, whether before, during or after the time which I/we hold shares of the Company, apply to or petition any court for, or take any other action to commence, the winding up and/or dissolution of the Company.

(27) I/We represent that I/we have not requested, agreed to receive or accepted any financial or other benefit in any form (a "Benefit"):

(a) intending that in consequence of such Benefit I/we would perform improperly any relevant activity or function relating to this investment;

(b) where such request or acceptance of the Benefit itself constitutes the improper performance by me/us of any relevant activity or function relating to this investment;

(c) where such request or acceptance of the Benefit is a reward for the improper performance by me/us of any relevant activity or function relating to this investment; and/or

(d) where in anticipation or in consequence of such request, agreement to receive or acceptance of the Benefit by me/us any relevant function or activity relating to this investment has been performed improperly.

For the avoidance of doubt, any request for, agreement to receive or acceptance by me/us of any reasonable and proportionate corporate hospitality in connection with the making of the investment shall not constitute a Benefit.

(28) If the subscriber is more than one person, the obligations of the subscriber shall be joint and several and the agreements, representations, warranties and acknowledgments herein contained shall be deemed to be made by and be binding upon each such person and his respective heirs, executors, administrators, successors, legal representatives and assigns.

(29) If I am/we are a segregated portfolio company, series company or similar company or other similar form of organisation (including, *inter alia*, a trust or contractual arrangement), I/we agree, represent and warrant that each agreement, representation and warranty in this Application Form is made, true and correct with respect to both the company or other organisation and each, cell, portfolio, series or other similar part or account.

(30) I/We acknowledge that neither Akin Gump LLP nor Mourant Ozannes represents me/us with respect to my/our investment in the Company (including my/our decision to invest in the Company) or the on-going operations of the Fund, and that I/we have been advised to consult my/our own counsel. I/We further acknowledge that I/we have read and understand the disclosures in the Private Placement Memorandum relating to Akin Gump LLP and Mourant Ozannes, including the potential conflicts that may arise in connection with Akin Gump LLP's and/or Mourant Ozannes' representation of the Fund.

(31) I/We hereby acknowledge and agree that in the event that any dispute or controversy arises between me/us and the Fund, or between me/us and the Investment Manager, the Investment Adviser and/or any of their affiliates that Akin Gump LLP represents, then I/we agree that Akin Gump LLP may represent the Fund or the Investment Manager or Investment Adviser and/or their respective affiliates in any such dispute or controversy to the fullest extent permitted by applicable law, regulation or professional rules in the relevant jurisdictions and I/we hereby consent to such representation. I/We hereby acknowledge and agree that in the event that any dispute or controversy arises between me/us and the Fund, then I/we agree that Mourant Ozannes may represent the Fund in any such dispute or controversy to the fullest extent permitted by applicable law, regulation or professional rules in the relevant jurisdictions and I/we hereby consent to such representation.

(32) The U.S. Foreign Account Tax Compliance Act and the regulations (whether proposed, temporary or final), including any subsequent amendments, and administrative guidance promulgated thereunder (or which may be promulgated in the future) ("FATCA") impose or may impose a number of obligations on the Fund. In this regard:

(a) I/We acknowledge and agree that, in order to comply with the provisions of FATCA and avoid the imposition of U.S. federal withholding tax, the Fund and its agents, including, but not limited to, the Investment Manager, the Investment Adviser, the Directors and the Administrator, may, from time to time and to the extent provided under FATCA, (i) require further information and/or documentation from me/us, which information and/or documentation may (A) include, but is not limited to, information and/or documentation relating to or concerning me/us, my/our direct and indirect beneficial owners (if any), any such person's identity, residence (or jurisdiction of formation) and income tax status, and (B) need to be certified by me/us under penalties of perjury, and (ii) provide or disclose any such information and documentation to the IRS or other governmental agencies of the United States.

(b) I/We agree that I/we shall provide such information and/or documentation concerning me/us and my/our direct and indirect beneficial owners (if any), as and when requested by the Fund or any of its agents or the Directors, as the Fund or any of its agents or the Directors, in its or their sole discretion, determine is necessary or advisable for the Fund to comply with its obligations under FATCA.

(c) I/We agree to waive any provision of law of any non-U.S. jurisdiction that would, absent a waiver, prevent the Fund's compliance with FATCA, including, but not limited to, my/our provision of any requested information and/or documentation.

(d) I/We acknowledge that if I/we do not timely provide the requested information and/or documentation or waiver, as applicable, the Fund may, at its sole option and in addition to all other remedies available at law or in equity, immediately or at such other time or times, withdraw all or a portion of my/our investment, prohibit in whole or part me/us from participating in additional investments and/or deduct from my/our account and retain amounts sufficient to indemnify and hold harmless the Partnership and its agents, including, but not limited to, the Investment Manager, the Investment Adviser, the Directors and the Administrator, or any other subscriber/investor, or any partner, member, shareholder, director, manager, officer, employee, delegate, agent, affiliate, executor, heir, assign, successor or other legal representative of any of the foregoing persons, from any and all withholding taxes, interest, penalties and other losses or liabilities suffered by any such person on account of my/our failure to timely provide any requested information and/or documentation; provided that the foregoing indemnity shall be in addition to and supplement any other indemnity provided under this Application Form.

(e) I/We acknowledge that the Fund, in consultation with the Investment Manager, will determine in its sole discretion, whether and how the Fund shall comply with

FATCA, and any such determinations shall include, but not be limited to, an assessment of the possible burden to subscribers, the Fund and the Administrator of timely collecting information and/or documentation.

(f) I/We acknowledge and agree that I/we shall have no claim against the Fund and its agents, including, but not limited to, the Investment Manager, the Investment Advisers and the Administrator, the Directors or any other subscriber/investor, or any partner, member, shareholder, director, manager, officer, employee, delegate, agent, affiliate, executor, heir, assign, successor or other legal representative of any of the foregoing persons, for any damages or liabilities attributable to any FATCA compliance related determinations pursuant to this paragraph 34; provided that the foregoing indemnity shall be in addition to and supplement any other indemnity provided under this Application Form.

(33) I/We hereby agree to notify the Company promptly of any changes in the foregoing representations which may occur prior to or following an investment in the Company. I/We further agree that the representations and warranties made herein will be deemed to be reaffirmed by me/us at any time I/we make an additional investment in the Company and the act of making such additional investments will be evidence of such reaffirmation. I/We acknowledge that the General Partner on behalf of the Partnership may from time to time establish entities for investment or other purposes. I/We agree that the representations made herein as well as any notifications or reaffirmations I/we make may be relied upon by such entities in the event that interests in such entities are distributed to me/us by the Fund as part of a dividend, distribution, redemption proceeds payment or otherwise as if such representations were made directly to such entity.

(34) I/We agree that this Application Form shall be governed by the laws of and subject to the nonexclusive jurisdiction of the courts of the Cayman Islands. I/We further agree that this Application Form is entered into in Ireland.

(35) I/We represent that the following individual or individuals are authorised to act on my/our behalf to give and receive instructions between the Company (or its representatives, including the Administrator) and me/us. Such individuals are the only persons so authorised until further written notice, signed by one or more of such individuals, and delivered to the Administrator.

Name	Specimen Signature
_____	_____
_____	_____
_____	_____

The undersigned agree to notify the Company promptly of any changes in the foregoing information which may occur prior to or following investment in the Company.

IN WITNESS WHEREOF, I/we have executed this application as a deed as of the date indicated below.

SIGNATURE: _____ **NAME:** _____

TITLE OF AUTHORISED SIGNATORY: _____ **DATE:** _____

JOINT APPLICANTS (if applicable)

	NAME:	SIGNATURE:	DATE:
1.			
2.			
3.			

NOTES:

(1) A corporation should affix its common seal or execute under the hand of a duly authorised official who should state his representative capacity.

(2) The application may be completed by a duly authorised agent on behalf of the applicant(s). Such person represents and warrants that he is duly authorised to sign this form and thereafter to redeem Shares on behalf of the applicant(s).

(3) Applicants who are unable to make the above Disclosure Statement may still be able, in certain circumstances, to subscribe for Shares, but they should contact the Administrator for details first.

(4) If the Application Form is not completed to the satisfaction of the Administrator the application may not be accepted.

Anti-Money Laundering and Know-Your-Customer Documentation

The following AML material must be provided to the Administrator, as applicable, in relation to the investor's application:

(*Please note: In certain limited circumstances the documentation requirements described below may be reduced. The Administrator will advise applicants if the circumstances apply on an individual basis.*)

A If the applicant is a natural person please provide the following to the Administrator along with the application:

(a) a certified** copy of your passport (or national identity card) showing the photograph and signature; and

(b) two items of proof of address: for example an original or certified** copy of a recent utility bill or bank statement (not more than 3 months old).

**All certified copies should be true-ink and certified by a notary public, solicitor, company registrar or any person so authorised under the laws of your country or domicile.

B If the applicant is a corporation please complete the section below providing details of the corporation's directors and the documents detailed below to the Administrator along with the application:

(a) Name …….....

Residential Address …….....

Business Address …….....

Occupation …… Date of Birth

(b) Name …….....

Residential Address …….....

Business Address …….....

Occupation …… Date of Birth

(c) Name …….....

Residential Address …….....

Business Address …….....

Occupation …… Date of Birth

(d) Name …….....

Residential Address …….....

Business Address …….....

Occupation …… Date of Birth

Additional directors' details should be supplied on a separate sheet of paper. The Administrator should be notified of any change in the directors.

Please also provide the following documentation:

(a) copy of certificate of incorporation (or equivalent);

(b) copy of memorandum and articles of association (or equivalent document showing registered corporate office);

(c) copy of the corporation or entity's list of authorised signatories;

(d) in respect of two directors or one director and one authorised signatory:

(i) a certified** copy of their passport (or national identity card) showing the photograph and signature; and

(ii) two items of proof of address: for example an original or certified** copy of a recent utility bill or bank statement (not more than 3 months old).

(e) in respect of its shareholders:

(i) a list of all shareholders holding more than 20 per cent. of its issued share capital detailing their names, addresses, occupation and dates of birth; and

(ii) for all shareholders holding more than 20 per cent. of its issued share capital please provide:

- a certified** copy of their passport (or national identity card) showing the photograph and signature; and
- two items of proof of address: for example an original or certified** copy of a recent utility bill or bank statement (not more than 3 months old).

If the corporation is either listed on a recognised exchange or is a regulated entity then it should provide proof of such listing or regulation, an authorised signatory list and complete the sections above providing details of its directors, in lieu of items (a) to (e).

If the corporation is itself an investment fund then it should provide the documentation listed under Investment Funds below.

C If the applicant is a limited partnership or LLC then please supply the following documentation:

(a) copy of certificate of establishment (or equivalent);

(b) copy of limited partnership agreement or LLC operating agreement (clearly showing registered office address of the applicant);

(c) copy of the applicant's list of authorised signatories;

(d) in respect of the general partner / managing member / directors (whichever is applicable);

(i) a certified** copy of their passport (or national identity card) showing the photograph and signature; and

(ii) two items of proof of address: for example an original or certified** copy of a recent utility bill or bank statement (not more than 3 months old).

(e) in respect of its limited partners / members:

(i) a list of all limited partners / members holding more than 20 per cent. of its issued limited partnership or membership interests detailing their names, addresses, occupation and dates of birth; and

(ii) for all limited partners / members (whichever is applicable) holding more than 20 per cent. of its issued limited partnership or membership interests:

- a certified** copy of their passport (or national identity card) showing the photograph and signature; and
- two items of proof of address: for example an original or certified** copy of a recent utility bill or bank statement (not more than 3 months old).

If the applicant is either listed on a recognised exchange or is a regulated entity then the applicant should provide proof of such listing or regulation, a list of directors, such list to include name, address, date of birth and occupation, an authorised signatory list and complete the sections above providing details of its directors, in lieu of items (a) to (e).

If the applicant is itself an investment fund then the applicant should provide the documentation listed under Investment Funds below.

The Administrator may also, without limitation, seek confirmation of shareholders, limited partners or members (whichever is applicable) and require additional information and/or documentation relating to the directors, general partner or managing member (whichever is applicable).

D If the applicant is a trust, then please provide the following information:

(a) certified copy of true ink copy of the trust deed;

(b) name of the trustee and the settler (if not detailed in (a) above;

(c) a list of all beneficiaries including the name, permanent address, nationality, occupation and date of birth of each beneficiary;

(d) in respect of the settlor (owing more than 20 per cent.) and trustees which are natural persons please provide a certified copy of his/her passport or driver's license and original or certified true ink copies of two proofs of address;

(e) in respect of the settlor (owing more than 20 per cent.) and trustees which are corporate entities please provide all the same for a corporate applicant as described above;

(f) copy of the entity's list of authorised signatories; and

(g) list and identification documents of beneficiaries holding 20 per cent. or more of the capital.

E If the application is an Investment Fund please provide the following:

(a) copy of the certificate of incorporation (or local equivalent document);

(b) copy of the memorandum & articles of association (or local equivalent document) including the registered address;

(c) copy of the investment fund's prospectus;

(d) name and address of the investment fund's administrator and investment manager / adviser (if not detailed in the prospectus);

(e) copy of the authorised signatory list;

(f) letter of comfort from the investment fund's administrator confirming that the administrator is based in an Approved Country* and verifying that they have indentified the investors in the investment fund; and

(g) list of the beneficial owners holding 20 per cent. or more of the issued share capital of the investment fund.

* As of the date hereof, Approved Countries are: Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Guernsey, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and the United States of America.

APPENDIX A

PLEASE GIVE THIS LETTER TO YOUR FINANCIAL INSTITUTION AND HAVE THEM RETURN IT TO THE ADMINISTRATOR AT THE SAME TIME THAT THE SUBSCRIPTION MONEY IS WIRED.

SAMPLE LETTER

[*to be placed on letterhead of the financial institution remitting payment*]

Date

Via mail and facsimile: +353 1 672 5361

Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

Attn: Shareholder Services

Dear Sirs

RE: CHEYNE GLOBAL CREDIT ENHANCED FUND L.P./ CHEYNE GLOBAL CREDIT ENHANCED FUND INC.

1. Name of Remitting Financial Institution:
2. Address of Remitting Financial Institution:
3. Name of Customer:
4. Address of Customer:
5. We have credited your account at [Bank], Account Number [*number*] for [*amount*] by order of [*subscriber*] on [*date*].

The above information is given in strictest confidence for your own use only and without any guarantee, responsibility or liability on the part of this institution or its officials.

Yours faithfully,

Signed: _____

Full Name: _____

Position: _____

APPENDIX B

Investor Source of funds Information

To comply with the requirements of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, you are required to provide information to confirm the source of funds and source of wealth in respect of the amount you are investing. This checklist must be signed and dated by either the investor(s) or the intermediary.

Please fully complete the appropriate sections and associated details below.

Individual Investors: Please ensure that both A and C below are fully completed

Corporate Investors: Please ensure that both B and C below are fully completed

A Individuals (to be completed in respect of single and joint applicants)

Occupation	
Employer (omit if retired)	
Annual Income (omit if retired)	

(i) Source of funds

☐	Income		
☐	Savings		
☐	Inheritance	Benefactor	
		Date	
☐	Sale of existing assets	Type of assets sold	
☐	Other	Please specify	

(iii) Details of Additional Assets Held

☐	Cash	Value	
☐	Property	Value	
☐	Shares/Bonds	Value	
☐	Other (Details)		
☐	None		

(iii) Investor's net worth (total assets less liabilities) In respect of joint applicants, combined total net worth

☐	USD/EUR 100,000 to 500,000	☐	USD/EUR 1,000,001 to 1,250,000
☐	USD/EUR 500,001 to 1,000,000	☐	More than USD/EUR 1,250,000

B Corporate

Please provide one of the following

(i) an original document or certified true copy of latest audited financial statements, or

(ii) an original document or certified true copy of latest financial statements, or

(iii) confirmation that (i) or (ii) are not produced plus details of the corporate's:

1. Activities and nature of business activity

2. Annual net profits for previous and current financial years and net assets at end of current and previous financial years

3. Anticipated level of investment in products offered by Citi in the coming 12 months

C This checklist must be signed and dated by the investor(s) or the intermediary

Prepared by (capitals)	
Name of investor	
or Name of intermediary	
Signature	
Date	

APPENDIX C

Ultimate Beneficial Ownership Form

Ultimate Beneficial Owners are individuals who directly, or indirectly, hold ownership or control of 25 per cent. or more of the shares or voting rights in an entity, or otherwise exercise control over the management of the entity.

Notes to help with completion:

1. Please ensure the form is fully completed and, in the case of a corporate entity, please sign in accordance with the authorised signatory list.

2. Please note this form does not need to be completed by entities regulated for AML purposes in Irish prescribed Jurisdictions.

3. Individual investors only need to complete this form if monies for the investment are coming from a joint bank account and the second person has not signed the subscription document.

4. For all other investments, please complete either A ***or*** B as applicable and sign below:

For all other investments, please tick either A ***or*** B as applicable and sign below:

A. There are ***no*** Ultimate Beneficial Owners owning 25% or more at this time	☐
B. The Ultimate Beneficial Owner(s) owning 25% or more ***are*** known at this time	☐

If you have ticked (B) please provide detail of Ultimate Beneficial Owner(s) below:

Name	Address	Date of Birth	% Holding

Signature One; **Signature Two;**

Please return this form duly completed with the subscription document.

Signed by;		**Signed by;**	
Date:		**Date:**	

Note: Citibank Europe Plc (Citi) will be unable to place a subscription trade until the Ultimate Beneficial Owners have been confirmed.

REQUEST FOR WITHDRAWAL/REDEMPTION

Via facsimile: +353 1 6725361

Cheyne Global Credit Enhanced Fund
c/o Citibank Europe plc
1 North Wall Quay
Dublin 1, Ireland
Attn: Shareholder Services

Dear Sir/Madam:

The undersigned investor in (*check one*)

_____ Cheyne Global Credit Enhanced Fund L.P. (the "Partnership")

_____ Cheyne Global Credit Enhanced Fund Inc. (the "Company")

hereby requests to withdraw/redeem that portion of its limited partnership interests in the Partnership (the "Limited Partnership Interests") or shares of the Company (the "Shares"), as applicable, as is indicated below (check one):

_____ all of the investor's outstanding Limited Partnership Interests or Shares, as applicable.

_____ a partial withdrawal/redemption of the investor's outstanding Limited Partnership Interests or Shares, as applicable, in the amount of (please round to four decimal places): _____ (figures), _____(words).

_____ a partial cash withdrawal/redemption of the investor's outstanding Limited Partnership Interests or Shares, as applicable, having a net asset value at the time of withdrawal/redemption of US$/Euro/GBP _____ (figures), _____ _____(words).

as of the next available withdrawal/redemption date (the "Redemption Date") following receipt of this letter.*

_____

Registered Holder Name

_____

Shareholder Account #	Trade Date Requested	Class or Series of Limited Partnership Interests/Shares

* This Request for Withdrawal/Redemption must be received at least 30 days prior to a Dealing Day or such longer or shorter notice period as the Directors may, in their discretion, determine generally or in respect of specific applications. Requests for withdrawal/redemption must be unconditional. Notices of Withdrawals/Redemptions are irrevocable by the investor subject to the Directors' discretion.

Please provide Bank Wiring Instructions for the account to which the cash proceeds of the withdrawal/redemption may be sent by wire transfer:

Name of Bank	Address of Bank
Account Number	ABA Number/SWIFT Address
Name Under Which Account Is Held	

Note: Withdrawal/Redemption proceeds shall be paid to the same account from which the investor's investment was originally remitted, unless the Directors agree otherwise.

Very truly yours,

Signature of Investor	Address of Investor
(Print name)	
	Mailing Address