

Name of Recipient: Greenwich Alternative Investments Copy Number: 194__

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
dated January 1, 2011
of

STONE MOUNTAIN PARTNERS, LTD.
(A British Virgin Islands Business Company)

This Confidential Private Placement Memorandum (this “Memorandum”) is provided to you on a confidential basis solely in connection with your consideration of an investment in shares (the “Shares”) of Stone Mountain Partners, Ltd., a British Virgin Islands business company (the “Fund”). *This Memorandum may not be reproduced in whole or in part without the prior written consent of the Fund’s Investment Manager, Chi-Rho Financial, LLC (the “Investment Manager”).*

Securities Offered: Redeemable Voting Shares, par value \$0.01

Price Per Share: Net Asset Value

Minimum Subscription per Investor: US \$100,000

Investment Manager:
Chi-Rho Financial, LLC
3295 River Exchange Drive, Suite 275
Norcross, GA 30092

Administrator:
Trident Fund Services (B.V.I.) Limited
Trident Chambers, PO Box 146
Waterfront Drive, Wickhams Cay
Road Town, Tortola, British Virgin Islands

THESE SECURITIES ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK.

THESE SECURITIES HAVE NOT BEEN REGISTERED OR APPROVED BY ANY REGULATORY AUTHORITY. THEY ARE SUBJECT TO RESTRICTION ON TRANSFER AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER APPLICABLE LAW AND THE FUND’S GOVERNING DOCUMENTS.

THE SHARES OFFERED HEREBY WILL BE ISSUED ONLY ON THE BASIS OF THE INFORMATION IN THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND ANY ATTACHMENTS HERETO. NO OTHER INFORMATION ABOUT THE FUND HAS BEEN AUTHORIZED. ANY INVESTMENT IN THE FUND ON THE BASIS OF INFORMATION THAT IS NOT CONTAINED, OR WHICH IS INCONSISTENT WITH, THE INFORMATION HEREIN SHALL BE SOLELY AT THE RISK OF THE BUYER. THE DELIVERY OF THIS MEMORANDUM DOES NOT IMPLY THAT ANY INFORMATION HEREIN IS CORRECT AT ANY TIME AFTER THE DATE OF THIS MEMORANDUM.

PURSUANT TO AN EXEMPTION FROM THE COMMODITY FUTURES TRADING

COMMISSION ("CFTC"), THE MANAGER IS NOT REQUIRED TO REGISTER WITH THE CFTC AS A COMMODITY POOL OPERATOR ("CPO"). UNLIKE A REGISTERED CPO, THE MANAGER IS NOT REQUIRED UNDER APPLICABLE CFTC REGULATIONS TO DELIVER TO FUND INVESTORS A REGULATORY DISCLOSURE DOCUMENT OR CERTIFIED ANNUAL REPORTS. THE CFTC HAS NOT REVIEWED, APPROVED OR OTHERWISE PASSED UPON THE ADEQUACY OF THIS MEMORANDUM OR UPON THE MERITS OF INVESTING IN THE FUND. AMONG OTHER REQUIREMENTS OF THE EXEMPTION, THE MANAGER WILL PERMIT ONLY CERTAIN QUALIFIED INVESTORS TO PARTICIPATE IN THE FUND.

PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES OF THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR RESIDENCE OR DOMICILE FOR THE PURCHASE, HOLDING OR SALE OF THE SHARES, AND ANY FOREIGN EXCHANGE RESTRICTIONS. SHARES THAT ARE BOUGHT BY PERSONS NOT ENTITLED TO HOLD THEM IN ACCORDANCE WITH THE PROVISIONS HEREIN MAY BE COMPULSORILY REDEEMED. NO SHARES MAY BE TRANSFERRED WITHOUT THE PRIOR WRITTEN CONSENT OF THE DIRECTORS.

THE DISTRIBUTION OF THIS MEMORANDUM MAY BE RESTRICTED BY LAW IN CERTAIN COUNTRIES. PERSONS TO WHOSE ATTENTION THIS MEMORANDUM MAY COME ARE REQUIRED TO INFORM THEMSELVES OF AND TO OBSERVE ANY SUCH RESTRICTIONS. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH THE OFFER OR SOLICITATION IS NOT AUTHORIZED, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE FUND UNLESS AUTHORIZED BY THE DIRECTORS. THIS MEMORANDUM SUPERSEDES ANY WRITTEN OR VERBAL INFORMATION RELATING TO THE FUND.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THIS MEMORANDUM AS LEGAL OR INVESTMENT ADVICE. EACH INVESTOR SHOULD CONSULT ITS OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISERS REGARDING THIS INVESTMENT.

THIS MEMORANDUM DESCRIBES CERTAIN DOCUMENTS RELATING TO THIS INVESTMENT, INCLUDING VARIOUS EXECUTED AND UNEXECUTED DOCUMENTS AND CERTAIN STATUTES, RULINGS AND REGULATIONS. SUCH SUMMARIES DO NOT PURPORT TO BE COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE FULL TEXT OF THOSE DOCUMENTS, STATUTES, RULINGS AND REGULATIONS.

PROSPECTIVE INVESTORS AND THEIR REPRESENTATIVES ARE INVITED TO ASK QUESTIONS OF AND TO OBTAIN ADDITIONAL INFORMATION FROM THE INVESTMENT MANAGER CONCERNING THE FUND, INCLUDING ADDITIONAL INFORMATION TO VERIFY THE COMPLETENESS OR ACCURACY OF THE INFORMATION IN THIS MEMORANDUM. SUCH INFORMATION WILL BE SUPPLIED TO THE EXTENT THE INVESTMENT MANAGER HAS OR CAN REASONABLY ACQUIRE IT.

ALL REFERENCES HEREIN TO \$ ARE TO UNITED STATES DOLLARS.

INVESTMENT WARNING

THE FUND HAS BEEN ESTABLISHED AS A PROFESSIONAL FUND WITHIN THE MEANING OF THE SECURITIES AND INVESTMENT BUSINESS ACT 2010 (“SIBA”) AND IN THIS REGARD, THE FUND IS ONLY SUITABLE FOR PROFESSIONAL INVESTORS (AS DEFINED BELOW) AND A MINIMUM INITIAL INVESTMENT OF US\$100,000 (OR SUCH LARGER SUM AS MAY APPLY WITH RESPECT TO THE FUND) IS REQUIRED IN RESPECT OF ALL INVESTORS.

A PROFESSIONAL INVESTOR IS A PERSON: (A) WHOSE ORDINARY BUSINESS INVOLVES, WHETHER FOR ITS OWN ACCOUNT OR THE ACCOUNTS OF OTHERS, THE ACQUISITION OR DISPOSAL OF PROPERTY OF THE SAME KIND AS THE PROPERTY, OR A SUBSTANTIAL PART OF THE PROPERTY, OF THE FUND; OR (B) WHO HAS SIGNED A DECLARATION THAT THE INVESTOR, WHETHER INDIVIDUALLY OR JOINTLY WITH THE INVESTOR’S SPOUSE, HAS NET WORTH IN EXCESS OF \$1 MILLION UNITED STATES CURRENCY OR ITS EQUIVALENT IN ANY OTHER CURRENCY AND THAT THE INVESTOR CONSENTS TO BEING TREATED AS A PROFESSIONAL INVESTOR.

THE FUND IS NOT SUBJECT TO SUPERVISION BY THE BRITISH VIRGIN ISLANDS FINANCIAL SERVICES COMMISSION OR BY A REGULATOR OUTSIDE THE BRITISH VIRGIN ISLANDS AND REQUIREMENTS CONSIDERED NECESSARY FOR THE PROTECTION OF INVESTORS THAT APPLY TO PUBLIC FUNDS DO NOT APPLY TO PROFESSIONAL FUNDS.

AN INVESTOR IN A PROFESSIONAL FUND IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER THE FUND IS SUITABLE FOR HIS INVESTMENT NEEDS.

BY REASON OF THE FOREGOING, INVESTMENT IN THE FUND MAY PRESENT A GREATER RISK TO AN INVESTOR THAN INVESTMENT IN A PUBLIC FUND.

FUND DIRECTORY

**The Fund - Registered Agent
and Registered Offices**

Stone Mountain Partners, Ltd.
c/o Trident Trust Company (BVI) Limited
Trident Chambers, PO Box 146
Waterfront Drive, Wickhams Cay
Road Town, Tortola, British Virgin Islands

The Investment Manager

Chi-Rho Financial, LLC
3295 River Exchange Drive, Suite 275
Norcross, Georgia 30092 USA
Tel: (678) 731-0032

Custodian

Bank of North Georgia
1200 Johnson Ferry Road
Marietta, GA 30068
USA

The Administrator

Trident Fund Services (B.V.I.) Limited
Trident Chambers, PO Box 146
Waterfront Drive, Wickhams Cay
Road Town, Tortola, British Virgin Islands

Auditors

Phillips Company P.C.
444 Manget Street SE
Suite 200
Marietta, GA 30060 USA

Accountants

Unkar Systems
1039 Serpentine Ln Ste G
Pleasanton CA 94566-4770

U.S. Legal Counsel

Faegre & Benson LLP
2200 Wells Fargo Center
90 South 7th Street
Minneapolis, Minnesota 55402 USA

**BVI Legal Counsel
on matters of BVI Law**

Appleby
Jayla Place
Wickhams Cay 1
PO Box 3190
Road Town
Tortola
British Virgin Islands

SUMMARY OF PRINCIPAL TERMS

The following is a summary of principal terms of the Fund and of the offering. This summary is qualified by reference to the other provisions of this Memorandum and the Fund's Memorandum and Articles of Association. The terms hereof are subject to modification or withdrawal.

The Fund

The Fund

Stone Mountain Partners, Ltd., a British Virgin Islands Business Company (the "Fund") formed under the Business Companies Act 2004 of the laws of the British Virgin Islands, engages in the trading of securities and other financial instruments. The Fund is governed by its Memorandum and Articles of Association, copies of which are available from the Investment Manager.

Investment Objective

The Fund's investment objective will be to provide superior capital appreciation by allocating Fund assets among multiple investment managers (the "Managers") who utilize a variety of investment strategies designed to provide investors with a superior long-term rate of return. The Fund will access Managers through investments in private investment partnerships and other collective investment vehicles offered and managed by the Managers (the "Sub-Funds").

As with any investment, there can be no assurance that the Fund's investment objective will be achieved or that an investor will not lose a portion or all of its investment in the Fund. The net asset value of ("NAV") of the Fund will fluctuate on a daily basis. The Fund is designed for investors who do not require current liquidity.

Service Providers to the Fund

Investment Manager

The Fund is managed by Chi-Rho Financial, LLC, a Georgia limited liability company (the "Investment Manager"). The address of the Investment Manager is 3295 River Exchange Drive, Suite 275, Norcross, Georgia 30092 USA. Pursuant to Rule 4.13(a)(4) of the Commodity Futures Trading Commission ("CFTC") Regulations, the Investment Manager is not required to register with the CFTC as a commodity pool operator. The Investment Manager anticipates registering with the Securities and Exchange Commission ("SEC") as an investment advisor.

Directors

The Fund is governed by its Board of Directors, which consists of Joseph Hurley and Steve Smith of the Investment Manager (collectively, the "Directors"). The investors in the Fund (the "Shareholders") have the power to amend the Fund's Memorandum and Articles of Association.

Custodian

The Directors have designated the Bank of North Georgia as the custodian of the Fund (the "Custodian"). The Directors may select

additional or successor firms to serve as custodian of the Fund in their sole discretion.

The Administrator

Trident Fund Services (B.V.I.) Limited, located in Tortola, British Virgin Islands (the "Administrator"), has been appointed as Administrator of the Fund pursuant to an agreement, by and between the Fund and the Administrator (the "Administrative Services Agreement"). The Administrator does not calculate the NAV of the Shares and does not maintain the financial records of the Fund.

Auditor

Phillips Company P.C. has been appointed as the auditor of the Fund (the "Auditor").

Accountant

Unkar Systems provides accounting services for the Fund including the maintenance of the Fund's general ledger and financial records, the calculation of the monthly NAV for each Shareholder, and the preparation of monthly Shareholder statements (the "Accountant")

Legal Counsel

Faegre & Benson LLP, Minneapolis, Minnesota, has advised the Investment Manager on various matters of U.S. law relating to the Fund. No separate counsel has been retained for the benefit of Shareholders.

British Virgin Islands Legal Counsel

Appleby, British Virgin Islands has advised the Investment Manager and the Fund on various matters of BVI law relating to the Fund. No separate counsel has been retained for the benefit of Shareholders.

Offering of the Fund's Shares

Minimum Investment Per Subscriber

The minimum initial investment per subscriber is \$100,000, although the Directors may, in their sole discretion, permit subscribers to make an initial investment of less than \$100,000. Existing Shareholders may subscribe to additional Shares on a monthly basis in amounts of not less than \$50,000. The Directors may permit existing Shareholders to subscribe for Shares in amounts less than \$50,000 in their sole discretion.

The Directors may, in their sole discretion, reject any subscription in whole or in part, for any or no reason, and may terminate this offering at any time. No escrow account is used in processing subscriptions and no interest is payable on subscription monies received.

Continuous Offering Period

Shares are offered on a continuous basis. The Fund expects to offer and sell Shares for purchase as of the first business day of any calendar month or at such other times as the Directors may permit. There is no minimum or maximum amount of capital to be raised in the continuous offering of the Shares.

The Shares/Purchase Price Per Share

The Fund is offering redeemable, voting shares of common stock, par value \$0.01 (the "Shares"). The purchase price of each Share will be the NAV attributable to each share. Initially, Shares will be issued at

US \$1,000 per Share. The redemption value of a Share will be the NAV per Share of the relevant Class, which will be that Class's pro rata share of the NAV of the Fund divided by the number of outstanding Shares of the Class.

Fractional Shares will be issued to represent the difference between the U.S. Dollar amount subscribed for and the number of full Shares purchasable with that amount. Initially, Shares will be offered in three classes (each a "Class"), however, the Directors will have the power to issue further classes of Shares from time to time on the same or on different terms to the existing classes. In which case, each Class will have identical rights to participate in its pro rata share of the profits and losses for the Class. The only difference between the classes will be the NAV per share of the Shares of each Class.

Selling Agents; Commissions

Selling agents may be appointed by the Fund to offer the Shares (the "Selling Agents"). No selling commissions will be charged to investors. The Selling Agents will be compensated solely by the Investment Manager and not by the Fund.

Subscription Procedure

Investors may subscribe for Shares by completing and submitting to the Investment Manager the Subscription Agreement that accompanies this Memorandum. Subscription payments should be remitted as described in the Subscription Agreement. In order for the investor's investment proceeds to become effective as of the date intended by the investor, the investment proceeds and completed Subscription Agreement must be received at least three days prior to the intended effective date to process the subscription, subject to waiver by the Directors. Subscriptions may be made in-kind in the sole discretion of the Directors. Subscribers whose subscriptions are accepted will become Shareholders of the Fund.

Eligible Investors

The Shares may be purchased only by non-U.S. persons (as defined in the Subscription Agreement), and by U.S. investors that are exempt from U.S. federal income tax. (The Fund may in its discretion admit taxable U.S. investors.) Sales to U.S. tax-exempt investors are being offered in accordance with Section 4(2) of the Securities Act of 1933 (the "Securities Act") and Rule 506 of Regulation D thereunder to "accredited investors." In addition, Shares may be purchased by U.S. investors only if such investors meet the definition of a "qualified purchaser" ("QP") in Section 2(a)(51) of the Investment Company Act of 1940 (the "Investment Company Act"). In general, in order for an investor who is an individual to be a QP, he or she must have an investment portfolio of least \$5 million. In the case of a corporation, partnership or other entity, it must have an investment portfolio of at least \$25 million to be a QP. The accompanying Subscription Documents set forth the complete definition of who is a QP.

Fees and Other Expenses

Fund Expenses

The Fund bears all of its operating and other expenses, including but not limited to any transactional expenses and its legal, auditing, accounting and custodial fees. The Fund will reimburse the Directors for any expenses incurred in connection with their duties to the Fund. The Fund pays the Administrator an administrative fee in accordance with its customary rates and charges, plus reimbursement for out-of-pocket expenses and additional fees for particular services as agreed upon from time to time.

Sub-Fund Expenses

The Sub-Funds' main expenses are expected to be the management and incentive fees paid to the Managers, their brokerage commissions and other transaction costs, start-up expenses, and their administrative costs such as audit and legal fees. The management fees are expected to range between 0%-3% per year of the Sub-Fund's NAV, and incentive fees (or allocations) between 20%-30% of profits. Most Sub-Funds are expected to assess incentive fees solely on "high water mark" profits, so that losses are carried forward and must be recouped out of future profits before an incentive fee can be earned in a later period. (Some Sub-Funds, however, may assess incentive fees on "period-to-period" profits, under which losses are not carried forward.) Because incentive fees will be based on each Sub-Fund's performance, the Fund itself may in effect pay incentive fees during periods when it is not profitable on an overall basis (to the extent the losses of the unprofitable Sub-Funds together with the Fund's expenses exceed the profits of the profitable Sub-Funds).

Management Fees

The Fund pays the Investment Manager a monthly management fee based upon the Fund's NAV as of the first day of each month. The total management fee assessed to the Fund generally equals 1.5% per annum of the Fund's NAV as of the first business day of each month (including any subscriptions effective on such date). The management fee will be payable in arrears. However, the Directors may assess a higher or lower management fee to certain Shareholders under certain circumstances in its discretion. Shareholders assessed a higher or lower management fee will be issued a separate Class of Shares.

The Investment Manager does not charge the Fund an incentive fee.

Administrator's Fee

The Fund pays the Administrator an administrative fee in accordance with its customary rates, plus reimbursement for out-of-pocket expenses and additional fees for particular services as agreed upon from time to time.

Net Asset Value

The Fund's NAV is the total assets of the Fund (including accrued interest and unrealized gain and loss) less all liabilities of the Fund (including accrued expenses), both as determined on the basis of U.S. generally accepted accounting principles consistently applied under the accrual method of accounting.

The NAV per Share of each Class will be computed as of the end of each calendar month, or more frequently in the discretion of the Directors. In determining the amount of the Fund's liabilities, the Directors may calculate administrative and other expenses of a recurring nature on an estimated figure for yearly or other periods in advance and accrue the expense in equal proportions over the period.

Liquidity of the Shares

Redemption

A Shareholder may redeem any or all of his Shares, as of the last business day of any calendar quarter, at the NAV per Share as of such date, on 95 days' prior written notice to the Investment Manager and provided that such notice has been received by the Investment Manager. (The Directors may in their discretion allow redemptions at any other time or on shorter notice.) Redemptions, other than complete redemptions, may not reduce a Shareholder's investment in the Fund to an amount less than the minimum initial investment without the consent of the Directors.

Redemption of Shares will be made in accordance with the terms of this Memorandum and the Fund's Memorandum and Articles of Association.

Limitations on Redemptions

Shares may not be redeemed prior to a date that is on or after the first annual anniversary of their purchase (assuming a first purchased, first redeemed methodology of Share identification).

The Directors may suspend Shareholders' redemption rights and payment of redemption proceeds if and to the extent they determine that the redemption would have a material adverse effect on the Fund or the non-redeeming Shareholders or is not reasonably practical (for example, because market prices cannot be promptly and accurately ascertained). See "REDEMPTION RIGHTS AND PROCEDURES" below for more information regarding limitations on a Shareholder's right to redeem its Shares. No Shares will be issued when redemptions are suspended.

Shares not redeemed from a Fund by virtue of the foregoing restrictions will remain at risk in that Fund and shall continue to be treated for all purposes as if no redemption requests relating thereto had been submitted.

Payment of Redemption Proceeds

Subject to the receipt of the original redemption request by the Administrator for redemptions representing up to 90% of a Shareholder's investment in the Fund, the estimated amount of such redemption will generally be payable within 60 days of the effective date of the redemption. For redemptions representing more than 90% of a Shareholder's investment in the Fund, 90% of the estimated redemption proceeds will generally be payable within 60 days of the effective date of the redemption and the remainder shall be payable

within 60 days of the completion of the year-end audit of the Fund's financial statements. No escrow account is used in processing redemptions and no interest is payable on redemption proceeds. Redemptions may be made in-kind in the sole discretion of the Directors.

Transferability

The Shares may be transferred only with the Directors' consent, which they may withhold in their discretion. The Directors will normally consent if the proposed transferee executes a document containing the information set forth in the Subscription Agreement and the selling investor and the proposed transferee supply to the Fund such representations, certificates, legal opinions and other documents and instruments as the Directors may request. While transfer of the Shares will be restricted, an investor has the right to require the Fund to redeem the Shares as described above.

The Directors do not currently intend to list the Shares on any exchange, but may in the future (such listing costs would be borne by the Fund). There is no trading market for the Shares and none is expected to develop.

Compulsory Redemption

In their sole discretion, the Directors may at any time without notice compulsorily redeem the Shares at NAV per Share of the relevant Class (less any fiscal charges, fees and expenses incurred as a result of compulsory redemption) or require the transfer of Shares. It is expected that such compulsory redemption or transfer will only be required where Shares may have been acquired in contravention of laws or regulations or otherwise where continued ownership, direct or beneficial, of Shares might have, in the sole and exclusive opinion of the Directors, adverse regulatory, tax or pecuniary consequences to the Fund or the Shareholders and otherwise as more particularly described in the Articles of Association of the Fund.

Other

No Distributions

The Investment Manager does not intend to make or pay any dividends or other distributions of profits to the Shareholders of the Fund.

Reports to Shareholders

The Investment Manager provides each Shareholder with monthly financial and performance information of the Fund and its operations and monthly unaudited statements of its account. In addition, each Shareholder will receive annual financial statements of the Fund which are audited by the Auditor.

Records

The Investment Manager will maintain at its office principal corporate records and share registers of the Fund. Investors may inspect such documents on reasonable notice.

Taxation

The Investment Manager expects that the Fund will not be subject to tax by the United States or any other jurisdiction. Under current law,

there are no income taxes, capital gains taxes, capital transfer taxes, estate duties or inheritance duties in the British Virgin Islands.

Investors who are or may be subject to U.S. Federal income tax on their income should be aware of certain tax consequences applicable to passive foreign investment companies (“PFIC”) and controlled foreign corporations (“CFCs”). Also, certain regulations relating to tax return disclosure and record maintenance of “reportable transactions” may apply in respect of the Fund and a U.S. taxpayer who, directly or indirectly, owns Shares.

There can be no assurance that the U.S. or British Virgin Islands tax laws will not be changed adversely with respect to the Fund and its Shareholders or that the Fund’s income tax status will not be successfully challenged by such authorities. The tax aspects of the Fund are complex and prospective investors should consult their own tax advisors.

Fiscal Year

The Fund’s fiscal year is the calendar year.

Contractual Agreements

The Fund has entered into various contractual agreements, such as an investment management agreement with the Investment Manager, brokerage agreements, and an administrative services agreement with the Administrator. Investors may obtain copies of any such agreement from the Administrator. The agreements provide broad indemnification and exculpation rights to the Fund’s counterparties.

Conflicts of Interest

The Fund is subject to certain actual and potential conflicts of interest. For example, the fees payable by the Fund to the Investment Manager were established by the Investment Manager and not as a result of arms-length negotiation. The Investment Manager may manage accounts of clients other than the Fund, as well as trade for its own account, and may have an incentive to favor those accounts over the Fund, although it will not knowingly do so. See “POTENTIAL CONFLICTS OF INTEREST”

Risk Factors

The Investment Manager’s investment strategy is designed with the potential to produce investor returns under a wide range of economic scenarios. However, there is no assurance that this objective will be achieved or that the Fund will not incur significant losses. There are various substantial risks associated with an investment in the Fund. There are many market-related and other factors--some of which cannot be anticipated--that could cause a Shareholder to lose a major portion or all of his investment in the Fund or prevent the Fund from generating profits.

No investor should invest in the Fund unless the investor is fully able, financially and otherwise, to bear such a loss, and unless the investor has the background and experience to understand thoroughly the risks of its investment. This and other sections of this Memorandum identify some of the risks of investing in the Fund, but this

Memorandum does not attempt to identify each risk, or to describe completely or substantially those risks it does identify. Any prospective investor that wishes to obtain more information about the Fund should contact the Investment Manager, which will attempt to provide such information. See “INVESTMENT OBJECTIVE AND STRATEGIES” and “OTHER RISK FACTORS.”

Master Feeder Structure

In their discretion, the Directors may determine to pool the Fund’s assets with a U.S. investment fund managed by the Investment Manager by investing all or substantially all of the Fund’s assets in a “master fund”, which, in turn, will pursue the investment strategies of the Investment Manager.

Additional Information and Articles of Association

Prospective investors who wish additional information about the Fund should contact the Investment Manager, which will provide any such information that is reasonably obtainable. A copy of the Memorandum and Articles of Association of the Fund will be available for inspection by the Shareholders at the offices of the Investment Manager, together with copies of the relevant laws, the Investment Management Agreement (the “Agreement”), the Administrative Services Agreement, any custodian agreement and the latest audited annual financial statements of the Fund as and when they are available. The Shareholders will be deemed to have notice of the provisions of the Memorandum and Articles of Association of the Fund, and should note that in the event of conflict between the terms of this Memorandum and the Memorandum and Articles of Association, the Memorandum and Articles of Association will prevail.

INVESTMENT OBJECTIVE AND STRATEGIES

Investment Objective

The Fund's investment objective will be to provide superior capital appreciation by allocating Fund assets among multiple investment managers (the "Managers") who utilize a variety of investment strategies designed to provide investors with a superior long-term rate of return. The Fund will access Managers through investments in private investment partnerships and other collective investment vehicles that are offered by the Managers (the "Sub-Funds").

As with any investment, there can be no assurance that the Fund's investment objective will be achieved or that an investor will not lose a portion or all of its investment in the Fund. The past performance of the Fund is no indication of its future performance. The Fund's NAV will fluctuate on a daily basis. The Fund is designed for investors who do not require current liquidity.

Investment Strategies and Related Risk Factors

The following investment strategies and related risk factors are presented for illustrative purposes only and do not purport to be a comprehensive delineation of the investment strategies (and the risks pertaining to such strategies) that may be employed by the Managers in their Sub-Funds.

Securities of Smaller Companies. Sub-Funds may invest in securities issued by smaller companies. Such companies may offer greater opportunities for capital appreciation than larger companies, but investments in such companies may involve certain special risks. Such companies may have limited product lines, markets, or financial resources and may be dependent on a limited management group. While the markets in securities of such companies have grown rapidly in recent years, such securities may trade less frequently and in smaller volume than more widely held securities. The values of these securities may fluctuate more sharply than those of other securities, and may result in difficulty in establishing or closing out positions in these securities at prevailing market prices. There may be less publicly available information about the issuers of these securities or less market interest in such securities than in the case of larger companies, and it may take a longer period of time for the prices of such securities to reflect the full value of their issuers' underlying earnings potential or assets.

Private Placements. Sub-Funds may invest in privately issued securities that are subject to legal or contractual resale restrictions. Sub-Funds may be unable to publicly sell these securities unless they are registered under applicable securities laws, or unless a registration exemption is available. Such securities are also typically difficult to value. For these reasons, disposition of privately issued securities may be difficult and may require a lengthy period of time. Moreover, the issuers of such securities typically are early stage companies which may lack management depth and sufficient financial resources, which may be marketing a new product for which there is no established market, or which may be subject to intense competition from larger, more established companies.

Short Sales. Sub-Funds may seek to hedge investments or realize additional gains through short sales. Short sales are transactions in which the Sub-Fund sells a security it does not own, in anticipation of a decline in the market value of that security. To complete such a transaction, the Sub-Fund must borrow the security to make delivery to the buyer. The Sub-Fund then is obligated to replace the security borrowed by purchasing it at the market price at or prior to the time of

replacement. The price at such time may be more or less than the price at which the security was sold by the Sub-Fund. Until the security is replaced, the Sub-Fund is required to repay the lender any dividends or interest that accrue during the period of the loan. To borrow the security, the Sub-Fund may be required to pay a premium, which would increase the cost of the security sold. Transaction costs will also be incurred in effecting short sales.

Sub-Funds will incur a loss as a result of the short sale if the price of the security increases between the date of the short sale and the date on which the Sub-Fund replaces the borrowed security. A gain will be realized if the security declines in price between those dates. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses the Sub-Fund may be required to pay in connection with a short sale. An increase in the value of a security sold short by a Sub-Fund over the price at which it was sold short will result in a loss to the Sub-Fund, and there can be no assurance that the Sub-Fund will be able to close out the position at any particular time or at an acceptable price. Except in the case of short sales “against the box” (as to which the Sub-Fund owns or has a contractual right to acquire at a fixed price the securities sold short), the Sub-Fund’s market risk is unlimited in that the increase in the market price of the security sold short is unlimited.

Foreign Securities. Sub-Funds may invest in American Depositary Receipts (“ADRs”), which are U.S. dollar-denominated equity and debt securities of foreign issuers. Interest or dividend payments on such securities may be subject to foreign withholding taxes. Investments in foreign securities involve considerations and risks not typically associated with investments in securities of domestic companies, including possible unfavorable changes in currency exchange rates, reduced and less reliable information about issuers and markets, different accounting standards, illiquidity of securities and markets, local economic or political instability and greater market risk in general.

Debt Securities. Sub-Funds may invest in debt securities, including debt securities rated lower than “investment grade” - debt securities rated lower than Baa by Moody’s Investors Service, Inc. (“Moody’s”), or lower than BBB or higher by Standard & Poor’s Corporation (“S&P”), or if unrated that are judged by a Manager to be of comparable quality. Non-investment grade debt securities (sometimes referred to as “junk bonds”) are considered speculative and may be in poor credit standing or even in default as to payments of principal or interest. Moreover, such securities generally are less liquid than investment grade debt securities.

Convertible Securities. Sub-Funds may invest in convertible securities, including non-investment grade convertible securities. A convertible security (a bond or preferred stock) may be converted at a stated price within a specified period of time into a certain quantity of the common stock of the same or a different issuer. Convertible securities are senior to common stock in an issuer’s capital structure, but are usually subordinated to similar non-convertible securities. While providing a fixed income stream (generally higher in yield than the income from common stocks but lower than that afforded by a similar non-convertible security), a convertible security also affords an investor the opportunity, through its conversion feature, to participate in the capital appreciation of the issuer’s common stock.

Zero-Coupon Securities. Sub-Funds may invest in zero-coupon securities. Zero-coupon securities are debt obligations which are generally issued at a discount and payable in full at maturity, and which do not provide for current payments of interest prior to maturity. Zero-coupon securities usually trade at a deep discount from their face or par value and are subject to greater market value fluctuations from changing interest rates than debt obligations of comparable maturities which make current distributions of interest.

When debt obligations have been stripped of their unmatured interest coupons by the holder, the stripped coupons are sold separately. The principal is sold at a deep discount because the buyer receives only the right to receive a future fixed payment on the security and does not receive any rights to periodic cash interest payments. Once stripped or separated, the principal and coupons may be sold separately. Typically, the coupons are sold separately or grouped with other coupons with like maturity dates and sold in such bundled form. Purchasers of stripped obligations acquire, in effect, discount obligations that are economically identical to the zero-coupon securities issued directly by the obligor.

Borrowing and Leverage. Sub-Funds are generally permitted to borrow money without limitation to invest in additional portfolio securities. This practice significantly increases a Sub-Fund's market exposure and its risk. When a Sub-Fund has borrowed money for leverage and its investments increase or decrease in value, the Sub-Fund's NAV will increase or decrease more (possibly by multiples, depending upon the degree of leverage employed at such time) than if it had not borrowed money. In addition, the interest a Sub-Fund must pay on borrowed money will reduce the amount of any potential gains or increase any losses. The extent to which a Sub-Fund borrows money, and the amount it may borrow, will depend on market conditions and interest rates. Successful use of leverage depends on the Manager's ability to predict market movements correctly.

In connection with its leveraging activities, Sub-Funds may enter into reverse repurchase agreements, in which the a Sub-Fund sells securities and agrees to repurchase them at a mutually agreed date and time. A reverse repurchase agreement may be viewed as a borrowing by the Sub-Fund, secured by the security which is the subject of the agreement. In addition to the general risks involved in leveraging, reverse repurchase agreements involve the risk that, in the event of the bankruptcy or insolvency of the Sub-Fund's counterparty, the Sub-Fund would be unable to recover the security which is the subject of the agreement, that the amount of cash or other property transferred by the counterparty to the Sub-Fund under the agreement prior to such insolvency or bankruptcy is less than the value of the security subject to the agreement, or that the Sub-Fund may be delayed or prevented, due to such insolvency or bankruptcy, from using such cash or property or may be required to return it to the counterparty or its trustee or receiver.

Repurchase Agreements. Sub-Funds may enter into repurchase agreements. A repurchase agreement is a contract under which a Sub-Fund acquires a security for a relatively short period (usually not more than one week) subject to the obligation of the seller to repurchase and the Sub-Fund to resell such security at a fixed time and price (representing the Sub-Fund's cost plus interest). Repurchase agreements may also be viewed as loans made by a Sub-Fund which are collateralized by the securities subject to repurchase. If the counter-party defaults, the Sub-Fund could realize a loss on the sale of the underlying security to the extent that the proceeds of sale including accrued interest are less than the resale price provided in the agreement including interest. In addition, if the seller should be involved in bankruptcy or insolvency proceedings, the Sub-Fund may incur delay and costs in selling the underlying security or may suffer a loss of principal and interest if the Sub-Fund is treated as an unsecured creditor and required to return the underlying collateral to the seller's estate.

Securities Lending. Sub-Funds may lend their portfolio securities. In addition, Sub-Funds may agree to share with the borrower some of the income received on the collateral for the loan or that it will be paid a premium for the loan. The risks in lending portfolio securities, as with other extensions of credit, consist of possible delay in recovery of the securities or possible loss of rights in the collateral should the borrower fail financially.

Non-Diversification and Sector Concentration. The Fund will seek to diversify its investments by investing in several Sub-Funds managed by different Managers. The number of such Sub-Funds, and consequently the Fund's diversification, may vary over time. Further, in part because of Sub-Fund investment minimums, the level of diversification will depend on the amount of capital invested in the Fund at any particular time. However, each Sub-Fund may invest in a limited number of issuers, without regard to the percentage of the Sub-Fund's assets invested with any single issuer or within any single industry. Nondiversification among issuers involves an increased risk of loss to the Sub-Fund if the market value of a security should decline. Moreover, when a Sub-Fund concentrates its investments in a market sector, financial, economic, business, and other developments affecting issuers in that sector will have a greater effect on the Sub-Fund than if it had not concentrated its assets in that sector.

Portfolio Turnover. Many of the investment strategies employed by Managers are expected to lead to frequent changes in the applicable Sub-Fund's investment portfolio. High "portfolio turnover" will result in higher expenses, principally higher brokerage commissions, dealer mark-ups and other transaction costs on the sale of securities and reinvestment in other securities. High portfolio turnover also results in more rapid realization of taxable gains and losses.

Options on Securities and Securities Indices. Sub-Funds may purchase "put" and "call" options with respect to securities which it may otherwise purchase and with respect to various stock indices. If a Sub-Fund purchases a put option, the Sub-Fund acquires the right to sell the underlying security at a specified price at any time during the term of the option (for "American-style" options) or on the option expiration date (for "European-style" options). Purchasing put options is normally used by Sub-Funds as a portfolio investment strategy when the Sub-Fund's Manager perceives significant short-term risk but substantial capital appreciation potential for the underlying security. The put option acts as an insurance policy, as it protects against significant downward price movement while it allows full participation in any upward movement. If a Sub-Fund is holding a stock which it feels has strong fundamentals, but for some reason may be weak in the near term, the Sub-Fund's Manager may purchase a put option on such security, thereby giving itself the right to sell such security at a certain strike price, and the market price of the underlying security on the date the Sub-Fund exercises the put, less transaction costs, will be the amount by which the Sub-Fund will be able to hedge against a decline in the underlying security. If during the period of the option the market price for the underlying security remains at or above the put's strike price, the put will expire worthless, representing a loss of the price the Sub-Fund paid for the put, plus transaction costs. If the price of the underlying security increases, the profit the Sub-Fund realized on the sale of the security will be reduced by the premium paid for the put option less any amount for which the put may be sold.

If a Sub-Fund purchases a call option, it acquires the right to purchase the underlying security at a specified price at any time during the term of the option. The purchase of a call option is a type of insurance policy to hedge against losses that could occur if a Sub-Fund has a short position in the underlying security and the security thereafter increases in price. The Sub-Fund will exercise a call option only if the price of the underlying security is above the strike price at the time of exercise. If during the option period the market price for the underlying security remains at or below the strike price of the call option, the option will expire worthless, representing a loss of the price paid for the option, plus transaction costs. If the call option has been purchased to hedge a short position in the underlying security and the price of the underlying security thereafter falls, the profit the Sub-Fund realizes on the cover of the short position in the security will be reduced the premium paid of the call option less any amount for which such option may be sold.

Prior to exercise or expiration, an option may be sold when it has remaining value by a purchaser through a “closing sale transaction,” which is accomplished by selling an option of the same services as the option previously purchased.

Writing call Options. Sub-Funds may write “covered” and “naked” call options. A call option is “covered” if the Sub-Fund owns the security underlying the call or has an absolute right to acquire the security without additional cash consideration. A call option is “naked” if and to the extent that it is not “covered.” The writer of a call option receives a premium and gives the purchaser the right to buy the security underlying the option at the exercise price. The writer has the obligation upon exercise of the option to deliver the underlying security against payment of the exercise price during the option period. If the writer of an exchange-traded option wishes to terminate his obligation, he may effect a “closing purchase transaction.” This is accomplished by buying an option of the same series as the option previously written. A writer may not effect a closing purchase transaction after it has been notified of the exercise of an option.

A Sub-Fund will realize a gain from a closing transaction if the act of the closing transaction is less than the premium received from writing the option or if the proceeds from the closing transaction are more than the premium paid to purchase the option. A Sub-Fund will realize a loss from a closing transaction if the cost of the closing transaction is more than the premium received from writing the option or if the proceeds from the closing transaction are less than the premium paid to purchase the option. However, because increase in the market price of a call option will generally reflect increases in the market price of the underlying security, any loss to a Sub-Fund resulting from the repurchase of a call option is likely to be offset in whole or in part by appreciation for the underlying security owned by the Sub-Fund in the case of a “covered” call option. However, the writer of a “naked” option bears the risk that the price of the security underlying the call will rise in value above the option exercise price. To the extent the call price plus the option premium is exceeded by the market price of the underlying security, the writer of a naked option will suffer a loss.

Stock Index Options. Sub-Funds may also purchase put and call options with respect to the S&P 500 and other stock indices. Such options are generally purchased as a hedge against changes resulting from market conditions in the values of securities held by a Sub-Fund or securities which the Sub-Fund intends to purchase or sell, or when a Sub-Fund’s Manager believes that such options are economically appropriate for the reduction of risks inherent in the ongoing management of the Sub-Fund.

The distinctive characteristics of options on stock indices create certain risks that are not present with stock options generally. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether a Sub-Fund will realize a gain or loss on the purchase or sale of an option on an index depends upon movements in the level of stock prices in the stock market generally rather than movements in the price of a particular stock. Accordingly, successful use of options on a stock index will be subject to the Manager’s ability to predict correctly movements in the direction of the stock market generally. This requires different skills and techniques than predicting changes in the price of individual stocks.

Index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading of index options also may be interrupted in certain circumstances, such as if trading were halted in a substantial number of stocks included in the index. If this were to occur, A Sub-Fund would not be able to close out options which it had purchased, and if restrictions on

exercise were imposed, the Sub-Fund might be unable to exercise an option it holds, which could result in substantial losses.

Risks of Investing in Options. There are several risks associated with transactions in options on securities and indices. Options may be more volatile than the underlying instruments and, therefore, on a percentage basis, an investment in options may be subject to greater fluctuation than an investment in the underlying instruments themselves. There are also significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objective. In addition, a liquid secondary market for particular options may be absent for reasons which include the following: there may be insufficient trading interest in certain options; restrictions may be imposed by an exchange on opening transactions or closing transactions or both; trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of option of underlying securities; unusual or unforeseen circumstances may interrupt normal operations on an exchange; the facilities of an exchange or clearing corporation may not at all times be adequate to handle current trading volume; or one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options), in which event the secondary market on that exchange (or in that class or series of options) would cease to exist, although outstanding options that had been issued by a clearing corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms.

A decision as to whether, when and how to use options involves the exercise of skill and judgment and even a well-conceived transaction may be unsuccessful to some degree because the market behavior or unexpected events.

When trading options on foreign exchanges, many of the protections afforded to participants in United States option exchanges will not be available. For example, there may be no daily price fluctuation limits in such exchanges or markets, and adverse market movements could therefore continue to an unlimited extent over a period of time. Although the purchase of an option cannot lose more than the amount of the premium plus related transaction costs, this entire amount could be lost. Moreover, a Sub-Fund, as an option writer, could lose amounts substantially in excess of its initial investment, due to the margin and collateral requirements typically associated with such option writing.

Dealer Options. Sub-Funds may engage in transactions involving dealer options as well as exchange-traded options. Certain risks are specific to dealer options. While a Sub-Fund might look to a clearing corporation to exercise exchange-traded options, if a Sub-Fund were to purchase a dealer option it would need to rely on the dealer from which it purchased the option to perform if the option were exercised. Failure by the dealer to do so would result in the loss of the premium paid by the Sub-Fund as well as loss of the unexpected benefit of the transaction.

Exchange-trade options generally have a continuous liquid market while dealer options may not. Consequently, a Sub-Fund may generally be able to realize the value of a dealer option it has purchased only by exercising or reselling the option to the dealer who issued it. Similarly, when a Sub-Fund writes a dealer option, the Sub-Fund may generally be able to close out the option prior to its expiration only by entering into a closing purchase transaction with the dealer to whom the Sub-Fund originally wrote the option. In the event of insolvency of the other party, a Sub-Fund may be unable to liquidate a dealer option. With respect to options written by a Sub-Fund, the inability to enter into a closing transaction may result in material losses.

Foreign Currency Options. Sub-Funds also may buy or sell put and call options on foreign currencies. A put or call option on a foreign currency gives the purchaser of the option the right to sell or purchase a foreign currency at the exercise price until the option expires. Sub-Funds will generally use foreign currency options to control currency volatility. Among the strategies employed to control currency volatility is an option collar. An option collar involves the purchase of a put option and the simultaneous sale of a call option on the same currency with the same expiration date but with different exercise (or “strike”) prices. Generally, the put option will have an out-of-the money strike price, while the call option will have either an at-the-money strike price or an in-the-money strike price. Foreign currency options are derivative securities. Currency options traded on U.S. or other exchanges may be subject to position limits which may limit the ability of the Funds to reduce the foreign currency risk using such options.

As with other kinds of option transactions, the writing of an option on foreign currency will constitute only a partial hedge, up to the amount of the premium received. A Sub-Fund could be required to purchase or sell foreign currencies at disadvantageous exchange rates, thereby incurring losses. The purchase of an option on foreign currency may constitute an effective hedge against exchange rate fluctuations; however, in the event of exchange rate movement adverse to A Sub-Fund’s positions, the Sub-Fund may forfeit the entire amount of the premium plus related transaction costs.

Foreign Currency Contracts. Sub-Funds may enter into forward currency contracts in anticipation of changes in currency exchange rates. A forward currency contract is an obligation to purchase or sell a specific currency at a future date, which may be any fix number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. For example, a Sub-Fund might purchase a particular currency or enter into a forward currency contract to preserve the U.S. dollar price of securities it intends to or has contracted to purchase. Alternatively, it might sell a particular currency on either a spot or forward basis to hedge against an anticipated decline in the dollar value of securities it intends to or has contracted to sell. Although this strategy could minimize the risk of loss due to a decline in the value of the hedged currency, it could also limit any potential gain from an increase in the value of the currency.

Futures Contracts and Related Options. Managers may use futures contracts and related options in its management of a Sub-Fund’s investment portfolio to hedge or otherwise manage the risk of the Sub-Fund’s securities positions. Managers may also use futures contracts and related options for speculative purposes.

No purchase or sale price will be paid or received by a Sub-Fund upon the purchase or sale of a futures contract. When it enters into a domestic futures contract, the Sub-Fund will be required to deposit with the applicable futures commission merchant (“FCM”) an amount of cash or U.S. Treasury bills equal to approximately 5% of the contract amount. This amount is known as initial margin. The margin requirements for foreign contracts may be different.

The nature of margin in futures transactions is different from that of margin in securities transactions. Futures contract margin does not involve the borrowing of funds by the customer to finance the transactions. Rather, the initial margin is in the nature of a performance bond or good faith deposit on the contract which is returned to the customer upon termination of the futures contract, assuming all contractual obligations have been satisfied. Subsequent payments (called variation margin) to and from the FCM will be made on a daily basis as the underlying index fluctuates, to reflect movements in the price of the contract making the long and short positions in the futures contract more or less valuable. For example, when a Sub-Fund has purchased a stock index futures contract and the price of the underlying stock index has risen, that position will

have increased in value and the Sub-Fund will receive from the FCM a variation margin payment equal to that increase in value. Conversely, when a Sub-Fund has purchased a stock index futures contract and the price of the underlying stock index has declined, the position will be less valuable and the Sub-Fund will be required to make a variation margin payment to the FCM.

At any time prior to expiration of a futures contract, a Sub-Fund may elect to close the position by taking an opposite position, which will operate to terminate the Sub-Fund's position in the futures contract. A final determination of variation margin is made on closing the position. Additional cash is paid by or released to the Sub-Fund, which realizes a loss or a gain.

Stock Index Futures Contracts. Sub-Funds may invest in futures contracts on stock indices. Currently, stock index futures contracts can be purchased or sold with respect to the S&P 500 Stock Price Index on the Chicago Mercantile Exchange, the Major Market Index on the Chicago Board of Trade, the New York Stock Exchange Composite Index on the New York Futures Exchange and the Value Line Stock Index on the Kansas City Board of Trade. Foreign financial and stock index futures are traded on foreign exchanges including the London International Financial Futures Exchange, the Singapore International Monetary Exchange, the Sydney Futures Exchange Limited and the Tokyo Stock Exchange.

Interest Rate or Financial Futures Contracts. Sub-Funds may invest in interest rate or financial futures contracts. Bond prices are established in both the cash market and the futures market. In the cash market, bonds are purchased and sold with payment for the full purchase price of the bond being made in cash, generally within five business days after the trade. In the futures market, a contract is made to purchase or sell a bond in the future for a set price on a certain date. Historically, the prices for bonds established in the futures markets have generally tended to move in the aggregate in concert with cash market prices, and the prices have maintained fairly predictable relationships.

The sale of an interest rate or financial futures contract by a Sub-Fund would create an obligation by the Sub-Fund, as seller, to deliver the specific type of financial instrument called for in the contract at a specific future time for a specified price. A futures contract purchased by a Sub-Fund would create an obligation by the Sub-Fund, as purchaser, to take delivery of the specific type of financial instrument at a specific future time at a specific price. The specific securities delivered or taken, respectively, at settlement date, would not be determined until at or near that date. The determination would be in accordance with the rules of the exchange on which the futures contract sale or purchase was made.

Although interest rate or financial futures contracts by their terms call for actual delivery or acceptance of securities (or cash settlement amount), in most cases the contracts are closed out before the settlement date without delivery of securities. Closing out of futures contract sale is effected by the Sub-Fund entering into a futures contract purchase for the same aggregate amount of the specific type of financial instrument and the same delivery date. If the price in the sale exceeds the price in the offsetting purchase, the Sub-Fund is paid the difference and thus realizes a gain. If the offsetting purchase price exceeds the sale price, the Sub-Fund pays the difference and realizes a loss. Similarly, the closing out of a futures contract purchase is effected by the Sub-Fund entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the Sub-Fund realizes a gain, and if the purchase price exceeds the offsetting sale price, the Sub-Fund realizes a loss.

Most Sub-Funds will deal only in standardized contracts on recognized exchanges. Each exchange guarantees performance under contract provisions through a clearing corporation, a

nonprofit organization managed by the exchange membership. Domestic interest rate futures contracts are traded in an auction environment on the floors of several exchanges - principally, the Chicago Board of Trade and the Chicago Mercantile Exchange. A public market now exists in domestic futures contracts covering various financial instruments including long-term United States Treasury bonds and notes; Government National Mortgage Association (GNMA) modified pass-through mortgage-backed securities; three-month United States Treasury bills; and 90-day commercial paper. International interest rate futures contracts are traded on the London International Financial Futures Exchange, the Singapore International Monetary Exchange, the Sydney Futures Exchange Limited and the Tokyo Stock Exchange.

Foreign Currency Futures Contracts. Sub-Funds may invest in foreign currency future contracts. A foreign currency futures contract provides for the future sale by one party and purchase by another party of a specified quantity of a foreign currency at a specified price and time. A public market exists in futures contracts covering several foreign currencies, including the Australian dollar, the Canadian dollar, the British pound, the German mark, the Japanese yen, the Swiss franc, and certain multinational currencies such as the European Currency Unit ("ECU"). Other foreign currency futures contracts may be developed and traded in the future.

Risks of Transactions in Futures Contracts. There are several risks related to the use of futures as a hedging device. One risk arises because of the imperfect correlation between movements in the price of the futures contract and movements in the price of the securities which are the subject of the hedge. The price of the future may move more or less than the price of the securities being hedged. If the price of the future moves less than the price of the securities which are the subject of the hedge, the hedge will not be fully effective, but if the price of the securities being hedged has moved in an unfavorable direction, the Sub-Fund would be in a better position than if it had not hedged at all. If the price of the securities being hedged has moved in a favorable direction, this advantage will be partially offset by the loss on the future. If the price of the future moves more than the price of the hedged securities, the Sub-Fund will experience either a loss or a gain on the future which will not be completely offset by movements in the price of the securities which are subject to the hedge.

To compensate for the imperfect correlation of movements in the price of securities being hedged and movements in the price of the futures contract, the Sub-Fund may buy or sell futures contracts in a greater dollar amount than the dollar amount of securities being hedged if the historical volatility of the prices of such securities has been greater than the historical volatility over such time period of the future. Conversely, the Sub-Fund may buy or sell fewer futures contracts if the historical volatility of the price of the securities being hedged is less than the historical volatility of the futures contract being used. It is possible that, when a Sub-Fund has sold futures to hedge its portfolio against a decline in the market, the market may advance while the value of securities held in the Sub-Fund's portfolio may decline. If this occurs, the Sub-Fund will lose money on the future and also experience a decline in value in its portfolio securities.

Where futures are purchased to hedge against a possible increase in the price of securities before a Manager is able to invest its cash (or cash equivalents) in securities (or options) in an orderly fashion, it is possible that the market may decline instead. If the Sub-Fund's Manager then decides not to invest in securities or options at that time because of concern as to possible further market decline or for other reasons, the Sub-Fund will realize a loss on the futures contract that is not offset by a reduction in the price of securities purchased.

In addition to the possibility that there may be an imperfect correlation, or no correlation at all, between movements in the futures and the securities being hedged, the price of futures may

not correlate perfectly with movement in the stock index or cash market due to certain market distortions. All participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close futures contracts through offsetting transactions, which could distort the normal relationship between the index or cash market and futures markets. In addition, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market may also cause temporary price distortions. As a result of price distortions in the futures market and the imperfect correlation between movements in the cash market and the price of securities and movements in the price of futures, a correct forecast of general trends by a Manager may still not result in a successful hedging transaction over a very short time frame.

Positions in futures may be closed out only on an exchange or board of trade which provides a secondary market for such futures. Although most Sub-Funds purchase or sell futures only on exchanges or boards of trade where there appears to be an active secondary market, there is no assurance that a liquid secondary market on an exchange or board of trade will exist for any particular contract or at any particular time. In such event, it may not be possible to close a futures position, and in the event of adverse price movements, a Sub-Fund would continue to be required to make daily cash payments of variation margin. When futures contracts have been used to hedge portfolio securities, such securities will not be sold until the futures contract can be terminated. In such circumstances, an increase in the price of the securities, if any, may partially or completely offset losses on the futures contract. However, as described above, there is no guarantee that the price of the securities will in fact correlate with the price movements in the futures contract and thus provide an offset to losses on a futures contract.

Most United States futures exchanges limit the amount of fluctuation permitted in futures contract prices during a single trading day. The daily limit establishes the maximum amount that the price of a future contract may vary either up or down from the previous day's settlement price at the end of a trading session. Once the daily limit has been reached in a particular type of futures contract, no trade may be made on that day at a price beyond that limit. The daily limit governs only price movement during a particular trading day and therefore does not limit potential losses, because the limit may prevent the liquidation of unfavorable positions. Futures contract prices have occasionally moved to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting some futures traders to substantial losses.

Successful use of futures by a Sub-Fund also is subject to the Manager's ability to predict correctly movements in the direction of the market. For example, if a Sub-Fund has hedged against the possibility of a decline in the market adversely affecting stocks held in its portfolio and stock prices increase instead, the Fund will lose part or all of the benefit of the increased value of the stocks which it has hedged because it will have offsetting losses in its futures positions. In addition, in such situations, if a Sub-Fund has insufficient cash, it may have to sell securities to meet daily variation margin requirements. Such sales of securities may be, but will not necessarily be, at increased prices which reflect the rising market. The Sub-Fund may have to sell securities at a time when it may be disadvantageous to do so.

In the event of the bankruptcy of an FCM through which a Sub-Fund engages in transactions in futures contracts or options, the Sub-Fund could experience delays and losses in liquidating open positions purchased or sold through the FCM, and incur a loss of all or part of its margin deposits with the FCM.

As indicated above, most Sub-Funds have the discretion to use futures contracts for speculative purposes rather than just hedging or risk management purposes. Such use of futures would expose a Sub-Fund to greater potential losses than would hedging or risk management uses of futures, as there would be no offsetting market position potentially reducing the loss on the futures position.

Options on Futures Contracts. As described above, Sub-Funds may purchase options on the futures contracts the Sub-Fund can purchase or sell, as described above. A futures option gives the holder, in return for the premium paid, the right to buy (call) from or sell (put) to the writer of the option a futures contract at a specified price at any time during the period of the option. Upon exercise, the writer of the option is obligated to pay the difference between the cash value of the futures contract and the exercise price. Like the buyer or seller of a futures contract, the holder or writer of an option has the right to terminate its position prior to the scheduled expiration of the option by selling, or purchasing an option of the same series, at which time the person entering into the closing transaction will realize a gain or loss. There is no guarantee that such closing transactions can be effected.

Investments in futures options involve some of the same considerations as investments in futures contracts (for example, the existence of a liquid secondary market). In addition, the purchase of an option also entails the risk that changes in the value of the underlying futures contract will not be fully reflected in the value of the option. Depending on the pricing of the option compared to either the futures contract upon which it is based, an option may or may not be less risky than ownership of the futures contract or such securities. In general, the market prices of options can be expected to be more volatile than the market prices on the underlying futures contracts. Compared to the purchase or sale of futures contracts, however, the purchase of call or put option on futures contracts may frequently involve less potential risk to a Sub-Fund because the maximum amount at risk is limited to the premium paid for the options (plus transaction costs).

Strategy Risk. A Manager may use proprietary investment strategies that are not fully disclosed, which may involve risks under some market conditions that are not anticipated by the Investment Manager. It is expected that the Fund will be given advance notice of any material change in a Manager's investment program or policies. However, there can be no assurance that a Manager will provide such notice and thus, the Fund's assets may be subject to additional risks which may not be promptly identified by the Investment Manager.

OTHER RISK FACTORS

There are various substantial risks associated with an investment in the Fund. There are many market-related and other factors - some of which cannot be anticipated - that could cause an investor to lose a major portion or all of its investment in the Fund, prevent the Fund from generating profits, or reduce or eradicate an investor's after-tax return on its investment. No person should invest in the Fund unless it is fully able, financially and otherwise, to bear such a loss, and unless it has the background and experience to understand thoroughly the risks of its investment. This and other sections of this Memorandum identify some of the risks of investing in the Fund, but this Memorandum does not attempt to identify each risk, or to describe completely or substantially those risks it does identify. See also "INVESTMENT OBJECTIVE AND STRATEGIES."

Economic Conditions. Changes in economic conditions, including, for example, interest rates, inflation rates, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Fund.

Suspensions of Trading. Securities and commodities exchanges typically can suspend or limit trading in any instrument traded on the exchange. A suspension could render it impossible for a Manager to liquidate positions and thereby expose the Sub-Funds, and thus the Fund, to substantial losses.

Possible Adverse Effect of Large Redemptions . The Investment Manager's investment strategies could be disrupted by large redemptions by Shareholders. For example, such redemptions could require the Investment Manager to prematurely liquidate securities positions it had established for the Fund.

Illiquid Securities. The Sub-Funds may invest in securities which are not readily marketable, including privately placed securities. The Sub-Fund may find it difficult to readily dispose of illiquid investments in the ordinary course of business. In addition, illiquid investments may not have an established trading market. The NAV of a Sub- Fund may be based in significant part on the valuations placed on Sub-Fund assets by its Manager without reference to an established market for such investments.

Litigation Risk. A Sub-Fund could become involved in shareholder, insider trading or other litigation as a result of its investment activities, which could adversely affect the Sub-Fund.

New Strategies. Many of the strategies used by the Managers (and sometimes the Sub-Funds themselves) may not have been in existence during periods of major market stress, disruption or decline. As a result, it is not known how these strategies will perform in these periods.

No Market for Interests. Although Shares in the Fund may after one year following their issuance be redeemed on a periodic basis, Shares may not be assigned, pledged or transferred without the prior written consent of the Directors or the Investment Manager. There is no market for the Shares and none is expected to develop. The Shares will not be registered under the Securities Act or any other securities law and will be subject to strict restrictions on resale and transferability under such laws and the Memorandum and Articles of Association.

Multiple Managers. Because each Manager will trade independently of the others, the trading losses of some Managers could offset trading profits achieved by the profitable Managers. Managers might compete for the same investment positions. Conversely, Managers may take offsetting positions which would result in transaction costs for the Fund without the possibility of profits.

Manager or Allocation Changes. The Investment Manager expects from time to time to change Managers and the asset allocations among Managers. The Investment Manager is not required to notify investors of such changes. These changes may occur when the Fund receives additional capital contributions from investors at a time when certain Sub-Funds are "closed" to new investment. The new capital would thus have to be allocated to "open" Sub-Funds, which may affect asset allocation in an unintended way. The Fund's success will depend on the Manager selection and allocation abilities of the Investment Manager.

Passive Investment. The Fund will be managed exclusively by the Investment Manager, and Shareholders will not be able to make any investment or other decision on behalf of the Fund. Shareholders are in fact precluded from active participation in making investment or other management decisions. In order to safeguard their limited exposure to the Fund's liabilities, Shareholders must rely on the Investment Manager to manage and conduct the affairs of the Fund.

Absence of Regulatory Oversight. While the Fund may be considered similar to an investment company, it does not intend to register as such under the Investment Company Act, in reliance upon an exemption available to privately offered investment companies. Accordingly, the provisions of the Investment Company Act (which, among other matters, requires investment companies to have a board of directors or trustees comprised in part of disinterested persons, requires securities to be held in segregated custody accounts, and closely regulates the relationship between the investment company and its investment adviser) will not be applicable.

Dependence on Skill and Integrity of Managers. The success of the Fund is dependent upon the ability and integrity of the Managers and the Sub-Funds selected by the Investment Manager. While the Investment Manager carefully scrutinizes new Managers and monitors all Sub-Funds in which the Fund invests, the current and future performance of any individual Sub-Fund may vary from its historical performance. In addition, there is the possibility that Managers may deviate from their stated investment disciplines, be negligent in their investment management or commit fraud or willful misconduct.

Sub-Funds' Limitations on Withdrawals. While investors in the Fund have certain capital withdrawal rights, the Sub-Funds may not permit withdrawals at the same intervals or on the same notice. For this reason, the Investment Manager has authority to restrict investors' withdrawal rights, on a *pari passu* basis among all investors, if and to the extent the Fund is unable to obtain sufficient funds to honor withdrawal requests by withdrawing from the Sub-Funds, through borrowings, or otherwise. Investors requesting withdrawals may experience delays in receiving withdrawal payments.

Investment in Offshore Sub-Funds and Instruments. The Fund may invest, directly or indirectly, in Sub-Funds domiciled outside the U.S., and certain Sub-Funds may invest substantial portions of their assets in non-U.S. instruments. Investment in such Sub-Funds and in non-U.S. instruments may involve greater risk than investment in U.S. Sub-Funds and instruments, due to such factors as political and economic instability, fluctuations in currency prices and less stringent accounting standards or regulatory systems.

Institutional Risk. A Sub-Fund could incur major losses due to the financial difficulty of the brokerage firm, bank or other custodian with which it deposits its assets. The Fund will have no control over the depositories or financial intermediaries used by the Managers.

Valuation. The Fund relies primarily on information provided by Managers in valuing its investments in privately offered Sub-Funds. There is a risk that inaccurate valuations provided by Managers could adversely affect the value of Interests and the amounts Members receive upon the redemption of Interests. Because Managers to privately offered Sub-Funds generally provide NAV information to the Fund on a monthly basis and do not generally provide detailed information on their investment positions, except on an annual basis, the Fund generally will not be able to determine the fair value of its investments in such privately offered Sub-Funds or its NAV other than as of the end of each month and may not be able to verify valuation information

given to the Fund by Managers, except in connection with the delivery of such Sub-Fund's annual audited financial statements.

Increase in Managed Assets. The Fund may invest with Managers who are experiencing a major increase in the assets they manage, which may impair the ability of their strategies and operations to perform up to historical levels. Additionally, Managers faced with a significant increase in assets to invest may divert from stated strategies into strategies or markets with which they could have little or no experience. This could result in serious losses to the Fund.

Reliance on Key Personnel of the Investment Manager. The success of the Fund is highly dependent on the financial, managerial and investment expertise of key personnel of the Investment Manager. Should anything happen to such key personnel, the business and results of operations of the Fund may be adversely affected.

BROKERAGE AND PORTFOLIO TRANSACTIONS

The Managers are solely responsible for investment decisions and for the execution of purchases and sales of stocks for the Sub-Funds. Sub-Funds have no obligation to deal with any particular broker-dealer in the execution of transactions in the portfolio securities. In executing such transactions, the Managers are required to seek to obtain the best price and execution for its transactions. The Sub-Funds, however, will not necessarily pay the lowest commission or mark-up.

Where best price and execution may be obtained from more than one broker-dealer, the Managers may purchase and sell stocks with or through broker-dealers who provide research, statistical analysis and other information to the Manager. Information so received will generally be in addition to and not in lieu of the services required to be performed by the Managers, and the expenses of the Managers will not necessarily be reduced as a result of the receipt of such supplemental information. Such information may be useful to the Managers in providing services to clients other than the Sub-Fund. Conversely, such information provided to the Managers by broker-dealers with or through whom other clients of the Investment Manager effect securities transactions may be useful to the Managers in providing services to the Sub-Fund. The Investment Manager will periodically review the portfolio transactions of the managers to verify that the expenses of the Managers are reasonable.

CUSTODIAN

Bank of North Georgia has been appointed as the custodian for the Fund (the "Custodian"). The Custodian will provide various services to the Fund and the Investment Manager, including the maintenance of depository accounts for all cash transactions.

FEES AND EXPENSES

Fund Expenses

The Fund bears all of its operating and other expenses, including but not limited to any transactional expenses and its legal, auditing, accounting and custodial fees. The Fund will reimburse the Directors for any expenses incurred in connection with their duties to the Fund. The Fund pays the Administrator an administrative fee in accordance with its customary rates and charges, plus reimbursement for out-of-pocket expenses and additional fees for particular services as agreed upon from time to time.

Sub-Fund Expenses

The Sub-Funds' main expenses are expected to be the management and incentive fees paid to the Managers, their brokerage commissions and other transaction costs, start-up expenses, and their administrative costs such as audit and legal fees. The management fees are expected to range between 0%-3% per year of the Sub-Fund's NAV, and incentive fees (or allocations) between 20%-30% of profits. Most Sub-Funds are expected to assess incentive fees solely on "high water mark" profits, so that losses are carried forward and must be recouped out of future profits before an incentive fee can be earned in a later period. (Some Sub-Funds, however, may assess incentive fees on "period-to-period" profits, under which losses are not carried forward.) Because incentive fees will be based on each Sub-Fund's performance, the Fund itself may in effect pay incentive fees during periods when it is not profitable on an overall basis (to the extent the losses of the unprofitable Sub-Funds together with the Fund's expenses exceed the profits of the profitable Sub-Funds).

Management Fees

The Fund pays the Investment Manager a monthly management fee based upon the Fund's NAV as of the first day of each month. The total management fee assessed to the Fund generally equals 1.5% per annum of the Fund's NAV as of the first business day of each month (including any subscriptions effective on such date). The management fee will be payable in arrears. However, the Directors may assess a higher or lower management fee to certain Shareholders under certain circumstances in its discretion. Shareholders assessed a higher or lower management fee will be issued a separate Class of Shares.

The Investment Manager does not charge the Fund an incentive fee.

Administrator's Fee

The Fund pays the Administrator an administrative fee in accordance with its customary rates, plus reimbursement for out-of-pocket expenses and additional fees for particular services as agreed upon from time to time.

REDEMPTION RIGHTS AND PROCEDURES

Redemption

A Shareholder may redeem any or all of his Shares, as of the last business day of any calendar quarter, at the NAV per Share as of such date, on 95 days' prior written notice to the Administrator and provided that such notice has been received by the Administrator. (The Directors may in their discretion allow redemption at any other time or on shorter notice.) Redemptions, other than complete redemptions, may not reduce a Shareholder's investment in the Fund to an amount less than the minimum initial investment without the consent of the Directors. Redemptions may be made in-kind in the sole discretion of the Directors.

Redemption of Shares will be made in accordance with the terms of this Memorandum and the Fund's Memorandum and Articles of Association.

Limitations on Redemptions

Shares may not be redeemed prior to a date that is on or after the first annual anniversary of their purchase (assuming a first purchased, first redeemed methodology of Share identification).

The Directors may suspend Shareholders' redemption rights and payment of redemption proceeds if and to the extent they determine that the redemption would have a material adverse effect on the Fund or the non-redeeming Shareholders or is not reasonably practical (for example, because market prices cannot be promptly and accurately ascertained). See "REDEMPTION RIGHTS AND PROCEDURES" below for more information regarding limitations on a Shareholder's right to redeem its Shares. No Shares will be issued when redemptions are suspended.

Shares not redeemed from a Fund by virtue of the foregoing restrictions will remain at risk in that Fund and shall continue to be treated for all purposes as if no redemption requests relating thereto had been submitted.

Payment of Redemption Proceeds

Subject to the receipt of the original redemption request by the Administrator for redemptions representing up to 90% of a Shareholder's investment in the Fund, the estimated amount of such redemption will generally be payable within 60 days of the effective date of the redemption. For redemptions representing more than 90% of a Shareholder's investment in the Fund, 90% of the estimated redemption proceeds will generally be payable within 60 days of the effective date of the redemption and the remainder shall be payable within 60 days of the completion of the year-end audit of the Fund's financial statements. No escrow account is used in processing redemptions and no interest is payable on redemption proceeds.

Transferability

The Shares may be transferred only with the Directors' consent, which they may withhold in their discretion. The Directors will normally consent if the proposed transferee executes a document containing the information set forth in the Subscription Agreement and the selling investor and the proposed transferee supply to the Fund such representations, certificates, legal opinions and other documents and instruments as the Directors may request. While transfer of the Shares will be restricted, an investor has the right to require the Fund to redeem the Shares as described above.

The Directors do not currently intend to list the Shares on any exchange, but may in the future (such listing costs would be borne by the Fund). There is no trading market for the Shares and none is expected to develop.

Compulsory Redemption

In their sole discretion, the Directors may at any time without notice compulsorily redeem the Shares at NAV per Share of the relevant Class (less any fiscal charges, fees and expenses incurred as a result of compulsory redemption) or require the transfer of Shares. It is expected that such compulsory redemption or transfer will only be required where Shares may have been acquired in contravention of laws or regulations or otherwise where continued ownership, direct or beneficial, of Shares might have, in the sole and exclusive opinion of the Directors, adverse regulatory, tax or pecuniary consequences to the Fund or the Shareholders and otherwise as more particularly described in the Articles of Association of the Fund.

POTENTIAL CONFLICTS OF INTEREST

Except as may otherwise be required by applicable law, conflicts of interest described or contemplated herein and such other conflicts of interest that may arise from time to time will be resolved in the sole discretion of the Investment Manager. There can be no assurance that any actual or potential conflicts of interest will not adversely affect the Fund and the performance of the Fund.

Non-Exclusive Relationship. The Investment Manager is subject to various conflicts of interest in the performance of its duties and obligations for the Fund. The services of the Investment Manager are not exclusive, and the Investment Manager will provide similar services to other clients, some of which have investment objectives and policies similar to those of the Fund. The Fund may therefore indirectly invest in securities in which other funds and accounts managed by the Investment Manager also invest. In addition, the Investment Manager may give advice and recommend securities to, or buy or sell securities for, such funds or accounts that may be different from the advice given to, or securities recommended for, the Fund even though the investment objectives of such funds or accounts may be the same as, or similar to, those of the Fund. There can be no assurance that the Fund will be afforded comparable investment opportunities to those directed to such other funds and accounts managed or advised by the Investment Manager. The Investment Manager will devote as much of its professional time to the Fund as it shall determine is appropriate. However, the Investment Manager has other business responsibilities. While the Investment Manager believes that there is generally a commonality of interest among its various business responsibilities, conflicts may arise in certain situations.

Compensation from Managers. The Investment Manager has entered into marketing and referral arrangements with certain Managers entitling the Investment Manager to receive a portion of the advisory fees earned by such Managers and attributable to referred clients. These marketing and referral arrangements apply to any investment by the Fund into a Sub-Fund managed by such Manager, thereby entitling the Investment Manager to receive a portion of the management and/or performance-based fees and/or commissions that are attributable to the Fund's investments in any such Managers' Sub-Funds. As a result of such marketing and referral arrangements, the Investment Manager has a substantial financial incentive to allocate Fund assets to Sub-Funds based on these arrangements rather than solely on their consideration of the Fund's and Shareholders' best interests.

To the extent required by the Employee Retirement Income Security Act of 1971, as amended ("ERISA") and the Internal Revenue Code of 1986 (the "Code"), the Investment Manager will reimburse management fees charged to certain Shareholders who are benefit plan investors in an amount equal to the fees and/or commissions received by the Investment Manager which are attributable to such Shareholder's investment in the Fund. The Investment Manager may, but will not be required to, reimburse Shareholders where the receipt of such fees and/or commissions by the Investment Manager is not prohibited by ERISA or the Code. Reimbursements of fees and/or commissions may cause certain Shareholders who are not benefit plan investors to pay higher management fees to the Investment Manager than other Shareholders in the Fund.

Participation of the Investment Manager in the Organization of the Fund. The Investment Manager participated in the structuring and organization of the Fund. Thus, the selection of Investment Manager, as well as the setting of the Investment Manager's compensation, was not the result of arms-length negotiation.

Performance Allocations. Managers of Sub-Funds may receive performance-based compensation. Such Managers may have incentive to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. Unrealized appreciation of stocks chosen by Managers might be included in the performance-based compensation of such managers without such appreciation ever being realized on behalf of the Shareholders. The amounts of performance-based compensation will be variable and cannot be determined in advance. Depending on a Sub-Fund's total return, the amount of performance-based compensation paid to Managers may be high compared to a fixed fee paid to an investment manager for managing a comparable amount of money.

Payments for Referrals of Prospective Shareholders. The Investment Manager may engage certain persons and firms to refer prospective Shareholders to the Investment Manager and, in connection with any successful referrals, may assign such persons and firms certain of the fees and other compensation the Investment Manager earns from the Fund or may otherwise compensate such persons and firms out of its own assets and not out of the Fund's assets.

Side Letter Agreements. The Investment Manager on its own behalf and on behalf of the Fund may from time to time enter into a side letter or similar agreement to or with a Shareholder which has the effect of establishing rights under, or altering or supplementing the terms of this offering. While the Manager will not enter into any side letter agreement that it expects will disadvantage the Fund or any Shareholder, prospective investors should be aware that under certain circumstances the preferential rights granted to side letter recipients may have the effect of benefiting certain investors to the detriment of others.

MANAGEMENT OF THE FUND

Investment Manager

The Investment Manager will manage the Fund's day-to-day investment and other business operations. The Investment Manager is authorized in the Agreement to engage various agents and service providers to assist in these management activities.

The address of the Investment Manager is 3295 River Exchange Drive, Suite 275, Norcross, Georgia 30092 USA. Pursuant to Rule 4.13(a)(4) of the Commodity Futures Trading Commission ("CFTC") Regulations, the Investment Manager is not required to register with the CFTC as a commodity pool operator. The Investment Manager anticipates registering with the Securities and Exchange Commission ("SEC") as an investment advisor.

Joseph B. Hurley, IV is President and Chief Investment Officer of Chi-Rho Financial, LLC. Mr. Hurley has been investing and managing capital in hedge funds for the past 15 years. Prior to founding Chi-Rho Financial LLC, he served as the head-trader for Austin Calvert and Flavin, a Texas asset management firm with traditional assets of over \$1 billion. In addition to the traditional investments, Mr. Hurley also served as head-trader for their hedge fund, Encino Partners. His experience in the investment industry includes time spent trading as a registered commodities trading adviser (CTA), as well as trading long and short equity and fixed income portfolios; hedging corporate liabilities in various currency and option markets; trading financial derivative strategies for institutional accounts; evaluating and trading institution fixed income; and serving on the Furman University Endowment Committee. Mr. Hurley received his Bachelor of Arts from Furman University in Greenville, South Carolina.

In his role as President and Chief Investment Officer, Mr. Hurley is responsible for the day-to-day operations involved with managing the assets in the Fund and the allocation of assets to individual Managers and their Sub-Funds. His experience allows him to understand, analyze and evaluate each Manager's performance, to include monitoring adherence to state strategies of the Managers, risk levels, liquidity, correlation and each Sub-Fund's business stability.

Investment Management Agreement

The Agreement provides that the Investment Manager shall not be liable to any Shareholder or the Fund for any action or inaction of the Investment Manager or any affiliate of the Investment Manager relating to the Agreement, except for an action or inaction constituting intentional misconduct or gross negligence, or violation of U.S. federal securities law as determined in a final order by a court of competent jurisdiction.

The Agreement also provides that the Fund will indemnify, hold harmless, and defend the Investment Manager and its shareholders, directors, officers, employees, affiliates and agents from and against any loss, liability or expense (including reasonable attorneys' fees) in connection with the Agreement, except to the extent if any that the loss, liability or expenses arose from the Investment Manager's intentional misconduct or gross negligence, or its violation of U.S. federal securities law as determined in a final order by a court of competent jurisdiction. Any expenses incurred by the Investment Manager in defending a threatened or pending proceeding shall be paid by the Fund in advance of the final disposition of the proceeding.

Directors

The Fund is managed by its Board of Directors, which is composed of Joseph Hurley and Steve Smith of the Investment Manager. Under the Fund's Articles of Association, the Board of Directors may delegate certain of its functions. In performing their duties, the Directors are entitled to rely upon, and generally will rely upon work performed by and the advice of the Investment Manager, Administrator, Auditors, Legal Counsel, and other service providers to the Fund.

The Fund's Directors and any alternate Directors may be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of the Fund. The Directors have not entered into a service contract as Directors with the Fund, nor is any such contract proposed. The Fund's Memorandum and Articles of Association do not stipulate a retirement age for Directors and do not provide for a retirement of Directors by rotation.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is interested, provided that the Director has disclosed to the Board of Directors, prior to the conclusion of any such transaction or arrangement, the nature and extent of any interest of the Director's therein. A Director may vote in respect of any contract or arrangement or any proposal whatsoever in respect of which the Director has an interest, having first disclosed such interest. At the date of this Memorandum, and except as disclosed herein, the Directors do not have any interest, beneficial or otherwise, in the share capital of the Fund or any interest in the Fund or in any agreement or arrangement with the Fund.

Under the Fund's Articles of Association, the Fund will indemnify a Director from and against all expenses, including legal fees and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative

proceedings incurred by the Director by reason of the fact that the person was or is a Director to the Fund, provided that the Fund may only indemnify a Director if the Director acted honestly and in good faith with a view to the best interests of the Fund and in the case of criminal proceedings, the Directors had no reasonable cause to believe that their conduct was unlawful.

The Administrator

The Administrator provides and maintains the principal place of business of the Fund in the British Virgin Islands as well as the Registered Office of the Fund and serves as liaison with the BVI Regulatory Authorities. The Administrator does not calculate the NAV of the Shares and does not maintain the financial records of the Fund.

The Accountant

The Accountant provides accounting services for the Fund including the maintenance of the Fund's general ledger and financial records, the calculation of the monthly NAV for each Shareholder, and the preparation of monthly Shareholder statements.

CAPITALIZATION OF THE FUND; THE SHARES

The Fund's share capital consists of 5,000,000 shares of voting shares (the "Shares"), with a par value of US\$0.01 per Share, the shares of which will be issued to investors whose subscriptions are accepted. Fractional Shares will be issued to represent the difference between the U.S. Dollar amount subscribed for and the number of full Shares purchasable with that amount. The Shares are subject to certain restrictions on transfer. Directors will have the power to issue further classes of Shares from time to time on the same or on different terms to the existing classes.

When issued, the Shares will be fully paid and non-assessable (and thus an investor may not be held liable for Fund obligations in excess of the NAV of his Shares). There are no outstanding options or special rights relating to the Shares. The Shares will be held in book-entry form. Share certificates will be issued upon written request. Shares may be issued only in registered form and not as bearer shares. The Investment Manager will be the registrar and transfer agent for the Shares.

In the event of the liquidation of the Fund, its net assets shall be distributed among each Class in proportion to the NAV of each Class and within each Class on an equal per Share basis.

The Fund's Directors may refuse to issue or permit the transfer of Shares as they may in their discretion determine.

The Fund will continue unless and until its Directors determine in their discretion that it is in the best interest of the Fund and its investors to terminate the Fund. In that event, and subject to the authorization of the plan of dissolution by a resolution of the Shareholders voting at a meeting, the Fund will thereafter be liquidated.

NEW ISSUES

From time to time, the Fund may directly or indirectly invest in "new issues" (generally defined in Financial Industry Regulatory Authority, Inc. Rule 5130, as the same may be amended, supplemented or replaced from time to time (the "FINRA Rule") as any initial public offering of

an equity security). FINRA has taken the position in the FINRA Rule that such new issues may not be sold, except in limited circumstances, to an account in which a member or person affiliated with or related to a member of FINRA (or certain other securities industry professionals/companies) has an interest. To the extent that the Fund purchases new issues, the Directors may designate certain classes of Shares that may only be purchased by investors whose beneficial owners are not “Restricted Persons” for purposes of U.S. “new issues,” that is, fall within the proscription of FINRA Rule 5130.

DETERMINATION OF NET ASSET VALUE

For purposes of determining the Fund’s NAV, the Investment Manager in its sole discretion shall determine the fair market value of all Fund assets and the amount of all liabilities of the Fund on the basis of generally accepted accounting principles in the United States, consistently applied, as more fully described in the Memorandum and Articles of Association. NAV generally will be determined as of the last business day of each month. Values and amounts determined by the Investment Manager shall be final and binding on all the Shareholders.

SUBSCRIPTION TERMS AND PROCEDURES

In order to subscribe for Shares, each prospective investor will be required to deliver to the Investment Manager a fully executed and appropriately completed copy of the Fund’s subscription agreement (the “Subscription Agreement”), which includes certain representations by such prospective investor with respect to such prospective investor’s subscription and which requests information necessary to determine whether the prospective investor is qualified under applicable securities laws and regulations to invest in the Shares. In order for the investor’s subscription to become effective as of the date intended by the investor, the completed Subscription Agreement must be received by the Investment Manager at least three days prior to the intended effective date for the Investment Manager to process the Subscription Agreement, subject to waiver by the Directors. Subscribers whose subscriptions are accepted will become Shareholders of the Fund. Neither the Fund nor the Administrator accepts any liability arising from errors in the completed Subscription Agreement. Accompanying this Memorandum are copies of the Subscription Agreement for the Fund. *A new Subscription Agreement must be completed with each investment in the Fund.* Additional copies of the Subscription Agreement are available from the Investment Manager.

Wire transfer/mailling instructions are set forth in the Subscription Agreement. No escrow account is used in processing subscriptions and no interest is payable on subscription monies received.

INVESTOR SUITABILITY STANDARDS

An investment in the Shares involves a high degree of risk and should not be made by any person who cannot afford a complete loss of its investment therein. The Shares lack liquidity, as compared with other securities investments. See “INVESTMENT OBJECTIVE AND STRATEGIES” and “OTHER RISK FACTORS.”

Each purchaser of Shares is required to represent that the Shares are being acquired for its own account, for investment, and not with a view to resale or distribution. The Shares are suitable investments only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand, are willing to assume, and who have the

financial resources necessary to withstand the risks involved in the Fund's specialized investment program and to bear the potential loss of their entire investment in the Shares.

This Memorandum is not intended to provide the sole basis of an investment in the Shares. Each prospective investor should conduct (and will be deemed to have made) its own independent investigation of the Shares, the Fund and the Investment Manager. The Investment Manager will provide qualified prospective investors with additional information as may be reasonably requested relating to the offering of the Shares. Investors will be asked to acknowledge in the Subscription Agreement that they were given the opportunity to obtain such additional information and that they either did so or elected to waive such opportunity.

The Manager makes no representations as to the proper characterization of the Shares for legal, investment, accounting, regulatory and tax purposes, or as to the ability of particular investors to purchase the Shares under applicable legal and investment restrictions. Prior to investing in the Shares, a prospective investor should consult with its legal, investment, accounting, regulatory and tax advisers to determine the consequences of an investment in the Shares and arrive at an independent evaluation of such investment.

Securities Act

The Shares may not be offered or sold in the United States of America, its territories or possessions or areas subject to its jurisdiction (the "United States"), or to or for the benefit of a United States Person, as defined under Regulation S of the U.S. Securities and Exchange Commission (adopted under the Securities Act), except with the consent of the Administrator in a transaction which does not require the registration of the Shares under applicable United States federal or state securities laws. The Fund does not intend to permit ownership of Shares by United States Persons other than certain tax-exempt organizations which are "accredited investors" (as defined in Regulation D under the Securities Act). The Fund also may refuse to register a transfer of Shares to a United States Person and may compulsorily redeem Shares that come to be held by a United States Person.

Investment Company Act

It is anticipated that the Fund will not be subject to the registration requirements of the Investment Company Act. The Fund will rely on Section 3(c)(7) of the Investment Company Act, which is available to certain issuers whose outstanding securities are beneficially owned exclusively by *qualified purchasers*. The Fund will obtain appropriate representations and undertakings from all investors in order to ensure that the Fund continually meets the conditions of Section 3(c)(7).

The term *qualified purchaser* ("QP"), as used in the Investment Company Act, includes a person who meets any of the categories described below.

- Any natural person (individual) who owns not less than \$5,000,000 in "Investments."
- An entity that was not formed for the specific purpose of investing in the Fund, and that is directly or indirectly owned entirely by or for (i) two or more natural persons who are related as siblings, spouses, or former spouses, or as direct lineal descendants by birth or adoption, or spouses of such persons, (ii) estates of such persons, or (iii) foundations, charitable organizations, or trusts established by or for

the benefit of such persons, and owns not less than \$5,000,000 in “Investments” (a “Family Company”).

- A trust that was not formed for the specific purpose of acquiring the securities offered, as to which the trustee or other person authorized to make decisions with respect to the trust, and each settlor or other person who has contributed assets to the trust, is a qualified purchaser.
- A person acting for its own account or the accounts of other qualified purchasers and in the aggregate owns and invests on a discretionary basis not less than \$25,000,000 in “Investments.”
- An entity in which each beneficial owner is a Qualified Purchaser.
- A qualified institutional buyer (as defined in paragraph (a) of Rule 144A under the Securities Act) acting for its own account, the account of another qualified institutional buyer, or the account of a qualified purchaser (as defined by the 1940 Act) who is not a securities dealer (as described in paragraph (a)(1)(ii) of Rule 144A under the Securities Act), an employee benefit plan or a trust fund that holds the assets of an employee benefit plan.
- A qualified institutional buyer that is a dealer in securities registered as such under the Securities Exchange Act of 1934 who owns and invests on a discretionary basis at least \$25,000,000 in securities of issuers that are not affiliated persons of the dealer.

A qualified institutional buyer that is an employee benefit plan or a trust fund that holds the assets of such a plan and the investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan.

Investment Advisers Act

Because certain of the Managers are registered under the Investment Advisers Act of 1940 (the “Investment Advisers Act”) and may be entitled to performance-based compensation from the Fund, each purchaser of a Share will be required to meet certain additional suitability requirements pursuant to Rule 205-3 under the Investment Advisers Act. Under Rule 205-3, each Shareholder must be (i) a natural person or a “company” (as defined below) which, immediately after becoming a Shareholder, has at least \$750,000 under the management of the Investment Manager or its affiliates or whose net worth at the time of becoming a Shareholder exceeds \$1,500,000. “Company” means a corporation, partnership, association, a joint-stock company, a trust or an organized group of any of the foregoing, whether or not incorporated. However, “company” does not include an investment company registered or required to be registered under the Investment Company Act or exempt from registration under Section 3(c)(1) of such Act or a “business development company” (as defined in Section 202(a)(22) of the Investment Advisers Act) unless all of the equity owners of such entity is a natural person or “company” with a net worth at the time such entity becomes a Shareholder of at least \$1,500,000.

INVESTMENTS BY EMPLOYEE BENEFIT PLANS

ERISA governs the investment of the assets of employee benefit plans subject to ERISA, including those that are Shareholders. ERISA and the rules and regulations of the U.S.

Department of Labor (the “DOL”) promulgated thereunder contain provisions that should be considered by fiduciaries of those plans and their legal advisers.

In deciding upon an investment in the Fund, plan fiduciaries should consider their basic fiduciary duties under ERISA Section 404, which requires them to discharge their investment duties prudently, solely in the interests of the plan participants and beneficiaries and by diversifying the investments of the plan. Plan fiduciaries must give appropriate consideration to the role that an investment in the Fund would play in the plan’s overall investment portfolio. In analyzing an investment in the Fund, special attention should be given to the DOL’s regulation on investment duties (29 CFR 2550.404a-1). That regulation requires, among other things (i) a determination that each investment is reasonably designed, as part of the portfolio, to further the plan’s purposes, (ii) an examination of risk and return factors and (iii) consideration of the portfolio’s composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the plan and the projected return of the total portfolio relative to the plan’s funding objectives. ERISA also requires a fiduciary to discharge its duties in accordance with the documents governing the plan insofar as they are consistent with ERISA.

DOL regulations concerning whether an investment by a plan in an entity will result in the assets of the Fund being deemed “plan assets” contain a general rule that when an employee benefit plan invests in an equity interest in an entity (such as the Fund), and when the interest acquired by the plan is neither a publicly offered security nor a security issued by a registered investment company, the plan’s assets include both the interest and an undivided interest in each of the underlying assets of the entity, unless the aggregate equity participation in the Fund by “benefit plan investors” (including individual retirement accounts, pension, profit-sharing and stock bonus plans) is not “significant” (which the DOL regulations define as less than 25% of the Fund’s total capital). In the event that participation in the Fund by benefit plan investors is “significant” and underlying assets of the Fund are deemed to be “plan assets,” the Investment Manager will acknowledge that it is a “fiduciary” and an “investment manager” with respect to each benefit plan investor’s investment in the Fund and will warrant that it meets all the conditions necessary to be appointed as an investment manager. The Investment Manager will agree to discharge its duties and responsibilities to the Fund in accordance with fiduciary standards of care prescribed in ERISA and will agree to not knowingly engage in any “prohibited transaction” under ERISA or the Code. The Investment Manager will further agree to obtain and maintain such bonds as may be required under ERISA and to include each benefit plan investor among those covered by such bonds. The trustee of each benefit plan investor will be required in the Subscription Agreement to make certain representations and warranties with respect to the plan’s investment in the Fund and will be required to disclose to the Fund any “parties in interest” and “disqualified persons” with respect to the plan.

The foregoing discussion of ERISA issues should not be construed as legal advice. Trustees and other fiduciaries of employee benefit plans subject to ERISA should consult with their own counsel with respect to issues arising under ERISA and make their own independent investment decisions.

TAX CONSIDERATIONS

Based on certain assumptions, including the truth of Shareholders’ representations contained in Subscription Agreements, the Fund believes that the following description generally summarizes the extent under present law of the exposure of the Shareholders to tax under United States or British Virgin Islands Law. No assurance can be given that changes in existing laws or

in regulations (or their interpretation) will not occur after the date of this Memorandum. There are no applicable exchange control laws in the British Virgin Islands or the United States.

British Virgin Islands

Under current law, there are no income taxes in the British Virgin Islands and the Fund and its Shareholders will not be subject to any form of taxation in the British Virgin Islands. There are no capital gains taxes, capital transfer taxes, estate duties or inheritance duties in the British Virgin Islands.

United States

United States Trade or Business. As a non-U.S. corporate entity, the Fund is nationally subject to U.S. federal income tax on its U.S. income. However, the Fund does not intend to conduct a trade or business in the U.S. or to invest in commodities or securities the income from which is treated for U.S. federal income tax purposes as arising from a U.S. trade or business. Section 864(b)(2) of the Internal Revenue Code of 1986, as amended (the “Code”), provides a safe harbor pursuant to which a non-U.S. corporation that engages in the United States in trading of stock, securities or commodities for its own account should not be treated as engaged in a United States trade or business; provided that the non-U.S. corporation is not a dealer in stock, securities or commodities. The Fund intends to conduct its business in a manner so as to meet the requirements of the safe harbor. If the activities of the Fund were not covered by the safe harbor, there would be a risk that the Fund (but not any investor) would be required to file a U.S. Federal income tax return for such year and pay tax at full U.S. corporate income tax rates as well as an additional thirty percent (30%) branch profits tax. *United States Withholding Tax.* The Fund will be subject to U.S. withholding tax on U.S. source dividend income. The Fund should not be subject to U.S. Federal income or withholding tax on certain U.S. source interest income (other than in the case of certain contingent interest or interest received from a borrower ten percent (10%) or more of the equity of which is owned by the Fund, neither of which the Fund anticipates receiving), provided that the Fund is not engaged in a trade or business within the U.S. to which such interest income is effectively connected, and provided that the Fund’s interest-bearing securities qualified as registered obligations and that the Fund timely supplies an Internal Revenue Service Form W-8 BEN or its equivalent. No U.S. withholding taxes will be imposed on principal, premium and interest (including original issue discount) paid to the Fund on debt obligations issued by the U.S. (e.g., U.S. Treasuries) or on capital gains (other than original issue discount) realized by the Fund on the sale, exchange or redemption of commodities, securities or options.

Taxation of Shareholders. Shareholders who are not otherwise subject to U.S. taxes by reason of their residence, domicile or other particular circumstances should not become subject to U.S. taxes solely by reason of the ownership, transfer or redemption of the Shares, provided that such Shareholder does not have certain present or former connections with the U.S. (e.g., is not present in the U.S. more than 182 days during the Shareholder’s taxable year, or in certain limited circumstances, a prior taxable year), and provided further, that such Shareholder is not engaged in a trade or business during the taxable year (or, in certain circumstances, a prior taxable year). Except as specifically indicated, this discussion does not address the U.S. Federal income tax consequences of Share ownership to any person otherwise subject to U.S. Federal income taxes who owns Shares or is a direct or indirect owner of a Shareholder.

No Unrelated Business Taxable Income. While the Fund may purchase securities on margin, borrow money and otherwise utilize leverage in connection with its investments, under current law such leverage should not be attributed to, or otherwise flow through to, U.S. tax-exempt

Shareholders in the Fund. Accordingly, assuming a U.S. tax-exempt Shareholder does not borrow money or otherwise utilize leverage to purchase Shares, any dividends from the Fund or gain on the sale or redemption of Shares should not constitute “unrelated business taxable income” (“UBTI”) to the U.S. tax-exempt Shareholder and should not be subject to U.S. Federal income tax under PFIC provisions of the Code.

Passive Foreign Investment Companies and Controlled Foreign Corporations. Investors who are or may be subject to U.S. Federal income tax on their income should be aware of certain tax consequences applicable to passive foreign investment companies (“PFIC”) and controlled foreign corporations (“CFCs”). The Fund does not expect to furnish information necessary for a U.S. person to treat the Fund as a “qualified electing fund” (“QEF”) in the event that a U.S. person that is not a U.S. tax-exempt Shareholder is considered to own Shares under the constructive ownership rules of the Code. Similarly, while the Fund will monitor its Shareholders in an attempt to ensure that at all times the ownership of the Fund by U.S. tax-exempt Shareholders is below the threshold amounts set forth in the Code to be classified as a CFC, there can be no assurance that the Fund will be able to do so.

Information Reporting. U.S. Shareholders may be subject to certain Internal Revenue Service filing requirements. For example, pursuant to Code Section 6038B, a U.S. person which transfers property (including cash) to a foreign corporation in exchange for stock in the corporation will be, in some cases, required to file an information return with the Internal Revenue Service with respect to such transfer. Accordingly, U.S. investors may be required to file an information return with respect to its investment in the Fund. Additional reporting requirements may be imposed on a U.S. Shareholder that acquires Shares with a value equal to at least 10% of the aggregate value of all the Shares. Shareholders should consult their own tax advisers with respect to any applicable filing requirements.

Accounting for Uncertainty in Income Taxes. Financial Accounting Standards Board Accounting Standards Codification Topic No. 740, “Income Taxes” (“ASC 740,” in part formerly known as “FIN 48”), provides guidance on the recognition of uncertain tax positions. ASC 740 prescribes the minimum recognition threshold that a tax position is required to meet before being recognized in an entity’s financial statements. It also provides guidance on recognition, measurement, classification, interest and penalties with respect to tax positions. A prospective Shareholder should be aware that, among other things, ASC 740 could have a material adverse effect on the periodic calculations of the NAV of the Fund, including reducing the NAV of the Fund to reflect reserves for income taxes, such as foreign withholding taxes, that may be payable by the Fund. This could cause benefits or detriments to certain Shareholders, depending upon the timing of their acquisition or redemption of Fund Shares.

U.S. Source Payments to the Fund May Be Subject to Withholding Under the Hiring Incentives to Restore Employment Act (the “HIRE Act”). The HIRE Act provides that, beginning on January 1, 2013, a 30% withholding tax will be imposed on certain payments to the Fund of U.S. source income and proceeds from the sale of property that could give rise to U.S. source interest or dividends unless the Fund enters into an agreement with the IRS to disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to such interest. Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to satisfy its obligations under the HIRE Act.

As indicated above, the Fund's ability to satisfy its obligations under these provisions will depend on each Shareholder providing the Fund with certain information, including information concerning the direct or indirect owners of such Shareholder, that the Fund determines is necessary to satisfy such obligations. Each Shareholder will agree in its Subscription Agreement to provide such information upon request from the Fund, which request will be made once the information requirement are defined by the IRS and the U.S. Treasury Department. If the Fund fails to satisfy such obligations or if a Shareholder fails to provide the Fund with the necessary information, payments of U.S. source income and payments of proceeds from the sale of property described in the previous paragraph will generally be subject to a 30% withholding tax. The Fund may mandatorily redeem Shares owned by a Shareholder and/or reduce the amounts payable on dividends or redemption proceeds to a Shareholder that fails to provide the Fund with the information such Fund requests to satisfy its obligations under the HIRE Act. Prospective Shareholders are encouraged to consult with their own tax advisors regarding the possible implications of the HIRE Act on their investments in the Fund.

European Union Savings Tax Directive

The British Virgin Islands has introduced legislation relating to the European Union Savings Tax Directive (the "EUSD"). In common with the EUSD, the British Virgin Islands legislation will apply to "interest payments" made by a "paying agent" to an individual resident in the European Union. Payments subject to the EUSD are subject to a withholding tax or, with the consent of the individual, automatic exchange of information. Under the British Virgin Islands legislation, "interest payment" includes income paid (as a distribution or on redemption) by or on behalf of certain undertakings for collective investment ("UCITS") or "equivalent undertakings for collective investment established in the British Virgin Islands" (an "UCITS equivalent").

The Fund is recognized as a Professional Fund within the meaning of the British Virgin Islands Securities and Investment Business Act 2010 (the "Act"). Guidelines published by the British Virgin Islands Government state that a professional fund recognized under the Act will not be an UCITS equivalent. As the Fund is neither an UCITS nor an UCITS equivalent, the Fund is out of scope of the British Virgin Islands legislation.

Investors resident in the European Union or territories affected by the EUSD should seek tax advice based on their particular circumstances from an independent tax adviser.

There can be no assurance that the U.S. or British Virgin Islands tax laws will not be changed adversely with respect to the Fund and its Shareholders or that the Fund's income tax status will not be successfully challenged by such authorities. The foregoing discussion does not address any tax consequences to the Fund or particular Shareholders under applicable federal, state, local or foreign laws. Prospective investors are urged to consult their tax advisers with reference to their specific tax situations, including any applicable federal, state, local or foreign taxes.

ANTI-MONEY LAUNDERING REGULATIONS

The Fund seeks to comply with all applicable laws concerning money laundering and related activities. As part of the Fund's responsibility for detecting and preventing money laundering, the Fund or the Investment Manager may require a detailed verification of an investor's identity and the source of the subscription funds. The Fund also reserves the right to request such identification evidence in respect of a transferee of Shares. In the event of a delay or failure by the subscriber or transferee to produce any information required for verification

purposes, the Fund and the Investment Manager may refuse to accept the subscription and the subscription monies relating thereto. Shares will not be issued until such time as the Investment Manager has received and is satisfied with all the information and documentation requested to verify the identity of the investor. This may result in Shares being issued subsequent to the date on which an investor initially wished to have Shares issued to him.

The Fund also reserves the right to refuse to make any redemption payment to a Shareholder if the Fund or the Investment Manager suspects or is advised that the payment of any redemption moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction or such refusal is considered necessary or appropriate to ensure the compliance by the Fund or the Investment Manager with any such laws or regulations in any relevant jurisdiction.

PRIVACY NOTICE

Any and all nonpublic personal information received by the Fund or the Investment Manager with respect to the Shareholders which are natural persons, including the information provided to the Fund by a Shareholder in the subscription documents, will not be shared with nonaffiliated third parties which are not service providers to the Fund and/or the Investment Manager without prior notice to such Shareholders. Such service providers include but are not limited to the auditors, tax advisors, administrators and the legal advisors of the Fund. Additionally, the Fund and the Investment Manager may disclose such nonpublic personal information as required by law including, without limitation, the disclosure that may be required by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001.

BRITISH VIRGIN ISLANDS REGULATION

The Fund is a recognized Professional Fund within the meaning of the British Virgin Islands Securities and Investment Business Act, 2010 ("SIBA") and the Mutual Funds Regulations, 2010. The Shares of the Fund may only be issued to persons who are "Professional Investors" within the meaning of SIBA and the initial investment in the Fund by all of its shareholders must be not less than \$100,000 other than Exempted Investors as defined by SIBA. As a recognized Professional Fund, the Fund is required to pay an annual recognition fee of \$700.00, to file with the British Virgin Islands Financial Services Commission (the "Commission") annual financial statements within six months of the end of its financial year and an annual mutual funds return within six months of the end of each calendar year of operations. Such recognition does not involve an examination of the merits of an investment in the Fund and does not entail supervision of the Fund's investment performance or portfolio by the British Virgin Islands Government or the Commission in the British Virgin Islands. There is no financial obligation or compensation scheme imposed on or by the Government of the British Virgin Islands in favor of or available to the investors in the Fund.

A Professional Investor is any person: (a) whose ordinary business involves, whether for its own account or the accounts of others, the acquisition or disposal of property of the same kind as the property, or a substantial part of the property, of the Fund; or (b) who has signed a declaration that the investor, whether individually or jointly with the investor's spouse, has net worth in excess of \$1 million United States currency or its equivalent in any other currency and that the investor consents to being treated as a Professional Investor.

Under BVI law, the Fund's Certificate of Recognition may be cancelled or made subject to conditions if, among other reasons, the Fund has breached SIBA or any subsidiary legislation or conditions of its certificate, has been convicted of an offense, is carrying on business in a manner detrimental to its investors or to the public interest, or is declared bankrupt or is being wound-up or dissolved.