

OFFERING MEMORANDUM

Qbasis FUTURES Fund

(A multi-class investment company incorporated in the Cayman Islands with limited liability)

Private Offering of Redeemable Participating Shares in the capital of
Qbasis FUTURES Fund

February, 2015

This amended and revised Offering Memorandum replaces in its entirety the previous Offering Memorandum of the company dated October, 2013. Please read this Offering Memorandum carefully before investing. It contains important information about Qbasis FUTURES Fund. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, accountant, legal adviser or other independent professional adviser.

This Offering has not been underwritten or guaranteed by any institution or body.

IMPORTANT INFORMATION

This Offering Memorandum (the "Offering Memorandum") is issued in respect of non-voting redeemable participating shares ("Participating Shares") in Qbasis FUTURES Fund (the "Fund").

The Directors of the Fund have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in this Offering Memorandum, whether of facts or of opinion. The Directors accept responsibility accordingly.

The distribution of this Offering Memorandum and the offering of Participating Shares in certain jurisdictions may be restricted, and accordingly, persons into whose possession this Offering Memorandum comes, are required by the Fund to inform themselves about, and to observe any such restrictions.

This Offering Memorandum does not constitute an offer for sale of shares in the Fund. In particular, it does not constitute, and may not be used for the purposes of an offer or solicitation by any person in any jurisdiction (i) in which such offer or solicitation is not authorised or (ii) in which the person making such offer or solicitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer or solicitation. In particular (i) the Participating Shares may not be offered by public invitation in the Cayman Islands; and (ii) the Participating Shares are not registered under the United States Securities Act of 1933 and may not be directly or indirectly offered or sold in the United States of America (including its territories, possessions and areas subject to its jurisdiction) or to or for the benefit of a United States Person.

For this purpose, "United States Person" means a national or resident of the United States of America, a partnership organised or existing in any state, territory or possession of the United States of America, a corporation organised under the laws of the United States of America or of any state, territory or possession thereof, or any estate or trust other than an estate or trust the income of which is from sources outside the United States of America (which is not effectively connected with the conduct of a trade or business within the United States of America) is not included in its gross income for the purposes of computing United States federal income tax.

As the Fund is an unregulated collective investment scheme in the United Kingdom, its promotion in the United Kingdom is restricted. Circulation of this Offering Memorandum and each Supplemental Offering Memorandum in the United Kingdom is limited to restricted categories of recipients such as investment professionals, high net worth persons and certified sophisticated investors. In addition, this Offering Memorandum and each Supplemental Offering Memorandum may be issued in the United Kingdom by authorized persons only to persons to whom unregulated collective investment schemes can be legally marketed. Transmission of this Offering Memorandum and any Supplemental Offering Memorandum to any other person in the UK is unauthorized.

This Offering Memorandum has not been or will not be approved by any regulatory authority in any jurisdiction (including without limitation the Cayman Islands Monetary Authority).

The Fund constitutes a mutual fund as defined in section 2 of the Mutual Funds Law (Revised) of the Cayman Islands and is therefore regulated under such Law.

Requirements which may be deemed necessary for the protection of retail or unsophisticated investors, do not apply to the Fund. By acknowledging this statement you are expressly agreeing that you accept the reduced requirements accordingly. You are wholly responsible for ensuring that all aspects of the Fund are acceptable to you. Investment in the Fund may involve special risks that could lead to a loss of all or a

substantial portion of such investment. Unless you fully understand and accept the nature of the Fund and the potential risks inherent in the Fund you should not invest in the Fund.

It should be remembered that the price of Participating Shares can go down as well as up and that investors may not receive, on redemption of their Participating Shares, the amount that they invested.

Participating Shares sold after the date of this Offering Memorandum will be sold on the basis of the information contained in this Offering Memorandum and any further information given or made by any dealer, salesman or other persons must be regarded as unauthorised. In particular, no person has been authorized to make any representations concerning the Fund, or the Participating Shares which are inconsistent with or in addition to those contained in this Offering Memorandum and neither the Fund nor the Directors accept responsibility for any representations so made.

This Offering Memorandum is based on the law and practice in force in the Cayman Islands at the relevant time, and is subject to changes therein.

Persons interested in acquiring Participating Shares should inform themselves as to:

- (i) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition;
- (ii) any foreign exchange restrictions or exchange control requirements which they might encounter on acquisition or disposal of Participating Shares; and
- (iii) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Participating Shares.

DIRECTORY

Qbasis FUTURES Fund

Registered Office

c/o Solaris Corporate Services Ltd.
P O Box 1990,
3rd Floor, First Caribbean House, George Town
Grand Cayman KY1-1104, Cayman Islands

Directors

Udo Baumgartner
Michael Kühn

Investment Manager

Qbasis Fund Management
c/o Trident Trust Company (Cayman) Limited.
One Capital Place
P.O.Box 847
Grand Cayman KY1-1103
Cayman Islands

Auditors

Ernst & Young
PO Box 510, 2nd Floor
Leeward 4, Regatta Office Park
George Town
Grand Cayman KY1-1106
Cayman Islands

Administrator

IFINA (BVI) Limited
Wattley Building
160 Main Street
P.O. Box 4443
Road Town
Tortola
British Virgin Islands

Custodian

Credit Suisse (Gibraltar) Limited
First Floor, Neptune House
Marina Bay
Gibraltar

Legal Advisors (as to Cayman Islands law)

Solomon Harris
PO Box 1990
First Caribbean House
George Town
Grand Cayman KY1-1104
Cayman Islands

DEFINITIONS AND DESCRIPTIONS

Administrator	IFINA (BVI) Limited;
Articles	the Articles of Association of the Fund;
Auditors	Ernst & Young, Cayman Islands;
Base Currency	the Euro;
Business Day	any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Austria and in the Cayman Islands;
Class A Participating Shares	Participating Shares of Euro 0.00020 nominal value and designated as Class A Participating Shares being the initial class of Participating Shares offered by the Fund, the specific terms attaching to which are as specified in the Articles and this Offering Memorandum;
Class B Participating Shares	Participating Shares of US\$ 0.00020 nominal value and designated as Class B Participating Shares being a class of Participating Shares offered by the Fund, the specific terms attaching to which are as specified in the Articles, this Offering Memorandum and the relevant Supplemental Offering Memorandum;
Class C Participating Shares	Participating Shares of Euro 0.00020 nominal value and designated as Class C Participating Shares being a class of Participating Shares offered by the Fund, the specific terms attaching to which are as specified in the Articles, this Offering Memorandum and the relevant Supplemental Offering Memorandum;
Class D Participating Shares	Participating Shares of US\$ 0.00020 nominal value and designated as Class D Participating Shares being a class of Participating Shares offered by the Fund, the specific terms attaching to which are as specified in the Articles, this Offering Memorandum and the relevant Supplemental Offering Memorandum;
Class I Participating Shares	Participating Shares of Euro 0.00020 nominal value and designated as Class I Participating Shares being a class of Participating Shares offered by the Fund, the specific terms attaching to which are as specified in the Articles, this Offering Memorandum and the relevant Supplemental Offering Memorandum;
Class U Participating Shares	Participating Shares of US\$ 0.00020 nominal value and designated as Class U Participating Shares being a class of Participating Shares offered by the Fund, the specific terms attaching to which are as specified in the Articles, this Offering Memorandum and the relevant Supplemental Offering Memorandum;
Custodian	Credit Suisse (Gibraltar) Limited;

Custodian Fee	the fee paid by the Fund to the Custodian, as further described in the section headed “Fees and Expenses” below;
Directors	the members of the board of directors of the Fund and any duly constituted committee thereof and any successors to such members as may be appointed from time to time;
Eligible Investor	an eligible investor as defined in the section headed “Offering and Share Subscription” below;
Fiscal Year	the Fund’s fiscal year ending on 31 December in each year;
Fund	Qbasis FUTURES Fund;
Initial Offering Period	the period which ran from the date of registration with the Cayman Islands Monetary Authority to 22 February, 2008 (both dates inclusive) in respect of Class A Participating Shares and as specified in the relevant Supplemental Offering Memorandum in respect of other classes of Participating Shares;
Investment Manager	Qbasis Fund Management;
Minimum Initial Subscription	US\$100,000 for Class A Participating Shares and such sum, being not less than US\$100,000, specified in the relevant Supplemental Offering Memorandum for any other class of Participating Shares as further described under the heading “Offering and Share Subscription” below, and in any event no less than the Euro equivalent of US\$100,000;
Minimum Additional Subscription	US\$10,000 or the equivalent thereof where subscriptions are accepted in Euro;
Mutual Funds Law	the Mutual Funds Law (Revised) of the Cayman Islands;
Net Asset Value	the aggregate net asset value of some or all of the Participating Shares of a given class determined in accordance with the Articles by multiplying the Net Asset Value per Share by the relevant number of Participating Shares;
Net Asset Value per Share	the net asset value per Participating Share of a particular class of Participating Shares as determined in accordance with the Articles;
Participating Shares	Non-Voting Redeemable Participating Shares issued in respect of the Fund in several classes, of par value Euro 0.00020 or par value US\$ 0.00020;
Redemption Date	the dates (falling after the close of the relevant Initial Offering Period) on which investors may redeem Participating Shares, namely, for Class A Participating Shares, Semi-Monthly or such other Business Day or Business Days as the Directors shall determine , and for any other class

	of Participating Shares as specified in the relevant Supplemental Offering Memorandum;
Redemption Price	the price per share at which Participating Shares of a given class are redeemed determined in the manner described in the section headed “Share Redemption” below;
Semi-Monthly	the 15 th day of each calendar month (or the following Business Day if the 15 th day is not a Business Day) and the last Business Day of each calendar month;
Shareholder	a person recorded as a holder of Participating Shares in the Fund’s register of shareholders;
Subscription Date	the dates (falling after the close of the relevant Initial Offering Period) on which investors may subscribe for Participating Shares, namely, for Class A Participating Shares, Semi-Monthly or such other Business Day or Business Days as the Directors shall determine, and for any other class of Participating Shares as specified in the relevant Supplemental Offering Memorandum;
Subscription Price	the price per share at which Participating Shares of a given class are issued after the close of the relevant Initial Offering Period determined in the manner described in the section headed “Offering and Share Subscription” below;
Supplemental Offering Memorandum	for each class of Participating Shares created after Class A Participating Shares, the relevant Supplemental Offering Memorandum; and
Valuation Date	the date on which the Net Asset Value per Share of each class of Participating Shares is determined, being Semi-Monthly or such other Business Day or Business Days as the Directors shall determine in respect of any class of Participating Shares.

PRINCIPAL FEATURES

The following is a summary of the principal features of the Fund.

Structure

Qbasis FUTURES Fund was incorporated in the Cayman Islands on 2 January, 2008 as an exempt company with limited liability.

The Fund is an open-ended investment company and is regulated under the Mutual Funds Law. The Fund will comply with such Law on the basis that the minimum initial investment per investor is more than CI\$80,000 (or the equivalent thereof in Euros or US\$) and therefore the Fund may be registered under such Law. The Fund is generally subject to the laws of the Cayman Islands. This Offering Memorandum has not been approved by any regulatory authority in any country or jurisdiction (including, without limitation, the Cayman Islands Monetary Authority).

After the Initial Offering Period for the relevant class of Participating Shares, the Fund will accept subscriptions in Euros or US\$ for Participating Shares of the Fund at the relevant Subscription Price and redeem such Participating Shares at the relevant Redemption Price, respectively. The initial class of Participating Shares offered by the Fund, Class A Participating Shares, is denominated in Euro. Subsequent classes of Participating Shares offered will be denominated in Euros or US\$.

Share Capital

The authorized share capital of the Fund is the aggregate of Euro 40,000 and US\$40,000 with the Euro 40,000 divided into 199,990,000 Redeemable Non-Voting Participating Shares of par value Euro 0.00020 per share and 10,000 Voting Shares of par value Euro 0.00020 per share ("Voting Shares"), and the US\$40,000 divided into 200,000,000 redeemable non-voting Participating Shares of par value US\$0.00020 per share. The Investment Manager holds all the Voting Shares.

Investment Objective

The investment objective of the Fund is to achieve long term capital appreciation through compound growth by pursuing a diversified trading scheme through investment in futures contracts, forward contracts, FUTURES contracts, options on futures contracts and physical commodities, swaps, securities, including options thereon, and other related interests on United States and non United States exchanges and markets.

Investment Manager

The Fund has appointed Qbasis Fund Management as the Investment Manager of the Fund. The Investment Manager will be responsible, among other things, for the investment of the assets of the Fund. The Investment Manager may delegate all or part of these functions.

The directors of the Investment Manager are Udo Baumgartner and Michael Kühn.

Offer

Class A Participating Shares for this Fund are available in Euros. Subsequent classes of Participating Shares established by the Fund will be made available in either Euros or US\$. All Participating Shares will be redeemable subject to any restrictions in that regard.

Offering and Share Subscription

Class A Participating Shares were available for subscription during the relevant Initial Offering Period at the subscription price per Class A Participating Share specified herein.

Now that the relevant Initial Offering Period has closed, investors may subscribe for Class A Participating Shares on Subscription Dates at the relevant Subscription Price.

The Minimum Initial Subscription amount for Class A Participating Shares is US\$100,000 and for subsequent classes of Participating Shares will be as specified in the relevant Supplemental Offering Memorandum. The Minimum Additional Subscription for Class A Participating Shares is US\$10,000 and for subsequent classes of Participating Shares will be as specified in the relevant Supplemental Offering Memorandum. The Directors may, in their absolute discretion, waive such minimum requirements, except that in no circumstances may the Fund accept any initial subscriptions of less than US\$100,000, with the proviso that no initial subscriptions of less than the Euro or US\$ equivalent of CI\$80,000 will be accepted. Where an investor, including one who acts as nominee has agreed to subscribe for a minimum of US\$100,000, or the equivalent in another currency, for any initial subscription, whether for a single class or various classes, the Fund will then accept additional subscriptions in the amount of US\$ 10,000.

Restrictions on Transfers and Transmissions of Shares and Variation of Rights

Investment in Participating Shares is limited to Eligible Investors as described in the section headed “Offering and Share Subscription” below. Certain other restrictions also apply as described in the section headed “Transfer and Transmission of Participating Shares” below.

Holders of Class A Participating Shares may not vary the rights attaching to Class A Participating Shares.

Redemptions

Participating Shares will be redeemable at the option of the Shareholder on the Redemption Dates specified. All Participating Shares will be redeemed at the relevant Redemption Price as defined herein.

The Fund may in certain cases effect the compulsory redemption of a Shareholder’s Participating Shares (please refer to the section headed “Share Redemption” below), including instances where a partial redemption would leave the Net Asset Value of the Participating Shares retained by the investor at less than the minimum specified by the Directors from time to time.

Dividend Policy

Because the objective of the Fund is to achieve capital appreciation, the Fund will not pay dividends. The profits of the Fund, if any, will be fully capitalized.

Fees and Expenses

The Fund will pay an Investment Management Fee to the Investment Manager. Participating Shares will be issued in more than one class and a different percentage basis of calculating the Investment Management Fee may apply to each class as determined by the Directors. The Investment Management Fee in respect of Class A Participating Shares will be 2.5 per cent per annum of the Net Asset Value of such class. The Investment Management Fee in respect of any other class of Participating Shares will be specified in the relevant Supplemental Offering Memorandum for that class and will always be between 0 per cent and 3 per cent per annum of the Net Asset Value of such class. The Investment Management Fee will be accrued at the start of each Semi-Monthly period and charged Semi-Monthly and the Directors

reserve the right to agree the full 3 per cent per annum in respect of any one or more classes except Class A Participating Shares.

The Fund may pay a Performance Fee to the Investment Manager calculated on each class of Participating Shares in respect of such period as shall be determined for each class of Participating Shares (a "Calculation Period") and in respect of such class of Participating Shares as the Directors may determine in their sole discretion. Currently Class A Participating Shares and Class B Participating Shares are subject only to a Systems Provider Fee, not a Performance Fee, however, the Fund may charge a Performance Fee or a Systems Provider Fee for any class of Participating Shares, as the Directors shall determine in their sole discretion. The Fund will charge a Performance Fee, but not a System Provider Fee for Class C Participating Shares, Class D Participating Shares, Class I Participating Shares and Class U Participating Shares. A different percentage basis of calculating the Performance Fee may apply to each class of Participating Shares as determined by the Directors. The Performance Fee in respect of any class of Participating Shares which will charge a Performance Fee in any Calculation Period will be specified in the Supplemental Offering Memorandum for that class and will always be between 0 per cent and 30 per cent of the increase in the value of the class payable in respect of the Calculation Period less the loss carried forward of the class (see below). The Directors reserve the right to agree the full 30 per cent per annum in respect of any one or more class except for Class A Participating Shares, Class B Participating Shares and Class C Participating Shares. The increase in value represents the profits earned by each class of Participating Shares during the Calculation Period from the trading and investment of the assets of the Fund and related income and dividends, less the allocation of cost of operating the Fund, including the Investment Management Fee. Profits include both realized and unrealized gains. By virtue of the loss carry forward, if a class of Participating Shares has a loss allocated to it during any Calculation Period, there will be no Performance Fee paid in respect of that class in subsequent Calculation Periods until the amount of loss previously allocated to that class has been recouped.

The Investment Manager may in its discretion rebate to the Shareholders from time to time such part of the Investment Management Fee and/or Performance Fee as they shall determine.

The Fund may pay a Systems Provider Fee to the Investment Manager. Currently only Class A Participating Shares and Class B Participating Shares are subject to a System Provider Fee. The Directors may determine in their sole discretion if any class of Participating Shares to be issued shall be subject to a System Provider Fee or a Performance Fee. The System Provider Fee is calculated as follows: the software systems that are used by the Fund or the Investment Manager in its performance of services for the Fund will be allocated to several different system blocks. Then a certain percentage of the Fund's assets will be allocated to each system block. Each system block will be traded on one single account and for each system block an index will be established. The System Provider Fee in respect of Class A Participating Shares will be 25% from the capital gains of each system block on an index high water mark basis after deducting the Management Fee on a pro rata basis and it is calculated and payable in respect of the Calculation Period (which for Class A Participating Shares shall be Semi-Monthly). Additional fees (e.g. the Administrator's fees, auditor fees) are not taken into account when calculating the Systems Provider Fee. If a system block makes a profit a Systems Provider Fee will be paid to the Investment Manager even if other system blocks or the Fund make a loss. The Systems Provider Fee for each system block will be calculated separately. The Systems Provider Fee in respect of any other class of Participating Shares in any Calculation Period (which in respect of any class of Participating Shares, except Class A Participating Shares, shall be such period as shall be determined for each Class of Participating Shares by the Directors and disclosed in the relevant Supplemental Offering Memorandum) will be specified in the relevant Supplemental Offering Memorandum for that class and will always be between 0 per cent and 30 per cent. The Directors reserve the right to agree the full 30 per cent per annum in respect of any one or more class except for Class A Participating Shares, Class B Participating Shares and Class C Participating Shares.

The capital gains of each system block represent the profits earned during the Calculation Period from the trading and investment of the assets of the Fund on the separated system blocks and related income and dividends, less the Investment Management Fee, but not less the allocation of cost of operating the Fund. Profits include both realized and unrealized gains.

The Systems Provider Fee will normally be payable in arrears within 14 days of the end of the relevant Calculation Period.

If the appointment of the Investment Manager is terminated the Systems Provider Fee in respect of each current Calculation Period at that time will be calculated and paid as though the date of termination were the end of each such Calculation Period.

The Investment Manager has no obligation to restore to the Fund any Systems Provider Fees previously earned and paid, notwithstanding a loss in a subsequent period. The Investment Manager may in its discretion rebate to the Shareholders from time to time such part of the Investment Management Fee and/or Systems Provider Fee as they shall determine.

Unless waived or reduced by the Directors in any particular circumstances, the Fund will charge a subscription fee, which it will pay to the Investment Manager, as a percentage of the subscription monies as follows. The relevant percentage in respect of the Class A Participating Shares will be 5 per cent. In respect of other classes of Participating Shares the fees will be as specified in the relevant Supplemental Offering Memorandum, however, will always be between 0 per cent and 5 per cent. Such fee will be deducted from the subscription monies paid to the Investment Manager by the Fund.

Unless waived or reduced by the Directors in any particular circumstances, the Fund may charge a Discontinuance Fee of 5% of the initial sum subscribed on all Class D Participating Shares, and only Class D Participating Shares, at the point of redemption. The Investment Manager may from time to time borrow 5% of the sum of all subscriptions of Class D Participating Shares in order to finance sales fees charged by intermediaries, and such borrowings will be 100% secured by the Discontinuance Fee payable.

The Fund may pay all its regular and recurring legal expenses, annual audit costs and the ongoing expenses of administration, brokerage and custody, however, some of these costs and expenses may be paid by the Investment Manager.

Please refer to the section headed “Fees and Expenses” below for a full description of the fees.

Reports and Financial Statements

The Fund’s fiscal year ends on 31 December in each year, with the first such fiscal year having ended on 31 December 2008. Shareholders will receive audited annual financial reports of the Fund within six months of the end of the Fund’s fiscal year. The Fund’s audited annual financial reports will be prepared in accordance with International Financial Reporting Standards.

Taxation

On the basis of current Cayman Islands legislation and practice, the Fund will not be liable to taxation in the Cayman Islands. Prospective investors should ascertain from their professional advisers the taxation consequences to them in their country of citizenship, residence or domicile of their proposed investment in the Fund.

INVESTMENT OBJECTIVE AND STRATEGY

The investment objective of the Fund is to achieve long term capital appreciation through compound growth by pursuing a diversified trading scheme through investment in futures contracts, forward contracts, , options on futures contracts and physical commodities, swaps, securities, including options thereon, stocks, bonds, other funds, certificates, notes and other related interests on United States and non United States exchanges and markets.

The Fund's investment technique may involve specific trading methods developed by the holders of voting shares of the Investment Manager. For trading purposes, the Fund may, for example, use a portfolio of more than 30 international futures and forward markets, employing a computer-based trading system. The holders of voting shares in the Investment Manager have acquired substantial experience of trading which led them to the conclusion that it is extremely difficult to follow over the long-term a well-defined trading strategy. Therefore, the Investment Manager determined that a systematic and computerised investment process was an appropriate methodology to achieve substantial and sound returns.

The systems used by the Investment Manager can be focused on the following trading strategies:

- * Long-/middle term trend sequences, with dynamic, self realising, time-frame changing and volatility conditioned risk assessment
- * Automatically generated information processing focused on the break of trends (under use of neural networks)
- * Middle-/short term trend – contra-trend logic (including gap-trading)
- * Extremely short term Intraday-systems (utilization of minimal price changing)
- * Integrated risk management with automatically generated deactivation sequences (during the inefficiency of individual subsystems in individual markets)

The Fund may use commodity futures and options on any kind of commodity, such as long term interest rate contracts, short term interest rate contracts, foreign exchange contracts, stock indices and individual stock futures and options contracts, contracts on energy products, contracts on grain products, contracts on metals, contracts on soft commodities, and any other market which may be introduced by the Investment Manager from time to time.

The Fund will utilize leverage by trading on margin and through the use of derivatives. The margin to equity ratio of the Fund (Initial Margin Request divided by the net asset value of the Fund) may not exceed 100%. The remaining part of the assets must be invested in liquid assets. In practice, the margin to equity ratio would remain significantly below 100%. In this Offering Memorandum, the expression "Initial Margin Request" means the minimum amount of cash or marginable securities the Fund is required to deposit within the clearing house in their margin account in order to purchase a futures contracts.

The Fund may maintain a small reserve with which to pay its administrative expenses. The Fund may increase the size of such reserve, as deemed necessary or expedient by the Directors. The Fund may invest its cash balances (including balances made in connection with the foregoing reserves) in any instruments deemed appropriate by the Directors. Any income earned from such investments will be reinvested by the Fund in accordance with its investment program. In addition, the Fund may place all or part of its assets in investments for cash management purposes pending investments of initial or subsequent subscription monies in accordance with the Fund's investment objective.

The Fund may engage in hedging transactions with respect to investments which are not denominated in the Base Currency of the Fund. The Fund may establish a hedging account where share classes with different currencies are issued by the Fund, with the aim of reducing exposure to currency fluctuation risk, however, there can be no guarantee that a perfect hedging will be achieved and that all currency risk will be eliminated.

MANAGEMENT AND SERVICE PROVIDERS

Directors

The Directors of the Fund are as follows:

Udo Baumgartner

Udo Baumgartner is a management consultant with more than 10 years of diverse and international experience in business development, re-structuring, re-engineering, compliance, human resources and marketing. He also has an extensive background in product development, book-keeping, financial accounting, sales and training. Udo was born in Vienna, Austria. In 2005 he graduated from the International College of the Cayman Islands and University of Miami with an MBA degree. Udo Baumgartner has been a director of Qbasis Fund Management since 2006. He is also a director of Strategic Business Solutions, Ltd, a Cayman Islands-based management consulting firm since 2006. In this role, he is in charge of risk assessment, company evaluations, company governance and offshore consulting.

Michael Kühn

In the 1980s Michael Kühn was employed by two companies which worked on the application of new technologies (expert systems, artificial intelligence) in different lines of business. One of the projects dealt with the automation of solvency investigations at banks and leasing companies. Another project's focus was the application of machine learning techniques and optimization algorithms for stock exchange investment decisions and portfolio-optimizations.

Since the beginning of the 1990s Michael Kühn has been self-employed and has worked exclusively for his customers in stock market trading since then, in particular with derivative instruments. Among other things he fulfilled the following activities:

- Leader of the work-package “Trading Application” within the European research project HANSA;
- Coordinator of the European research project TREND that dealt with state-of-the-art trading software for institutional investors; and
- Modeler and programmer of computer-based strategies on financial futures and creation & management of trading system portfolios for private and institutional investors.

Investment Manager

The Fund has appointed Qbasis Fund Management as Investment Manager of the Fund pursuant to an Investment Management Agreement dated on or around 29 January, 2008 (the “Investment Management Agreement”). The Investment Manager is a limited liability exempted company, incorporated under the laws of the Cayman Islands on 1 December, 2005 for an unlimited duration. The principal business activity of the Investment Manager is the provision of fund management and related services. The

registered office of the Investment Manager is Trident Trust Company (Cayman) Limited, One Capital place, PO Box 847, Grand Cayman KY1-1103, Cayman Islands.

Subject to the overall control of the Directors, the Investment Manager is responsible for the investment of the assets of the Fund.

All or part of these functions may be delegated by the Investment Manager.

Brokers

The Fund may appoint one or more brokers from time to time. None of the brokers to be appointed by the Fund will participate in any investment decision of the Fund. Accordingly, the Fund shall bear all risks in its investment decisions, in trading investments or in holding cash denominated in any particular currencies.

Administrator, Registrar and Transfer Agent

The Fund has appointed IFINA (BVI) Limited, BVI as the administrator, registrar and transfer agent to the Fund (“Administrator”) pursuant to an administration agreement between the Fund and the Administrator (“Administration Agreement”).

The Administrator is responsible for the Fund’s administration including accounting, financial reporting, Net Asset Value calculations and the processing of subscriptions and redemptions.

The Administration Agreement is for an indefinite term and may ordinarily be terminated by either party giving not less than 90 days’ prior written notice to the other party. The Administration Agreement is also terminable with or without notice in other circumstances as specified in the Administration Agreement.

Under the Administration Agreement, the Administrator and its Associates (as defined in the Administration Agreement) shall not be liable to the Fund for loss, damage, liabilities, costs or expenses suffered by the Fund, unless such are finally determined to be directly caused by the willful default, dishonesty, fraud or gross negligence by or of the Administrator or its Associates.

Under the Administration Agreement, the Fund shall indemnify the Administrator and its Associates, on demand, out of the assets of the Fund, from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, costs and expenses including, without limitation, legal and professional fees and expenses arising from or incidental to the provision of the Services (as defined in the Administration Agreement), which may be made or brought against or suffered or incurred by the Administrator or any of its Associates arising out of or in connection with the performance of the Administrator’s duties pursuant to the Administration Agreement.

Pursuant to the Administration Agreement, the Administrator will receive from the Fund remuneration for services rendered to the Fund. See further under the section headed “Administration Fee” below.

THE ADMINISTRATOR WILL NOT PROVIDE ANY INVESTMENT, ADVISORY OR MANAGEMENT SERVICE TO THE FUND AND THEREFORE WILL NOT BE IN ANY WAY RESPONSIBLE FOR THE FUND’S PERFORMANCE. THE ADMINISTRATOR WILL NOT BE RESPONSIBLE FOR MONITORING ANY INVESTMENT RESTRICTIONS OR COMPLIANCE WITH THE INVESTMENT RESTRICTIONS AND THEREFORE WILL NOT BE LIABLE FOR ANY BREACH THEREOF.

Bankers

Payment Bank

The Fund has opened bank accounts with CIBC FirstCaribbean International Bank (Cayman) Limited (a Cayman company created pursuant to a merger of subsidiary companies of Barclays Bank PLC and CIBC) who will act as the Payment Bank and receive subscription monies on behalf of the Fund. The Payment Bank is a company established under the laws of the Cayman Islands and has its office at P.O. Box 68, First Caribbean House, 25 Main St., George Town, Grand Cayman KY1-1102, Cayman Islands.

Custodian

The Fund has appointed Credit Suisse (Gibraltar) Limited (the "CS") as the Custodian under the terms of a Custody Agreement (the "Custody Agreement") dated around 5 August, 2009. The Fund will pay a Custody Fee, the amount and timing of which will be negotiated with the Custodian.

The Custodian will not provide any other services or perform any other functions except safekeeping and the usual administrative matters relating to the safe custody assets of the Fund, and will have no other duties or responsibilities relating to the Fund, for example the Custodian will not provide advisory services or asset management services nor will it monitor investment management activities or investment strategies of the Fund. The Custodian shall not supervise or control the activities of the Investment Manager, the Directors (or corresponding hierarchical level) or the Administrator of the Fund. The Custodian does not warrant the contents of the relevant fund-documentation nor will it be involved in the management, administration or Net Asset Value calculation of the Fund. The Custodian does not act as sponsor or promoter of the Fund, therefore, the Custodian does not assume any liability for negligent or wilful misconduct of the Fund's Investment Manager, directors (or corresponding hierarchical level) or Administrator and potential investors should not rely upon the Custodian in deciding whether or not to invest in the Fund.

CS will provide safe custody services to the Fund subject to section 14 of the Custody Agreement, which states the following: If the Fund appoints other parties to hold assets and other property belonging to the Fund ("Co-Custodians"), and such parties are not appointed by CS, the Fund agrees to advise all investors in writing before or at the time of subscription to the Fund of the existence of these parties and shall specifically refer to this clause in any offering document or memorandum of the Fund. All risks and consequences that might result for CS shall be borne by the Fund. CS bears no liability nor provides any guarantees whatsoever for the performance of any obligations on the part of the Co-Custodian, its affiliates, agents or representatives. In particular but without prejudice to the generality of the foregoing, CS shall not be liable for any failure on the part of the Co-Custodian, its affiliates, agents or representatives to pay outstanding cash or other assets due to the Fund and/or failure to deal properly with corporate actions relating to the assets and other property. The Fund hereby holds harmless and indemnifies and keeps indemnified CS and its officers and employees from and against all liabilities, costs and damages of any kind (including, for the avoidance of doubt, all legal expenses incidental thereto) which may be incurred by any of them and all actions or proceedings which may be brought by or against them.

Auditors

Under the Mutual Funds Law the Company is required to appoint an independent auditor approved by the Cayman Islands Monetary Authority and located in the Cayman Islands. Ernst & Young, Cayman Islands, have been appointed as the Fund's auditors.

Legal Counsel

The Fund has appointed Solomon Harris, Cayman Islands, as the Fund's legal counsel in respect of matters of Cayman Islands law.

FUND STRUCTURE AND SHARE CAPITAL

The Fund was incorporated in the Cayman Islands on 2 January, 2008, as an exempted limited liability company.

The Fund is regulated under the Mutual Funds Law.

The authorized share capital of the Fund is the aggregate of Euro 40,000 and US\$40,000 with the Euro 40,000 divided into 199,990,000 Redeemable Non-Voting Participating Shares of par value Euro 0.00020 per share and 10,000 Voting Shares of par value Euro 0.00020 per share ("Voting Shares"), and the US\$40,000 divided into 200,000,000 redeemable non-voting Participating Shares of par value US\$0.00020 per share. The Investment Manager holds all the Voting Shares.

The initial class of Participating Shares offered by the Fund, Class A Participating Shares, is denominated in Euros. Subsequent classes of Participating Shares offered will be denominated in either Euros or US\$.

All of the Voting Shares are held by the Investment Manager.

In order to minimize the effect of the restrictions under Cayman Islands law on the redemption of Participating Shares, Participating Shares will be issued at a substantial premium during the Initial Offering Period for the relevant class.

The rights attaching to the Participating Shares and the Voting Shares respectively are as follows:

Participating Shares

The Participating Shares for the Fund are redeemable participating shares without voting rights and will be issued in Euros or US\$. The initial class of Participating Shares offered by the Fund, Class A Participating Shares, is issued in Euros. Subsequent classes of Participating Shares offered will be issued in either Euros or US\$. Participating Shares of whatever currency denomination may be issued in several classes and all Participating Shares of whatever class will rank *pari passu*. The holder of any Participating Share is not entitled to receive notice of, attend or vote at meetings of the Fund. In a winding-up, each holder of Participating Shares has a preferential right of return of the paid-up par value and a right to share in surplus assets after return of the paid-up par value on the Voting Shares. The rights attached to the Participating Shares may be varied only with the consent in writing of the holders of three-fourths of the issued Participating Shares or with the sanction of a resolution passed by a three-fourths majority of the votes cast at a meeting of the holders of the Participating Shares, provided however that holders of Class A Participating Shares may not vary the rights attaching to Class A Participating Shares.

All Participating Shares are redeemable at the election of the holder, subject to the financial ability of the Fund to redeem and to the provisions of Cayman Islands law. The liquidity of Participating Shares may be limited at any particular time. Under certain circumstances, the Fund may suspend redemption rights of Participating Shares. See "Net Asset Value per Share".

Voting Shares

The holder of a Voting Share has the right to receive notice of, attend and vote at a general meeting of the Fund. Only holders of Voting Shares are entitled to remove Directors of the Fund and to place the Fund in voluntary liquidation. In a winding up, the holder of a Voting Share is entitled only to the return of the paid-up par value of the Voting Share after the paid-up par value of Participating Shares has been returned.

Rights on a Winding Up

The Fund may be wound up by special resolution of the Fund passed by the holders of Voting Shares. On a return of assets on liquidation the holders of the Voting Shares shall receive the nominal amount of their shares, but only after the Participating Shareholders have received the nominal amount on their shares. The assets of the Fund available for distribution after payment of any nominal amount of Shares shall belong to and be distributed to the holders of the Participating Shares according to the Net Asset Value of their Participating Shares.

OFFERING AND SHARE SUBSCRIPTION

During the Initial Offering Period for Class A Participating Shares, the Fund offered Class A Participating Shares in Euros at a subscription price of Euro 100 per Share and during the Initial Offering Period for any other class of Participating Shares the Fund will offer the relevant class of Participating Shares in Euros or US\$ at the subscription price per Share specified in the relevant Supplemental Offering Memorandum. After the Initial Offering Period for Class A Participating Shares or any other class of Participating Shares, Participating Shares will be available for subscription on the Subscription Date (as defined below) at the Net Asset Value per Share of the relevant class (the “Subscription Price”). Please see the section headed “Net Asset Value per Share” below.

Participating Shares will be subscribed and issued, subject to the receipt by the Administrator of both a duly completed subscription application form and the cleared subscription funds in the relevant currency on or before 10.00 AM Cayman time three days prior to the relevant Subscription Date. Subscription application forms and/or cleared subscription funds received after such time will be held over until the next Subscription Date. No interest is payable on funds remitted for subscription. The Fund will issue whole and fractional Participating Shares to four decimal places representing the amount of the cleared subscription funds received by the Administrator. No Participating Shares of any class will be issued during any period when the calculation of the Net Asset Value per Share of that class is suspended (See “Net Asset Value per Share” below).

The Minimum Initial Subscription amount for Class A Participating Shares is US\$100,000 and for subsequent classes of Participating Shares will be as specified in the relevant Supplemental Offering Memorandum. The Minimum Additional Subscription for Class A Participating Shares is US\$10,000 and for subsequent classes of Participating Shares will be as specified in the relevant Supplemental Offering Memorandum. The Directors may, in their absolute discretion, waive such minimum requirements, except that in no circumstances may the Fund accept any initial subscriptions of less than CI\$80,000, or its equivalent in a relevant Class currency, in any event.

Completed subscription application forms may be sent to the Administrator by fax with the original to follow immediately by post. Neither the Fund nor the Administrator will accept any responsibility for any subscription wrongly made due to errors made by the subscriber in completing in the subscription application form. Subscription funds must be sent in the relevant currency by bank wire transfer to the bank account details of which are set out in the relevant subscription application form. The Fund will not issue share certificates. Shareholders will receive written confirmation of the acceptance of their

subscription directly from the Administrator and records of share ownership will be maintained in the Fund's share register kept at the offices of the Administrator.

The Directors may reject any application for Participating Shares in their absolute discretion. Subscription funds that have been rejected by the Directors will be returned without interest.

The Directors may decrease by the same percentage the amount of all the subscriptions for a given Subscription Date in their absolute discretion.

Investment in Participating Shares is strictly limited to Eligible Investors. An Eligible Investor, for the purposes of this Offering Memorandum, is defined as any natural person, firm, company, foundation or any other entity which is not a United States Person or otherwise prevented from investing in the Fund by applicable securities laws, whose ordinary business or professional activity includes the buying and selling of investments, whether as principal or agent, or (if a natural person) whose individual net worth with his or her spouse is of sufficient size that such individual can bear the risk of losing his or her entire investment in Participating Shares or (if a firm, company, foundation or any other entity) whose total assets are of sufficient size that such an entity can bear the risk of losing its entire investment in Participating Shares.

Investors must represent and warrant in the subscription application form that they are an Eligible Investor and that they have the knowledge, expertise and experience in financial investment and business matters to evaluate the risks of investing in the Fund, are aware that the Participating Shares are an investment involving risk, that they are aware of the risks inherent in investing in assets in which the Fund will invest and the method by which these assets may be held and/or traded, that they are not dependent upon current cash returns with respect to the investment in the Fund and that they can bear the loss of their entire investment in the Fund.

Whilst it is entirely the responsibility of the individual investor to be satisfied that he, she or it is an Eligible Investor and neither the Fund nor the Directors accept any responsibility in that regard, subscriptions will not be accepted from any natural person, firm or company whom the Directors know or reasonably suspect is not an Eligible Investor.

SHARE REDEMPTION

Subject to the Fund's Articles of Association and applicable provisions of Cayman Islands law, Participating Shares may be redeemed at the option of the Shareholder on the Redemption Date (as defined below) unless the Directors determine that exceptional circumstances have arisen which prevent the Fund from redeeming on any Redemption Date in which case redemption shall be made when the Directors determine that such exceptional circumstances no longer apply. In particular, redemption will not be permitted or will be restricted in circumstances where it is not possible for the Fund to redeem its underlying investment(s) or redemption of such underlying investment(s) is restricted. All Participating Shares of a given class will be redeemed at the Net Asset Value per Share of the relevant class (the "Redemption Price"). Please see the section headed "Net Asset Value per Share" below.

For Class A Participating Shares, the Redemption Date will be the first Business Day after each Valuation Date and for any other class of Participating Shares will be as specified in the relevant Supplemental Offering Memorandum.

A redemption application form in the form provided by the Administrator must be received by the Administrator on or before 10.00 AM Cayman time three days prior to the relevant Redemption Date. Redemption application forms received after that time will be processed on the next Redemption Date unless the Directors otherwise determine. Redemption application forms may be sent to the

Administrator by fax with the original to follow immediately but no redemption proceeds will be paid until the original has been received by the Administrator by post.

Subject to the Fund being permitted to redeem its underlying investment(s) or such redemption not being restricted and the redemption proceeds being received by the Fund from its underlying investment(s), redemption proceeds will generally be paid within 30 Business Days following the Redemption Date or as soon as practicable thereafter. Payment will be made by wire transfer of the redemption proceeds at the Shareholder's own expense to such account as the investor shall have specified in their original subscription application form or to such other account as the investor shall have specified to the Administrator in the redemption application form.

The Fund may at any time effect the compulsory redemption of a Shareholder's Participating Shares at the latest available Net Asset Value per Share at the absolute discretion of the Directors. Circumstances in which such discretion may be exercised include:

- If it has been determined that a natural person, firm or company who is not an Eligible Person is, directly or indirectly, an owner of Participating Shares;
- If it has been determined that Participating Shares were acquired in breach of the laws of any jurisdiction;
- If such redemption would be in the best interests of the Shareholders as a whole;
- If such redemption would eliminate or reduce the risk of the Fund to the tax or regulatory consequences of any jurisdiction;
- If in the case of a partial redemption by an investor, the Net Asset Value of the Participating Shares retained by the investor is less than the amount specified by the Directors from time to time; and
- If the Directors in their absolute discretion see fit

The Fund may deduct from the redemption proceeds the costs, if any, incurred in determining the ownership of Participating Shares.

TRANSFER AND TRANSMISSION OF PARTICIPATING SHARES

The Directors may, in their absolute discretion and without having to give reasons, decline to register any transfer of Participating Shares to a person of whom they do not approve. The Directors will decline to register any transfer of Participating Shares to a natural person, firm or company who is not or in the reasonable opinion of the Directors is not an Eligible Investor.

Any person becoming entitled to Participating Shares in consequence of the death or bankruptcy of a Shareholder shall, on producing appropriate evidence, be entitled to become registered as a Shareholder in respect of the Participating Shares or to make such transfer of the Participating Shares as the deceased or bankrupt person could have made, subject to the Directors having the same right to refuse to register the transfer as they would have had in the case of a transfer by the deceased or bankrupt person before the death or bankruptcy.

Transfers should be in the form prescribed by the Fund and should be completed and delivered to the Administrator. The Fund reserves the right to require any transferee to execute a subscription application form as if such transferee were an original subscriber for the Participating Shares the subject of the transfer.

NET ASSET VALUE PER SHARE

The Net Asset Value per Share of each class of Participating Shares will be determined on the relevant Valuation Date in accordance with the provisions of the Fund's Articles of Association. Net Asset Value per Share shall mean the assets of the Fund attributable to the Participating Shares of the relevant class less the liabilities of the Fund attributable to the Participating Shares of the relevant class divided by the number of Participating Shares of that relevant class in issue.

The assets of the Fund will be valued in accordance with the following principles:

- (a) Securities that are listed on a securities exchange or a quotation system will be valued at the closing bid price reported on a Valuation Date by a stock exchange or a quotation system. In the absence of a reported closing bid price on a Valuation Date, the value of such securities will be recorded at their fair value as determined in good faith by the Directors with the advice of the Investment Manager. If the primary market for such securities is over-the-counter, they will be valued at the most recent quoted bid price provided by one or more market makers, which may include affiliates of the Administrator, Investment Manager. If market quotations are not readily available or the securities are not listed on any stock exchange or a quotation system, they will be valued at their fair value as determined in good faith by the Directors with the advice of the Investment Manager;
- (b) On each Valuation Date, the value of any underlying fund or collective investment vehicle in which the Fund is invested will be the final net asset value ("Final NAV") reported by the administrator of the underlying fund on the valuation date of such underlying fund or, if not available, the most recent estimated net asset value based on preliminary returns reported by such administrator ("Estimated NAV"). The Net Asset Value per Share will be based on Estimated NAV when Final NAV is unavailable. The Fund will obtain confirmation from the administrator of the underlying fund in which the Fund invests regarding their net asset value calculations (whether they are supplying Estimated or Final NAV) prior to the determination of the Net Asset Value per Share. Once the Fund has finalized its Net Asset Value per Share as of any Valuation Date, whether or not based on Estimated NAV, no adjustments or restatements of such Net Asset Value per Share will be performed, even if the Final NAV for particular assets differs from the Estimated NAV used to value such assets. Thus, in the event that there is a difference between Estimated NAV and Final NAV, any necessary adjustments will affect, and be reflected in, the Net Asset Value per Share reported in subsequent periods only. Accordingly, any subscription or redemption of Participating Shares will be at Net Asset Value per Share as of the Valuation Date coinciding with or immediately preceding the Redemption Date or the Subscription Date, as the case may be. If there is ultimately a material difference between the Estimated NAV and the Final NAV for a particular underlying fund or funds which relates to a given Redemption Date or Subscription Date, no adjustment will be made to the Subscription Price or Redemption Price (as the case may be) of the Fund.
- (c) investments in managed accounts shall be valued by the administrator of the managed account;
- (d) The value of any future contracts, index futures contracts and options which are dealt in on a market shall be calculated by reference to the price appearing to the Directors with the advice of the Investment Manager to be the settlement price as determined by the market in question provided that where it is not the practice of the relevant market to quote a settlement price or if such settlement price is not available for any reason, such value shall be calculated in such manner as the Directors with the advice of the Investment Manager shall determine.

- (e) Currency and futures forwards, spots and options shall be valued at bid or offer values (as appropriate) in accordance with procedures determined by the Directors with the advice of the Investment Manager as at such time on the Valuation Date as the Directors shall determine;
- (f) Certificates of deposit acquired at their nominal value plus accrued interest (if any) shall be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;
- (g) Certificates of deposit acquired at a discount or premium on the sum of the nominal value and accrued interest at the date of acquisition shall be valued at their cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the relevant Valuation Date;
- (h) Interest-bearing securities shall be valued at fair value or at amortised cost;
- (i) In the case of any security or other property which in the opinion of the Directors with the advice of the Investment Manager it would not be appropriate to value as above provided, the value thereof shall be determined in such manner as the Directors with the advice of the Investment Manager shall from time to time determine;
- (j) In the case of any asset realized or contracted to be realized at a known value the net proceeds, discounted at a rate considered appropriate by the Directors with the advice of the Investment Manager, of such realization shall be taken into account in lieu of any other method of determining the value of the asset concerned;
- (k) The value of any such securities or other assets listed above shall be determined having regard to the full amount of any currency premium or discount which may be relevant.

Prospective investors should be aware that situations involving uncertainties as to the valuation of investments may occur and could have an adverse effect on the Fund's net assets. Absent bad faith or manifest error, the Net Asset Value per Share determinations by the Administrator are conclusive and binding on all Shareholders.

The liabilities of the Fund shall be deemed to comprise:

- (a) all bills and accounts payable;
- (b) all management fees, performance fees and all other fees and expenses payable and/or accrued with such adjustments thereto as are specified in this Memorandum or as may be determined by the Directors from time to time;
- (c) all contractual obligations for the payment of money or the acquisition of property;
- (d) all provisions authorised or approved by the Directors for taxes or contingencies; and
- (e) all other liabilities of the Fund of whatsoever kind and nature, except liabilities represented by outstanding Participating Shares and surplus of the Fund.

The valuation principles with regard to the determination of Net Asset Value per Share are set out in full in the Fund's Articles of Association.

The Directors may declare a suspension of the determination of the Net Asset Value per Share of any class for the whole or any part of a period during which:

- (a) there is a closure of or suspension of trading on any relevant securities exchange; or
- (b) a breakdown occurs in any of the means normally employed by the Directors to ascertain the Net Asset Value per Share of the relevant class or when for any other reason the Net Asset Value per Share of the relevant class cannot reasonably be ascertained; or
- (c) circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Fund to realise any assets which together constitute a material proportion of the assets of the Fund in respect of the relevant class; or
- (d) the Directors consider that it is in the best interests of the Fund to do so; or
- (e) the aggregate Net Asset Value of the Fund falls below Euros 300,000.

No Participating Shares may be allotted or issued (other than those for which application has previously been received and accepted by the Fund) nor may Participating Shares be redeemed during a period of suspension. In the event of suspension, a Shareholder may withdraw his redemption request provided that such withdrawal request is actually received before the termination of the period of suspension. Where the request is not withdrawn, the day on which the redemption of the Participating Shares will be effected will (if later than the day on which the redemption would otherwise have been effected where there had been no suspension) be the Redemption Date next following the termination of the period of suspension.

FEES AND EXPENSES

Investment Management Fee and Systems Provider Fee

The Fund will pay an Investment Management Fee which will be allocated to the Investment Manager. Participating Shares will be issued in more than one class and a different percentage basis of calculating the Investment Management Fee may apply to each class as determined by the Directors. The Investment Management Fee in respect of Class A Participating Shares will be 2.5 per cent per annum of the Net Asset Value of such class. The Investment Management Fee in respect of any other class of Participating Shares will be specified in the relevant Supplemental Offering Memorandum for that class and will always be between 0 per cent and 3 per cent per annum of the Net Asset Value of such class. The Investment Management Fee will be accrued at the start of each Semi-Monthly period and charged Semi-Monthly and the Directors reserve the right to agree the full 3 per cent per annum in respect of any one or more classes except Class A Participating Shares.

The Fund may pay a Performance Fee to the Investment Manager calculated on each class of Participating Shares in respect of such period as shall be determined for each class of Participating Shares (a "Calculation Period") and in respect of such class of Participating Shares as the Directors may determine in their sole discretion. Currently Class A Participating Shares and Class B Participating Shares are subject only to a Systems Provider Fee, not a Performance Fee, however, the Fund may charge a Performance Fee or a Systems Provider Fee for any class of Participating Shares, as the Directors shall determine in their sole discretion. The Fund will charge a Performance Fee, but not a Systems Provider Fee for Class C Participating Shares, Class D Participating Shares, Class I Participating Shares and Class U Participating Shares. A different percentage basis of calculating the Performance Fee may apply to each class of Participating Shares as determined by the Directors. The Performance Fee in respect of any class of Participating Shares which will charge a Performance Fee in any Calculation Period will be specified in the Supplemental Offering Memorandum for that class and will always be between 0 per cent and 30

per cent of the increase in the value of the class payable in respect of the Calculation Period less the loss carried forward of the class (see below). The Directors reserve the right to agree the full 30 per cent per annum in respect of any one or more class except for Class A Participating Shares, Class B Participating Shares and Class C Participating Shares. The increase in value represents the profits earned by each Participating Share during the Calculation Period from the trading and investment of the assets of the Fund and related income and dividends, less the allocation of cost of operating the Fund, including the Investment Management Fee. Profits include both realized and unrealized gains. By virtue of the loss carry forward, if a Participating Share has a loss allocated to it during any Calculation Period, there will be no Performance Fee paid in respect of that Participating Share in subsequent Calculation Periods until the amount of loss previously allocated to that Participating Share has been recouped.

As at each Valuation Date in respect of a particular class of Participating Shares a Performance Fee per Participating Share will be accrued in respect of the Participating Shares of such class then in issue. The Performance Fee will normally be payable in arrears within 14 days of the end of the relevant Calculation Period. In the case of Participating Shares redeemed at the end of a Calculation Period, the Performance Fee in respect of those Participating Shares will be payable out of the redemption proceeds. If the appointment of the Investment Manager is terminated the Performance Fee in respect of each current Calculation Period at that time will be calculated and paid as though the date of termination were the end of each such Calculation Period.

The Performance Fee is accrued and paid at the end of each Calculation Period. The Investment Manager has no obligation to restore to the Fund any Performance Fees previously earned and paid, notwithstanding a loss in a subsequent period.

The Fund may pay a Systems Provider Fee to the Investment Manager. Currently only Class A Participating Shares and Class B Participating Shares are subject to a System Provider Fee. The Directors may determine in their sole discretion if any class of Participating Shares to be issued shall be subject to a System Provider Fee or a Performance Fee. The System Provider Fee is calculated as follows: the software systems that are used by the Fund or the Investment Manager in its performance of services for the Fund will be allocated to several different system blocks. Then a certain percentage of the Fund's assets will be allocated to each system block. Each system block will be traded on one single account and for each system block an index will be established. The System Provider Fee in respect of Class A Participating Shares will be 25% from the capital gains of each system block on an index high water mark basis after deducting the Management Fee on a pro rata basis and it is calculated and payable in respect of the Calculation Period (which for Class A Participating Shares shall be Semi-Monthly). Additional fees (e.g. the Administrator's fees, auditor fees) are not taken into account when calculating the Systems Provider Fee. . If a system block makes a profit a Systems Provider Fee will be paid to the Investment Manager even if other system blocks or the Fund make a loss. The Systems Provider Fee for each system block will be calculated separately. The Systems Provider Fee in respect of any other class of Participating Shares in any Calculation Period (which in respect of any class of Participating Shares, except Class A Participating Shares, shall be such period as shall be determined for each Class of Participating Shares by the Directors and disclosed in the relevant Supplemental Offering Memorandum) will be specified in the Supplemental Offering Memorandum for that class and will always be between 0 per cent and 30 per cent. The Directors reserve the right to agree the full 30 per cent per annum in respect of any one or more class except for Class A Participating Shares, Class B Participating Shares and Class C Participating Shares.

The capital gains of each system block represent the profits earned during the Calculation Period from the trading and investment of the assets of the Fund on the separated system blocks and related income and dividends, less the Investment Management Fee, but not less the allocation of cost of operating the Fund. Profits include both realized and unrealized gains.

The Systems Provider Fee will normally be payable in arrears within 14 days of the end of the relevant Calculation Period.

If the appointment of the Investment Manager is terminated the Systems Provider Fee in respect of each current Calculation Period at that time will be calculated and paid as though the date of termination were the end of each such Calculation Period.

The Investment Manager has no obligation to restore to the Fund any Systems Provider Fees previously earned and paid, notwithstanding a loss in a subsequent period. The Investment Manager may in its discretion rebate to the Shareholders from time to time such part of the Investment Management Fee and/or Systems Provider Fee as they shall determine.

Subscription Fee

Unless waived or reduced by the Directors in any particular circumstances, the Fund will charge a subscription fee as a percentage of the subscription monies as follows. The relevant percentage in respect of the Class A Participating Shares will be 5 per cent. In respect of other classes of Participating Shares the subscription fees will be as specified in the relevant Supplemental Offering Memorandum, however, will always be between 0 per cent and 5 per cent. Such fee will be deducted from the subscription monies will be paid to the Investment Manager by the Fund.

Administration Fee

The Fund will pay to the Administrator fees and expenses. Details of the fees and expenses payable are set out in the Administration Agreement.

Brokerage Fees

The Fund will pay to various brokers fees and expenses in connection with the brokerage services provided by them. Details of the fees and expenses payable to the broker are set out in the relevant agreement and details of any fees payable to any other custodian or broker appointed by the Fund from time to time will be made available upon request to the Administrator.

Custodian Fee

The Fund will pay to the Custodian fees and expenses in connection with the custody services provided by it. Details of the fees and expenses payable to the Custodian are set out in the Custody Agreement.

Discontinuance Fee

Unless waived or reduced by the Directors in any particular circumstances, the Fund may charge a Discontinuance Fee of 5% of the initial sum subscribed on all Class D Participating Shares, and only Class D Participating Shares, at the point of redemption. The Investment Manager may from time to time borrow 5% of the Net Asset Value of Class D Participating Shares from the Fund in order to finance sales fees charged by intermediaries, and such borrowings will be 100% secured by the Discontinuance Fee payable.

Ongoing Expenses

The Fund is obligated to pay all its regular and recurring legal expenses, annual audit costs, Directors' fees and the ongoing expenses of administration, however, some of these expenses and costs may be paid by the Investment Manager. The expenses of administration may include postage, telephone and facsimile expenses; reasonable travel expenses related to the administration and affairs of the Fund;

formation expenses including but not limited to, the cost of preparing and filing the Memorandum and Articles of Association and all other documents regarding the Fund; the cost of on-going filing requirements; the cost of preparing, printing, publishing and distributing, in such languages as are necessary, memoranda, such reports and documents as may be desirable or required under applicable laws and regulations; the out-of-pocket expenses related to accounting and bookkeeping; and all other ongoing out-of-pocket administration expenses related to the Fund together with all other reasonable out-of-pocket expenses of the Directors, the Investment Manager, the various brokers, the Administrator and the Payment Bank.

The organizational costs of the Fund were amortized until 31 December, 2008.

RISK FACTORS

As with all investments, risk cannot be eliminated. There can be no assurance or guarantee that the Fund will meet its investment objective. Investment in the Fund is only available to sophisticated investors (generally, institutions and high net worth individuals) who fully understand and are willing to assume the risks involved.

Set out below are certain risk factors that must be taken into consideration before investing in the Participating Shares. While the Directors believe the following to be the most significant, the following list is not intended to be exhaustive. Prospective investors are urged to consult their financial adviser before investing in the Fund.

Changes in Applicable Law

The Fund must comply with various legal requirements including requirements imposed by securities laws in various jurisdictions. Should any of those laws change, the legal requirements to which the Fund and the investors may be subject could differ materially from current requirements.

Fund's Right to Redeem

The Fund may in certain circumstances effect a compulsory redemption of Participating Shares (please see the section headed "Share Redemption" below).

Restrictions on Transfer and Lack of Liquidity

Investors should be fully aware of the restrictions on transfer of Participating Shares in the Fund (please see the section headed "Transfer and Transmission of Participating Shares" above). The Participating Shares are not readily transferable as any transfer is subject to the prior approval of the Directors of the Fund. Generally, redemption will be the only means by which an investor will be able to realize their investment. Furthermore, the Participating Shares will not be registered under the securities laws of any jurisdiction, and there may be no recognized market for the Participating Shares. Therefore the Participating Shares may have limited or no liquidity.

Business Dependent upon Investment Manager

The Investment Manager will make all investment decisions with respect to the Fund's assets. The success of the Fund will depend upon the ability and continuity of the Investment Manager. Should trading, research or portfolio management resources of the Investment Manager be no longer available to the Investment Manager, for any period of time the profitability of the Fund's portfolio may be adversely affected.

Management Participation

Shareholders will not participate in the management of the Fund or in the conduct of its business. In particular, the Shareholders are not able to remove or replace the Investment Manager, the Administrator or any other agents of the Fund, a decision to do so being a matter entirely for the Directors of the Fund or the Investment Manager. Shareholders are not permitted to appoint and remove the Directors of the Fund.

Performance Fee

In addition to receiving an Investment Management Fee, the Investment Manager may also receive a Performance Fee based on the appreciation in the Net Asset Value per Share and accordingly, the Performance Fee will increase with regard to unrealised appreciation, as well as realised gains. The Performance Fee may create an incentive for the Investment Manager to invest in riskier assets than would be the case in the absence of a fee based on the performance of the Fund.

Regulation

The Fund is an open-ended investment company incorporated as a Cayman Islands exempted company on 2 January, 2008 and is a regulated mutual fund under the Mutual Funds Law. The Fund will comply with such Law on the basis that the minimum initial investment per investor is more than CI\$ 80,000 (or the equivalent thereof in Euros or US\$) and therefore the company may be registered under the Mutual Funds Law. Investors should only consider investing in the Fund if you are a sophisticated investor and your investment in the Fund does not constitute a material part of your total investments.

General Risks of Investing

An investment in the Fund is subject to all risks incidental to the ownership of securities and other assets which the Fund may own directly or indirectly. These factors include, without limitation, changes in government rules and fiscal and monetary policies, changes in laws and political and economic conditions throughout the world, and changes in general market conditions. There can be no guarantee that losses will not be realized by an investor in the Fund and an investor may lose some or even all of their investment. The value of the Participating Shares as well as the value of the underlying investment of the Fund may go down as well as up.

Termination

In the event of a termination of the Fund's activities, the Fund would have to distribute to the Shareholders their pro rata interest in the assets of the Fund. At the time of such sale or distribution, certain securities held by the Fund may be illiquid and could therefore be worth less than the initial cost of such securities, resulting in loss to Shareholders.

Effect of Substantial Redemptions

Substantial redemptions by Shareholders within a short period of time could require the Fund to liquidate its investments more rapidly than would otherwise be desirable, which could adversely affect the value of the Fund's assets. The resulting reduction in the Fund's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

Commodity Futures Contracts

Investing by the Fund in commodity interests may involve substantial risk. The low margin or premiums normally required in such trading may provide a large amount of leverage and a relatively small change in the price of a security or contract can produce a disproportionately large profit or loss. There is no

assurance that a liquid secondary market will exist for commodity futures contracts or options purchased or sold and the Fund may be required to maintain a position until exercise or expiration, which could result in losses.

Effects of Speculative Position Limits

The Commodity Futures Trading Commission and other exchanges have established speculative position limits (referred to as “position limits”) on the maximum futures positions which any person, or group of persons acting in concert, may hold or control in particular futures. If such limits were reached, the Fund would be required to reduce the size of the positions, which would otherwise have been taken in order to avoid exceeding such limits. Such modification of trading, if required, could adversely affect the operations and profitability of the Fund’s accounts.

Forward Trading

The Fund may invest in forward contracts. Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. In addition, the Fund may be exposed, either directly or indirectly, to credit risks with regard to counter-parties as well as risks relating to settlement default.

Swap Agreements

The Fund may be exposed to swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investment or market factors. Depending on their structure, swap agreements may increase or decrease the exposure of the Fund to equity securities, long term or short term interest rates, foreign currency values, corporate borrowing rates or other factors. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a portfolio.

Call Options

The Fund may buy or sell call options. The seller (writer) of a call option which is covered (eg the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Put Options

The Fund may buy or sell put options. The seller (writer) of a put option which is covered (eg the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire investment in the put option.

Short Selling

The Fund may utilize short-selling. Short selling involves trading on margin and accordingly can involve greater risk than investments based on a long position. A short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no absolute guarantee that securities necessary to cover a short position will be available for purchase.

Systems Provider Fee

The Fund will pay a Systems Provider Fee to the Investment Manager as further described above in the section entitled “Fees and Expenses”. If a system block makes a profit a Systems Provider Fee will be paid to the relevant system block even if other system blocks or the Fund make a loss.

Use of Leverage

The Fund will utilize leveraging through trading on margin or the use of derivatives. The margin to equity ratio of the Fund (Initial Margin Request divided by the net asset value of the Fund) may not exceed 100%. The remaining part of the assets must be invested in liquid assets. In practice, the margin to equity ratio would remain significantly below 100%.

Spread Trading and Arbitrage Trading

The investment techniques utilized by the Fund may involve spread positions between two or more trading positions. To the extent that price relationships between such positions remain constant, no gain or loss on the positions will occur. However, such positions do entail a substantial risk that the price differential could change unfavorably causing a loss to the spread position.

Such investment techniques may also involve arbitraging between two securities, between the equity and equity option markets, between commodity interests and securities and/or options, between two commodity interests and/or any combination of the above. This means for example, that the underlying investment fund may purchase (or sell) securities (ie on a current basis) and take offsetting positions in the same or related securities. To the extent the price relationships between such positions remain constant, no gain or loss on the positions will occur. These offsetting positions entail substantial risk that the price differential could change unfavourably causing a loss to the position.

Currency Risk

The Fund may invest in securities which are denominated otherwise than in the currency of the relevant class of Participating Shares (the “Relevant Base Currency”) and income and gains will be received in currencies other than the Relevant Base Currency. Accordingly, the net asset value of the Fund in terms of the Relevant Base Currency may be adversely affected by reductions in the value of such other currencies relative to the Relevant Base Currency.

Illiquidity of Investments

At various times, the markets for securities or instruments purchased or sold by the Fund may be “thin” or illiquid, making purchases or sales at desired prices or in desired quantities difficult or impossible. The fund may additionally invest in private placements and other unlisted securities for which there may be no market, making a sale at any price impossible for indeterminable periods of time. This may make it impractical or impossible for the Fund to liquidate such positions thereby presenting liquidity problems for the Fund.

Suspensions of Trading

Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for the Fund to liquidate positions of listed securities and, accordingly, could expose the Fund to losses.

Custodian

Should any of the cash of the Fund at any time be held or received for the Fund by or on behalf of any custodian appointed by the Fund such cash shall not be treated as client money. The effect of this is that (a) the Fund's cash will not be segregated from the cash that the Custodian holds in custody for its other clients and (b) the Fund will rank as a general creditor together with the other clients of the custodian.

Counterparty Risk

The Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Absence of Investment Restrictions

There are no investment restrictions on the Fund and the Fund is not limited in the amount of capital which may be committed to a single investment or class of investments.

Concentration of Investments

The Fund may at certain times hold relatively few positions, with the result that a loss in any such position could have an adverse impact on the Fund's capital.

No Dividend Income

Because of the objective of the Fund is to achieve capital appreciation, the Fund will not pay dividends. Therefore an investment in the Fund is not suitable for investors seeking current income for financial or tax planning purposes.

Taxation

Prospective investors must consult their own professional advisors with respect to the tax consequences to them of an investment in the Fund under the laws of the jurisdictions in which they are subject to taxation.

Conflicts of Interest

There are certain potential conflicts of interest in relation to the Fund and your attention is drawn to the section headed "Conflicts of Interest" below.

Voting Rights

All rights of voting conferred by investments of the Fund will be exercised in such manner the Investment Manager may determine and the Investment Manager may in its discretion refrain from the exercise of such voting rights as it may deem appropriate.

TAXATION

Cayman Islands

Under current legislation in the Cayman Islands, no direct taxes will be imposed upon the Fund or its Shareholders by the Cayman Islands Government and there are no exchange control laws or regulations in effect. The Fund has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for an undertaking from the Governor in Council of the Cayman Islands that for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations or any tax in the nature of estate duty or inheritance tax, will be payable on or in respect of the shares, debentures or other obligations of the Fund or by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision) of the Cayman Islands. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

Shareholder Taxation

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring or selling Participating Shares under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements.

The EU Taxation of Savings Income Directive

The Fund is incorporated in the Cayman Islands and is registered under Section 4(3) of the Mutual Funds Law. The Reporting of Savings Income Information (European Union) Law, 2005 of the Cayman Islands (the "Savings Income Law") came into force on 1 July, 2005 for the purpose of implementing into Cayman Islands law the European Union Council Directive 2003/48/EC on the Taxation of Savings Income ("EUSD"). The Reporting of Savings Income Information (European Union) Regulations under the Savings Income Law have come into force on 19 September, 2005, and those Regulations exclude from the scope of the Savings Income Law, funds which are considered as "non-UCITS equivalent" which would include funds registered under Section 4(3) of the Mutual Funds Law. Therefore, it is anticipated that the Fund will not be subject to The Savings Income Law and will be treated as outside the scope of the EUSD as a matter of Cayman Islands law.

The paying agent of the Fund is the Administrator which is located in the Cayman Islands. As noted above, the Cayman Islands have deemed that the type of fund which the Fund is categorised as under the MFL is outside the scope of the EUSD. As a result the Fund is therefore outside the scope of the EUSD for the purposes of the paying agent in the Cayman Islands.

CONFLICTS OF INTEREST

Potential conflicts of interest exist in the structure and operation of the Fund:

All of the Voting Shares are held by the Investment Manager.

Certain directors of the Fund may be employees of the Investment Manager and will not devote the whole of their time and attention to the affairs of the Fund. They may have duties and responsibilities within the Investment Manager which may lead to conflicts of interest in relation to the affairs of the Fund. Any such conflicts that might arise will be resolved, in so far as practicable, in a manner which is fair to all interested parties.

The directors of the Fund may also hold from time to time directorships or other positions with other offshore investment funds.

Only the Directors of the Fund or the Investment Manager may terminate the services of the Investment Manager, the Administrator, the various brokers and other agents of the Fund.

The Administrator, the Investment Manager, the various brokers and the Bank and their respective affiliates may manage or provide investment advisory or other services in respect of investments and funds other than those of the Fund that may create conflicts between the interests of its other clients and the Fund. In that respect, the Administrator, the Investment Manager, the various brokers and the Bank and any of their respective affiliates may give advice and take action for their own account in the performance of their duties to other clients that may differ from the timing and nature of action taken with respect to the Fund. Because of different investment objectives and strategies, situations may occur where an asset is bought or sold for one or more managed funds (including the Fund) and accounts, while one or more of the other funds and accounts to which the Administrator, the Investment Manager, the various brokers and the Bank or any of their respective affiliates is providing services is buying or selling the same asset. Moreover, if the purchases or sales of assets for two or more of such other funds and accounts arise at or about the same time, transactions in such assets will be allocated, in so far as it is feasible, for the respective funds and accounts in a manner determined to be equitable to all. Circumstances may arise when the purchases or sales of assets for one or more of the funds and accounts to which the Administrator, the Investment Manager, the various brokers and the Bank or any of their respective affiliates is providing services have an adverse effect on other funds (including the Fund) and accounts to which the Administrator, the Investment Manager, the various brokers and the Bank or any of their respective affiliates is providing services.

The Directors, the Administrator, the Investment Manager, the various brokers and the Bank in the course of their other business activities, may obtain non-public information that would be of value to the Fund. However, the Directors, the Administrator, the Investment Manager, the various brokers and the Bank will be under no obligation to use and may depending upon the circumstances, be legally prohibited from using such information for the benefit of the Fund.

GENERAL AND STATUTORY INFORMATION

Cayman Islands Mutual Funds Law

The Fund falls within the definition of a Mutual Fund under the Mutual Funds Law and, accordingly, will be regulated under the Mutual Funds Law. The Fund will not be required to be licensed under the Mutual Funds Law as the minimum initial investment per investor is more than CI\$ 80,000 (or the equivalent thereof in Euros or US\$) and shall instead be registered under the Mutual Funds Law. However, the fact that the Fund is regulated under the Mutual Funds Law does not imply that the Monetary Authority of the Cayman Islands has passed upon or approved this Offering Memorandum or each Supplemental Offering Memorandum and the offering of the Participating Shares. The Fund is required to provide the Monetary Authority with a copy of this Offering Memorandum and each Supplemental Offering Memorandum, a summary of the terms of the offering of the Participating Shares and the details of the Fund's various agents. The Fund is also required to provide its audited financial statements and annual return to the Monetary Authority.

As a regulated mutual fund, the Fund will be subject to the supervision of the Monetary Authority who may at any time instruct the Fund to have its accounts audited and to submit them to the Monetary Authority within such time as the Monetary Authority specifies. In addition, the Monetary Authority may ask the Directors to give the Monetary Authority such information or such explanation in respect of the

Fund as the Monetary Authority may reasonably require to enable the Monetary Authority to carry out its duties under the Mutual Funds Law.

The Directors must, on request, give the Monetary Authority access to or provide at any reasonable time all records relating to the Fund and the Monetary Authority may copy or take an extract of a record to which it is given access. Failure to comply with these requests by the Monetary Authority may result in substantial fines being imposed on the Directors and may result in the Monetary Authority applying to the court to have the Fund wound up.

The Monetary Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Monetary Authority include, amongst other things, the power to require the substitution of Directors, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Monetary Authority including the ability to apply to the court for approval of other actions.

If requested by any relevant regulatory authority (including, without limitation, the Monetary Authority), the Fund may pass on information about any investor to any such regulatory authority. It is a term of subscription that any investor will be deemed to have consented to the passing of such information to such authority.

Anti-Money Laundering

To ensure compliance with statutory and other generally accepted principles relating to anti-money laundering, the Fund and/or the Administrator may require a detailed verification of a prospective investor's identity. Although the Fund and/or the Administrator reserve the right to request a detailed verification of a prospective investors' identity such verification should not be necessary if:

- * the prospective investor is introduced by a Qualified Financial Institution (a "QFI") and that QFI provides written assurance to the Fund and/or the Administrator that it has established the identity of the prospective investor and holds evidence of that identity.

A QFI is defined as a financial institution which is;

- * established in a European Union (EU) member state and subject to the EU Money Laundering Directives; or
- * established in Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, together with Australia, Canada, Channel Islands, Hong Kong, Iceland, Isle of Man, Japan, New Zealand, Norway, Singapore, Switzerland, the United States and Turkey.

Prospective investors who are NOT introduced by a QFI may be required to provide the following documentation, as is relevant to their status.

Individual Investors may be required to provide the following information:

- * full name;
- * permanent address;
- * a certified copy of their passport or national identity card;
- * a bank reference letter;
- * verification of address, and

- * advice on the source of funds to be invested.

Partnerships may be required to provide the following information:

- * details of registered office;
- * location of place of business; and
- * an explanation of the nature of business of the entity.

The information noted above for a Natural Person will be required for at least two partners/ controllers/ authorized signatories (one of whom should be the key decision maker for the entity) and for each partner and/or beneficial owner that controls more than 10% of the partnership

Corporate entities that are quoted on a stock exchange in an EU member country or in one of the QFI prescribed countries or that are known to be the subsidiary of such a quoted company may be required to provide the following information:

- * copy of the Certificate of Incorporation (or equivalent) details of the registered office, and place of business;
- * certificate of Good Standing;
- * certified copy of the Register of Directors and Officers or equivalent listing – (Items for a natural person also needed for at least two individual Directors); and
- * certified copy of the Register of Members – (Items mentioned for any natural person also needed for beneficial owner holding more than 10% of the shareholder company).

Where the prospective investor to the transaction is a corporation that is a private company, the following additional information may need to be provided:

- * certified passport copies or national identity card copies of at least two directors;
- * a list of names and addresses of shareholders holding 10% or more of the issued share capital of the company and in the case of individual shareholders, their occupations and dates of birth.

When a significant shareholder of a private company (25% or more) is a body corporate, information may need to be provided from the company regarding the ultimate beneficial ownership of that particular body corporate. If the ultimate beneficial owner(s) of that particular body corporate is (are) individual(s), such individual(s) will need to provide the information that is required from individual investors and outlined above.

Furthermore, subscriptions will be cross checked against lists held by various international agencies in order to establish that the persons or entities subscribing have not been blacklisted or are wanted in connection with a criminal investigation. Such international agencies include the FBI, the Bank of England. Other agencies will be consulted as and when appropriate.

Finally it should be noted that redemption payments will only be paid to the same bank account from which the funds were originally received and that any transferee will have to furnish the same information (and enter into a subscription application form) which would be required in connection with a direct subscription in order for a transfer application to be considered by the Administrator.

If any person in the Cayman Islands involved in the business of the Fund has knowledge or suspicion that a payment to the fund (by way of subscription or otherwise) is derived from or represents the proceeds of

criminal conduct, that person is required to report such knowledge or suspicion to the Cayman Islands Reporting Authority pursuant to The Proceeds of Criminal Conduct Law, (Revised) of the Cayman Islands.

Reports and Financial Statements

The Fund's fiscal year ends on 31 December in each year and the first fiscal year ended on 31 December 2008. Shareholders will receive audited annual financial reports of the Fund within six months of the end of the Fund's fiscal year. The Fund's audited annual financial reports will be prepared in accordance with International Accounting Standards. Copies of the audited annual and the unaudited accounts can be obtained from the Administrator. Shareholders will also receive monthly statements of their holdings in the Company, providing details of their holdings and Net Asset Value per Share.

Investment Management Agreement

Pursuant to the terms of the Investment Management Agreement, subject to the overall control of the Directors, the Investment Manager is responsible for the investment of the assets of the Fund. All or part of these functions may be delegated by the Investment Manager.

Under the terms of the Investment Management Agreement, the Investment Manager will not be liable to the Fund or otherwise for any error of judgment or for any loss suffered by the Fund or any of the shareholders of the Fund under the Investment Management Agreement unless such loss arises from bad faith, fraud, gross negligence or wilful default in the performance of the Investment Manager's duties. The Fund will indemnify the Investment Manager from and against any and all liabilities, obligations, losses, damages, suits and expenses which may be incurred by or asserted against the Investment Manager in its capacity as Investment Manager to the Fund unless arising from bad faith, fraud, gross negligence or wilful default in the performance of the Investment Manager's duties and other than expenses incurred by the Investment Manager for which it is responsible under the terms of the Investment Management Agreement.

The Investment Management Agreement may be terminated by either party on 6 months written notice subject to a new investment manager being appointed.

Administration Agreement

The Administration Agreement is for an indefinite term and may ordinarily be terminated by either party giving not less than 90 days' prior written notice to the other party. The Administration Agreement is also terminable with or without notice in other circumstances as specified in the Administration Agreement.

Under the Administration Agreement, the Administrator and its Associates (as defined in the Administration Agreement) shall not be liable to the Fund for loss, damage, liabilities, costs or expenses suffered by the Fund, unless such are finally determined to be directly caused by the willful default, dishonesty, fraud or gross negligence by or of the Administrator or its Associates.

Under the Administration Agreement, the Fund shall indemnify the Administrator and its Associates, on demand, out of the assets of the Fund, from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, costs and expenses including, without limitation, legal and professional fees and expenses arising from or incidental to the provision of the Services (as defined in the Administration Agreement), which may be made or brought against or suffered or incurred by the Administrator or any of its Associates arising out of or in connection with the performance of the Administrator's duties pursuant to the Administration Agreement.

Pursuant to the Administration Agreement, the Administrator will receive from the Fund remuneration for services rendered to the Fund. See further under the section headed “Administration Fee” above.

Material Agreements

Copies of the following are available upon written request to the Administrator, subject to reimbursement of reasonable costs:

- (a) the Memorandum and Articles of Association of the Fund;
- (b) the Companies Law (Revised) of the Cayman Islands;
- (c) the Mutual Funds Law;
- (d) the Investment Management Agreement;
- (e) the Administration Agreement; and
- (f) the relevant Supplemental Offering Memorandum for each class of Participating Shares of the Fund (other than the class represented by Class A Participating Shares which does not have its own specific Supplemental Offering Memorandum).

Registered Office

The Fund’s registered office is located at:

c/o Solaris Corporate Services Ltd.,
P O Box 1990,
3rd Floor, FirstCaribbean House, George Town,
Grand Cayman KY1-1104, Cayman Islands

Indemnification

The Fund has undertaken to indemnify every director, officer and employee of the Fund against all costs, losses, damages and expenses (including travelling expenses) that any such indemnified person may incur and become liable for by reason of any contract entered into, or act or thing done by him as director, officer or employee of the Fund or in any way in discharge of his duties other than through his own wilful misconduct, gross negligence, reckless disregard of his duties or as otherwise required by law. The amount for which such indemnity is provided shall immediately attach as a lien on the property of the Fund and have priority over the Shareholders of the Fund and over all other claims.

No director, officer or employee of the Fund shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee of the Fund, for joining in any receipt or other act for conformity or for any loss or expense happening to the Fund through the insufficiency or deficiency of any security in or upon which any of the monies of the Fund shall be invested or for any loss of any of the monies of the Fund which shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited, or for any other loss, damage or misfortune whatever which shall happen in or about the execution of the duties of his respective office or in relation thereto unless the same happened through his own wilful misconduct, gross negligence, reckless disregard of his duties or as otherwise required by law.

Translations

This Offering Memorandum may be translated into other languages but, in the event of any inconsistency or ambiguity as to the meaning of any word or phrase in any such translation, the English text shall prevail.

Cayman Islands Law

This Offering Memorandum, the subscription application form and the redemption application form for the Fund will be governed by and construed in accordance with the laws of the Cayman Islands. In the event of any dispute between the Fund and an investor, such dispute shall be determined by the courts of the Cayman Islands.

Enquiries

Enquiries concerning the Fund and the Participating Shares (including information concerning subscription and redemption procedures and the current Net Asset Value per Share) should be directed to the Investment Manager or the Administrator (as the case may be).