

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

FALCON HYBRID SPC

(An exempted segregated portfolio company incorporated in the Cayman Islands with limited liability and registered as a mutual fund under the Mutual Funds Act (Revised) of the Cayman Islands)

Private Offering of Participating Shares in the Company

1st May 2024

Price per Participating Share of each Class:
As set out in the relevant Supplement

Minimum Initial Subscription:
As set out in the relevant Supplement

NAV Fund Services (Cayman) Ltd.
(Administrator, Registrar and Transfer Agent)

RSM Cayman Ltd.
(Auditors)

MHA Cayman
(Auditors)

IMPORTANT NOTICES

THE PARTICIPATING SHARES ISSUED BY FALCON HYBRID SPC ARE FOR SALE TO NON-US PERSONS IN ACCORDANCE WITH THE PROVISIONS SET OUT HEREIN. NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN AS CONTAINED IN THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND ANY SUPPLEMENT HERETO. PLEASE DIRECT ANY ENQUIRIES TO THE ADMINISTRATOR.

WITH THE EXCEPTION OF FILING THIS PRIVATE PLACEMENT MEMORANDUM AND ALL SUPPLEMENTS HERETO WITH THE CAYMAN ISLANDS MONETARY AUTHORITY, THE PARTICIPATING SHARES OFFERED HEREBY HAVE NOT BEEN FILED WITH OR APPROVED OR DISAPPROVED BY ANY REGULATORY AUTHORITY OF ANY COUNTRY OR OTHER JURISDICTION, NOR HAS ANY SUCH REGULATORY AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM OR ANY SUPPLEMENT HERETO. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR.

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE "PRIVATE PLACEMENT MEMORANDUM") CONTAINS INFORMATION ABOUT FALCON HYBRID SPC (THE "COMPANY"). IN ADDITION, SUPPLEMENTAL PRIVATE PLACEMENT MEMORANDUMS (EACH, A "SUPPLEMENT", AND TOGETHER, THE "SUPPLEMENTS") WILL BE ISSUED FOR EACH SEGREGATED PORTFOLIO (EACH A "SEGREGATED PORTFOLIO"). DIFFERENT CLASSES AND/OR SERIES OF PARTICIPATING SHARES WILL BE CREATED BY THE COMPANY FROM TIME TO TIME AND WILL BE REFERABLE TO A SPECIFIC SEGREGATED PORTFOLIO.

THIS PRIVATE PLACEMENT MEMORANDUM TOGETHER WITH THE RELEVANT SUPPLEMENT(S) CONTAINS PARTICULARS OF THE COMPANY FOR THE PURPOSE OF PROVIDING INFORMATION TO PROSPECTIVE SHAREHOLDERS. THIS PRIVATE PLACEMENT MEMORANDUM GIVES GENERAL INFORMATION ABOUT THE COMPANY, DOES NOT DEAL WITH THE SPECIFIC INVESTMENT OBJECTIVES, INVESTMENT RESTRICTIONS OR NATURE OF THE ASSETS ATTRIBUTABLE TO ANY PARTICULAR SEGREGATED PORTFOLIO, WHICH INFORMATION APPEARS IN THE RELEVANT SUPPLEMENT(S) RELATING TO THAT SEGREGATED PORTFOLIO. THIS PRIVATE PLACEMENT MEMORANDUM SHOULD BE READ IN CONJUNCTION WITH THE RELEVANT SUPPLEMENT(S) SO THAT TOGETHER, THIS PRIVATE PLACEMENT MEMORANDUM AND SUCH SUPPLEMENT(S) CONSTITUTE THE COMPLETE SET OF OFFERING DOCUMENTS FOR A SEGREGATED PORTFOLIO. THE COMPANY IS AN EXEMPTED COMPANY INCORPORATED WITH LIMITED LIABILITY IN THE CAYMAN ISLANDS UNDER THE COMPANIES ACT (AS REVISED) AND REGISTERED AS A SEGREGATED PORTFOLIO COMPANY. THE DIRECTORS HAVE THE POWER TO CREATE SEPARATE SEGREGATED PORTFOLIOS WITH DIFFERENT INVESTMENT OBJECTIVES AND STRATEGIES AND TO ISSUE SHARES OF DIFFERENT CLASSES AND/OR SERIES IN RESPECT OF EACH SEGREGATED PORTFOLIO REFLECTING DIFFERENT RIGHTS.

THE COMPANY IS A REGISTERED MUTUAL FUND FOR THE PURPOSES OF THE MUTUAL FUNDS ACT AND THE COMPANY IS REGISTERED WITH THE MONETARY AUTHORITY (THE "MONETARY AUTHORITY") PURSUANT TO SECTION 4(3) OF THE MUTUAL FUNDS ACT. THE COMPANY WILL COMPLY WITH THE MUTUAL FUNDS ACT ON THE BASIS THAT THE MINIMUM INITIAL INVESTMENT PER INVESTOR WILL AT ALL TIMES BE AT LEAST THE EQUIVALENT OF CI\$ 80,000 (NAMELY USD 100,000). A COPY OF THIS PRIVATE PLACEMENT MEMORANDUM (AND EACH SUPPLEMENT HERETO) HAS BEEN (OR WILL BE) FILED WITH THE MONETARY AUTHORITY. SUCH REGISTRATION DOES NOT IMPLY THAT THE MONETARY AUTHORITY HAS APPROVED THIS PRIVATE PLACEMENT MEMORANDUM, ANY SUPPLEMENT HERETO, OR THE OFFERING OF PARTICIPATING SHARES HEREUNDER. REGISTRATION WITH THE MONETARY AUTHORITY DOES NOT CONSTITUTE A GUARANTEE BY THE MONETARY AUTHORITY AS TO THE PERFORMANCE

OF THE COMPANY OR THE CREDITWORTHINESS OF THE COMPANY. THE MONETARY AUTHORITY SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY OR THE CORRECTNESS OF ANY STATEMENTS MADE OR OPINIONS EXPRESSED. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN ACCEPTING THIS PRIVATE PLACEMENT MEMORANDUM FOR FILING, THE MONETARY AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY PROPOSAL OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM. THE COMPANY SHOULD BE VIEWED AS AN INVESTMENT SUITABLE ONLY FOR INVESTORS WHO CAN FULLY EVALUATE AND BEAR THE RISKS INVOLVED. FOR A SUMMARY OF THE REGULATORY OBLIGATIONS OF THE COMPANY PLEASE SEE THE SECTION ENTITLED "CAYMAN ISLANDS REGULATION" WITHIN THIS PRIVATE PLACEMENT MEMORANDUM

A MUTUAL FUND LICENSE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE COMPANY.

FURTHERMORE, IN ISSUING SUCH A LICENSE OR IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

THE COMPANY HAS AN AUTHORIZED SHARE CAPITAL OF USD 50,000 DIVIDED INTO 100 VOTING, NON-REDEEMABLE, NON-PARTICIPATING SHARES OF A PAR VALUE OF USD 1.00 EACH (THE "VOTING SHARES") AND 4,990,000 NON-VOTING, REDEEMABLE, PARTICIPATING SHARES OF A PAR VALUE OF USD 0.01 (THE "PARTICIPATING SHARES"), EACH DESIGNATED UPON ISSUE AS BEING A CLASS OF PARTICIPATING SHARES REFERABLE TO A PARTICULAR SEGREGATED PORTFOLIO.

THE PARTICIPATING SHARES ARE AVAILABLE FOR PURCHASE BY PROSPECTIVE SHAREHOLDERS AND ARE OFFERED ON THE BASIS OF THE INFORMATION AND REPRESENTATIONS CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM AND THE RELEVANT SUPPLEMENT(S). ANY FURTHER INFORMATION GIVEN OR REPRESENTATIONS MADE BY ANY PERSON SHOULD NOT BE CONSIDERED AS BEING AUTHORIZED BY THE COMPANY AND SHOULD NOT BE RELIED ON. THE PARTICIPATING SHARES ARE TO BE ISSUED AT THE DISCRETION OF THE DIRECTORS OF THE COMPANY AND DESIGNATED AS SUCH CLASS OR CLASSES OR SERIES THEREOF OF PARTICIPATING SHARES AS MAY BE CREATED FROM TIME TO TIME AND OFFERED WITH REFERENCE TO ONE OR MORE SEGREGATED PORTFOLIOS CREATED AND ISSUED AS CIRCUMSTANCES DICTATE.

THE ARTICLES OF ASSOCIATION OF THE COMPANY EMPOWER THE DIRECTORS TO CREATE DIFFERENT SEGREGATED PORTFOLIOS, AND CLASSES OF SHARES AND/OR SERIES THEREOF WITH DIFFERENT INVESTMENT STRATEGIES. PURSUANT TO THE COMPANIES ACT (AS REVISED), ASSETS OF A PARTICULAR SEGREGATED PORTFOLIO SHALL ONLY BE AVAILABLE AND USED TO MEET LIABILITIES TO THE CREDITORS OF THE SEGREGATED PORTFOLIO COMPANY WHO ARE CREDITORS IN RESPECT OF THAT SEGREGATED PORTFOLIO, AND WHO SHALL THEREBY BE ENTITLED TO HAVE RECOURSE TO THE ASSETS ATTRIBUTABLE TO THAT SEGREGATED PORTFOLIO FOR SUCH PURPOSES. ASSETS OF A PARTICULAR SEGREGATED PORTFOLIO SHALL NOT BE AVAILABLE OR USED TO MEET LIABILITIES TO, AND SHALL BE ABSOLUTELY PROTECTED FROM, THE CREDITORS OF THE SEGREGATED PORTFOLIO COMPANY WHO ARE NOT CREDITORS IN RESPECT OF THAT SEGREGATED PORTFOLIO, AND WHO ACCORDINGLY SHALL NOT BE ENTITLED TO HAVE RECOURSE TO THE ASSETS ATTRIBUTABLE TO THAT SEGREGATED PORTFOLIO.

THIS PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY OTHER U.S. FEDERAL OR STATE AGENCY. NEITHER THE SEC NOR ANY STATE OR FEDERAL AGENCY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE PARTICIPATING SHARES IN EACH SEGREGATED PORTFOLIO OFFERED HEREBY HAVE NOT

BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), BECAUSE THEY WILL BE OFFERED ONLY TO A LIMITED NUMBER OF QUALIFIED INVESTORS. ACCORDINGLY, THE PARTICIPATING SHARES ARE BEING OFFERED OUTSIDE THE UNITED STATES PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER REGULATION S UNDER THE SECURITIES ACT AND MAY BE OFFERED INSIDE THE UNITED STATES PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER REGULATION D UNDER THE SECURITIES ACT IN WHICH CASE EACH SUCH INVESTOR INSIDE THE UNITED STATES IN EACH SEGREGATED PORTFOLIO MUST BE AN "ACCREDITED INVESTOR", AS THAT TERM IS DEFINED IN REGULATION D UNDER THE SECURITIES ACT.

THERE WILL BE NO PUBLIC OFFERING OF THE PARTICIPATING SHARES. THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.

IF A SEGREGATED PORTFOLIO OF THE COMPANY TRADES IN COMMODITY FUTURES AND/OR COMMODITY OPTIONS CONTRACTS, THE COMPANY, ANY RELEVANT INVESTMENT MANAGER, OR ANY RELEVANT INVESTMENT ADVISOR (AS THE CASE MAY BE) TO SUCH SEGREGATED PORTFOLIO WILL CLAIM AN EXEMPTION FROM REGISTRATION WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION (THE "CFTC") AS A COMMODITY POOL OPERATOR WITH RESPECT TO SUCH SEGREGATED PORTFOLIO PURSUANT TO RULE 4.13(A)(3) UNDER THE COMMODITY EXCHANGE ACT, AS AMENDED (THE "CEA"), BECAUSE (1) EITHER THE AGGREGATE INITIAL MARGINS AND PREMIUMS REQUIRED TO ESTABLISH COMMODITY INTEREST POSITIONS FOR THE SEGREGATED PORTFOLIO DO NOT EXCEED FIVE PERCENT OF THE LIQUIDATION VALUE OF THE SEGREGATED PORTFOLIO'S PORTFOLIO OR THE AGGREGATE NET NOTIONAL VALUE OF THE SEGREGATED PORTFOLIO'S COMMODITY INTEREST POSITIONS DO NOT EXCEED ONE HUNDRED PERCENT OF THE LIQUIDATION VALUE OF THE SEGREGATED PORTFOLIO'S PORTFOLIO AND (2) PARTICIPATION IN THE SEGREGATED PORTFOLIO IS LIMITED TO CERTAIN CLASSES OF INVESTORS RECOGNIZED UNDER THE FEDERAL SECURITIES AND COMMODITIES LAWS. THEREFORE, UNLIKE A REGISTERED COMMODITY POOL OPERATOR, ANY RELEVANT INVESTMENT MANAGER, OR ANY RELEVANT INVESTMENT ADVISOR (AS THE CASE MAY BE) TO SUCH SEGREGATED PORTFOLIO WILL NOT BE REQUIRED TO DELIVER A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT TO PARTICIPANTS IN ANY SEGREGATED PORTFOLIO OF THE COMPANY. THE COMPANY, ANY RELEVANT INVESTMENT MANAGER, OR ANY RELEVANT INVESTMENT ADVISOR (AS THE CASE MAY BE) TO SUCH SEGREGATED PORTFOLIO MAY, IN ITS SOLE AND ABSOLUTE DISCRETION, OR AS OTHERWISE REQUIRED BY APPLICABLE LAW OR REGULATION, BECOME REGISTERED WITH THE CFTC IN THE FUTURE.

TO THE EXTENT THAT A SEGREGATED PORTFOLIO TRADES IN COMMODITY FUTURES AND/OR COMMODITY OPTIONS CONTRACTS, THE COMPANY, ANY RELEVANT INVESTMENT MANAGER, OR ANY RELEVANT INVESTMENT ADVISOR (AS THE CASE MAY BE) TO SUCH SEGREGATED PORTFOLIO WILL REGISTER WITH THE CFTC AS A COMMODITY TRADING ADVISOR OR CLAIM AN EXEMPTION THEREFROM. THIS PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN REVIEWED OR APPROVED BY THE CFTC.

THE PARTICIPATING SHARES ARE NOT BEING OFFERED TO THE PUBLIC FOR SUBSCRIPTION OR PURCHASE. THIS PRIVATE PLACEMENT MEMORANDUM TOGETHER WITH THE SUPPLEMENT PUBLISHED IN RELATION TO EACH SEGREGATED PORTFOLIO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR (II) IN WHICH THE PERSON MAKING THE OFFER IS NOT QUALIFIED TO DO SO, OR (III) TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

COPIES OF THIS PRIVATE PLACEMENT MEMORANDUM, ALL SUPPLEMENTS HERETO AND THE RELEVANT SUBSCRIPTION AGREEMENT (THE "SUBSCRIPTION AGREEMENT") FOR EACH SEGREGATED PORTFOLIO, MAY BE OBTAINED BY CONTACTING THE ADMINISTRATOR (AS HEREINAFTER DEFINED).

REPRESENTATIVES OF THE COMPANY ARE AVAILABLE TO ANSWER QUESTIONS CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING OF PARTICIPATING SHARES AND TO FURNISH ANY ADDITIONAL INFORMATION NECESSARY TO ENABLE AN OFFEREE TO EVALUATE THE MERITS AND RISKS OF A PURCHASE OF PARTICIPATING SHARES TO THE EXTENT THAT THEY POSSESS OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS PRIVATE PLACEMENT MEMORANDUM AS LEGAL, TAX OR FINANCIAL ADVICE. ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS AS TO THE LEGAL, TAX, FINANCIAL IMPLICATIONS OR OTHER MATTERS RELEVANT TO THE SUITABILITY OF AN INVESTMENT IN THE PARTICIPATING SHARES FOR SUCH INVESTOR.

THE PURCHASE OF PARTICIPATING SHARES IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. THERE IS NO ASSURANCE THAT THE COMPANY WILL BE PROFITABLE. PLEASE SEE THE SECTION ENTITLED "RISK FACTORS" WITHIN THIS PRIVATE PLACEMENT MEMORANDUM FOR A DESCRIPTION OF CERTAIN RISKS INVOLVED IN THE PURCHASE OF PARTICIPATING SHARES.

NO LISTING OR OTHER DEALING FACILITY IS AT PRESENT BEING SOUGHT FOR ANY PART OF THE COMPANY'S PARTICIPATING SHARES, ALTHOUGH THE DIRECTORS MAY RESERVE THE RIGHT TO SEEK A LISTING IN THE FUTURE.

THIS PRIVATE PLACEMENT MEMORANDUM AND ALL SUPPLEMENTS HERETO ARE INTENDED SOLELY FOR THE USE OF THE PERSON TO WHOM THEY HAVE BEEN DELIVERED BY THE COMPANY FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE PARTICIPATING SHARES DESCRIBED, AND THEY ARE NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON(S) EITHER IN FULL OR IN PART (OTHER THAN PROFESSIONAL ADVISORS OF THE PROSPECTIVE INVESTOR RECEIVING THIS PRIVATE PLACEMENT MEMORANDUM OR ANY SUPPLEMENT FROM THE COMPANY).

THE INFORMATION CONTAINED HEREIN IS GIVEN AS OF THE DATE HEREOF. THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT PURPORT TO GIVE INFORMATION AS OF ANOTHER DATE. NEITHER THE DELIVERY OF THIS PRIVATE PLACEMENT MEMORANDUM NOR A SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, IMPLY THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT WITH YOUR ACCOUNTANT, LEGAL ADVISOR OR OTHER INDEPENDENT PROFESSIONAL ADVISOR.

THIS DOCUMENT REPLACES ANY PREVIOUS VERSIONS OF THE DOCUMENT (WHICH WILL NO LONGER HAVE ANY EFFECT).

TABLE OF CONTENTS

1.	DIRECTORY	9
2.	IMPORTANT PRELIMINARY INFORMATION	11
2.1	Incorporation and Registration in the Cayman Islands	11
2.2	Reliance on Private Placement Memorandum and Supplement	12
2.3	Confidentiality	13
2.4	Restrictions on Distribution	14
2.5	Risk Factors	23
3.	DEFINITIONS AND INTERPRETATION	24
3.1	Definitions	24
3.2	Interpretation	32
4.	INVESTMENT OBJECTIVES AND STRATEGIES, INVESTMENT RESTRICTIONS	33
4.1	Investment Objectives	33
4.2	Investment Strategies	33
4.3	Evaluation and Selection Process	33
4.4	Monitoring Process	33
4.5	Short Term Investments	33
4.6	Holding of Investments	34
4.7	Currency Hedging Policy	34
4.8	Leverage Policy	34
4.9	Distribution/Dividend Policy	34
4.10	Investment Restrictions	34
5.	MANAGEMENT AND SERVICE PROVIDERS	35
5.1	Directors	35
5.2	Administrator, Registrar and Transfer Agent	36
5.3	Auditors	39
5.4	Investment Manager(s)	39
5.5	Investment Advisor(s)	39
5.6	Advisory Committee(s)	39
5.7	Portfolio Manager(s)	40
5.8	Custodian(s)	40
5.9	Deposit Bank(s)	40
5.10	Broker(s)	40
5.11	Paying Agent(s)	40
5.12	Depository(ies)	40
5.13	Distributor(s)	41
5.14	Legal Counsel(s)	41
5.15	Other Agents/Advisors	41
5.16	Data Protection	41
6.	SHARE CAPITAL	43
6.1	The Company's Authorized Share Capital	43
6.2	Participating Shares	43
6.3	Voting Shares	44
7.	SUBSCRIPTION OF SHARES	45

7.1	Number of Participating Shares Initially Available	45
7.2	Initial Subscriptions and Initial Price	45
7.3	Subsequent Subscriptions and Subscription Price	45
7.4	Subscription Procedure	45
7.5	Minimum Investment and Minimum Holding	46
7.6	Eligible Investors	46
7.7	Ineligible Applicants	47
7.8	Form of Shares	49
7.9	Suspension of Subscriptions	49
8.	REDEMPTION OF SHARES	50
8.1	General	50
8.2	Redemption Days	50
8.3	Redemption Price	50
8.4	Redemption Procedure	50
8.5	Settlement	51
8.6	Deferred Redemptions	51
8.7	Suspension of Redemptions	51
8.8	Compulsory Redemptions	52
9.	RESTRICTIONS ON TRANSFER	53
9.1	General	53
9.2	Procedure	53
10.	CALCULATION OF NET ASSET VALUE	54
11.	FEES AND EXPENSES	58
11.1	Subscription Fees	58
11.2	Redemption Fees	58
11.3	Management Fees	58
11.4	Performance Fees	58
11.5	Advisory Fees	58
11.6	Administration Fees	58
11.7	Audit Fees	58
11.8	AMLCO/MLRO/DMLRO Fees	58
11.9	Custody Fees	58
11.10	Deposit Bank Fees	58
11.11	Brokerage Fees	58
11.12	Paying Agent Fees	58
11.13	Depository Fees	59
11.14	Distribution Fees	59
11.15	Legal Fees	59
11.16	Remuneration and Reimbursement of the Directors	59
11.17	Organizational/Operating Costs and Expenses	59
11.18	Other Fees	59
12.	TAXATION	61
12.1	Cayman Islands	61
12.2	United States	61
12.3	OECD	63
12.4	Shareholder Taxation	64
12.5	Company Taxation	64

13.	GENERAL INFORMATION AND REGULATORY MEASURES	65
13.1	Reports and Financial Statements	65
13.2	Registered Office	65
13.3	Constitutive Documents, Laws etc.....	65
13.4	Mutual Fund Registration	65
13.5	Cayman Islands Anti-Money Laundering Regulations.....	66
13.6	Cayman Islands Ultimate Beneficial Ownership Requirements	67
13.7	Cayman Islands Economic Substance Act.....	67
13.8	Anti-Money Laundering Regulations of Other Jurisdictions	67
13.9	Obligations on Shareholders and prospective investors	68
13.10	Miscellaneous	69
13.11	Side Letters	69
14.	POTENTIAL CONFLICTS OF INTERESTS	70
14.1	Voting Shares.....	70
14.2	Directors.....	70
14.3	Non-Exclusivity	70
14.4	Non-Public Information	70
14.5	Soft Dollar Commissions and Other Trading Fees	71
15.	RISK FACTORS	73
15.1	General Risks of Investing	73
15.2	Liquidity Risks	74
15.3	Leverage Risks	74
15.4	Trading Risks	75
15.5	Currency Risks.....	75
15.6	Redemption Risks	76
15.7	Miscellaneous Risks.....	76
15.8	Indemnities and Costs Risks	78
15.9	Counterparty Risks	78
15.10	Valuation Risks	79

1. DIRECTORY

Company	Falcon Hybrid SPC
Registered Office	C/o Bolder Corporate Services (Cayman) Limited 3-212 Governors Square 23 Lime Tree Bay Ave PO Box 30746 SMB Grand Cayman, KY1-1203 Cayman Islands
Directors	<p>Benny Menashe 64 North Row, Mayfair London – W1K 7DA United Kingdom</p> <p>Yaron Berenholtz 64 North Row, Mayfair London – W1K 7DA United Kingdom</p> <p>Ruan Van Vuuren P.O Box 61 Harbour Centre George Town, Grand Cayman KY1-1102 Cayman Islands</p> <p>Michael James Crothers P.O Box 61 Harbour Centre George Town, Grand Cayman KY1-1102 Cayman Islands</p>
Administrator	NAV Fund Services (Cayman) Ltd. 5th Floor, Harbour Place PO Box 30464 Grand Cayman KY1-1202 Cayman Islands
Auditors	<p>RSM Cayman Ltd Zephyr House, Mary Street George Town, PO Box 10311 Grand Cayman KY1-1003, Cayman Islands</p> <p>MHA MacIntyre Hudson Cayman Ltd 10 Market Street, Suite 6 Camana Bay, PO Box 30900 Grand Cayman KY1-1204, Cayman Islands</p>
AMLCO/MLRO	Benny Menashe
DMLRO	Yongjett Chong

Legal Counsels	In respect of Cayman Islands law only: BGA Law (Cayman) Limited 3-212 Governors Square 23 Lime Tree Bay Ave PO Box 30746 SMB Grand Cayman, KY1-1203 Cayman Islands
Investment Manager(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Investment Advisor(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Advisory Committee(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Portfolio Manager(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Custodian(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Deposit Bank(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Broker(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Paying Agent(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Depository(ies)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
Distributor(s)	In relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.

2. IMPORTANT PRELIMINARY INFORMATION

2.1 Incorporation and Registration in the Cayman Islands

The Company is an open-ended mutual fund incorporated as a Cayman Islands exempted company and registered as a segregated portfolio company limited by shares on 4 May 2021 with registration number AS-375405 for an unlimited duration. The Company's registered office is located at C/o Bolder Corporate Services (Cayman) Limited, 3-212 Governors Square, 23 Lime Tree Bay Ave, PO Box 30746 SMB, Grand Cayman, KY1-1203, Cayman Islands.

The Company falls within the definition of a "mutual fund" under the Mutual Funds Act (Revised) of the Cayman Islands (the "Mutual Funds Act") and is registered with the Cayman Islands Monetary Authority ("CIMA", or the "Monetary Authority") under section 4(3) of the Mutual Funds Act. The Company will comply with the Mutual Funds Act on the basis that the minimum initial investment per investor will at all times be at least the equivalent of CI\$ 80,000 (namely USD 100,000). Notwithstanding this, this confidential private placement memorandum (the "Private Placement Memorandum") and each supplemental private placement memorandum (each "Supplement" and together the "Supplements") have not been approved by any regulatory authority or body in any country or jurisdiction (including, without limitation, the Monetary Authority). See further under the section headed "Mutual Fund Registration".

A MUTUAL FUND LICENSE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN ISSUING SUCH A LICENSE OR IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT

As a registered mutual fund, the Company is required to: (a) register the Company with the Monetary Authority; (b) file with the Monetary Authority prescribed details of this Private Placement Memorandum and each Supplement, and any changes to this Private Placement Memorandum or any Supplement (although neither the Monetary Authority nor any other governmental authority in the Cayman Islands has or will pass judgment upon or approve the terms or merits of this Private Placement Memorandum or any Supplement); and (c) file annually with the Monetary Authority accounts audited by an approved auditor and a Fund Annual Return; and (d) pay a prescribed initial registration fee and annual fee to the Monetary Authority.

During its duration, which is unlimited, the Company will create several segregated portfolios which will constitute separate segregated portfolios or sub-funds of the Company (each a "Segregated Portfolio"). Each Segregated Portfolio of the Company will have its own portfolio of assets and will be managed either by the Directors themselves or by its own investment manager(s) (each an "Investment Manager") or by its own investment advisor(s) (each an "Investment Advisors"). The assets and liabilities of each Segregated Portfolio will be legally segregated from the assets and liabilities of every other Segregated Portfolio and from the general assets and liabilities of the Company.

A Segregated Portfolio is not a legal entity that is separate from the segregated portfolio company in which it is created and, therefore, references throughout this Private Placement Memorandum to a Segregated Portfolio acting (e.g., entering into agreements or making investments) should be read as the Company acting for the account of the relevant Segregated Portfolio.

The Company intends to issue redeemable, limited voting, participating shares in each Segregated Portfolio of the Company ("Participating Shares") pursuant to the terms of this Private Placement Memorandum and a specific Supplement issued in respect of each Segregated Portfolio.

Directors have a statutory duty to establish and maintain (or cause to be established and maintained) procedures to ensure that:

- (a) each Segregated Portfolio is a separate, individually managed pool of assets kept separately identifiable from the General Assets and the assets of any other Segregated Portfolio, and each constituting, in effect, a separate fund with its own investment objective and policies;
- (b) each Segregated Portfolio is administered and maintained separate from the other Segregated Portfolios;
- (c) assets and liabilities are not transferred between Segregated Portfolios otherwise than at full value; and
- (d) all contracts intended to benefit or bind a particular Segregated Portfolio must be executed so as to make clear that such arrangement is entered into by or on behalf of the Segregated Portfolio and such Segregated Portfolio alone.

Under the Companies Act, a Segregated Portfolio's assets will only be available and used to meet the liabilities to the creditors of that Segregated Portfolio. If such assets are insufficient to meet the liabilities of that Segregated Portfolio, the creditors will not be entitled to seek recourse against the assets of any other Segregated Portfolio. Furthermore, the Articles provide that creditors of a particular Segregated Portfolio may not have recourse to the General Assets to the extent that the assets of that Segregated Portfolio are insufficient to satisfy the liability in respect of that Segregated Portfolio.

The Company will make offerings of the Participating Shares from time to time in such manner as the Directors may determine in their absolute discretion.

Investors who hold Participating Shares issued in reference to a particular Segregated Portfolio will only assume the investment risks (and share the upside potential) associated with such Segregated Portfolio. Investors who hold Participating Shares issued in reference to a Segregated Portfolio of the Company shall be participating shareholders of the Company (the "Shareholders").

The details of the offering of each Segregated Portfolio can be found in the relevant Segregated Portfolio's Supplement which accompanies this Private Placement Memorandum.

The Company's constitution is defined in its Memorandum and Articles and its objects, as set out in the Memorandum, are unrestricted and accordingly include the carrying on of the business of an open-ended investment fund.

There is no investment compensation scheme available to investors in the Cayman Islands.

The Company is subject to the laws of the Cayman Islands and may also be subject to the laws in other jurisdictions where the offer of Participating Shares of a Segregated Portfolio is offered and where the business is conducted, and investments are made in respect of the Company and each Segregated Portfolio.

The Monetary Authority is prohibited by the Monetary Authority Act (as amended) of the Cayman Islands from disclosing any information related to the affairs of a mutual fund other than disclosure required for the effective regulation of a mutual fund or when required to do so by law or by a court.

2.2 Reliance on Private Placement Memorandum and Supplement

This Private Placement Memorandum replaces any previous versions of the Private Placement Memorandum (which will no longer have any effect).

The Directors of the Company, whose names appear in the Directory, accept responsibility for the information contained in this Private Placement Memorandum and each Supplement to the Private Placement Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Private Placement Memorandum and each Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Participating Shares of each Segregated Portfolio are made available solely on the basis of the information and representations contained in this Private Placement Memorandum and the relevant Supplement and any further information given, or representations made by any person may not be relied upon as having been authorized by the Company or the Directors. Neither the Company nor the Directors accept(s) responsibility for any further information so given or any representations so made. Neither the delivery of this Private Placement Memorandum or the relevant Supplement nor the allotment or issue of Participating Shares in a Segregated Portfolio shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof or thereof.

This Private Placement Memorandum should be read in conjunction with the relevant Supplement in respect of the Segregated Portfolio in which an investor wishes to invest. In the event of a conflict between the terms of this Private Placement Memorandum and the relevant Supplement, the terms of the relevant Supplement shall prevail at all times.

Certain information contained in this Private Placement Memorandum and each Supplement constitutes “forward looking statements”, which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “intend”, or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, including those described under the sections headed “Risk Factors” and “Potential Conflicts of Interests”, actual events or results or the actual performance of the Company or a Segregated Portfolio may differ materially from those reflected or contemplated in such forward-looking statements.

This Private Placement Memorandum and each Supplement may be translated into other languages. Where this Private Placement Memorandum or any Supplement is translated into another language, the translation shall be as close as possible to a direct translation from the English text and changes therefrom shall be only as necessary to comply with the requirements of the regulatory authorities of other jurisdictions. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of the Cayman Islands.

This Private Placement Memorandum and each Supplement should be read in conjunction with the Articles of Association of the Company (the “Articles”). In the event of a conflict between the terms of this Private Placement Memorandum and/or any Supplement and the Articles, the terms of the Articles shall always prevail.

This Private Placement Memorandum should be read in conjunction with the Material Agreements and the Subscription Agreement entered into by each investor with the Company. In the event of a conflict between the terms of this Private Placement Memorandum and/or any Supplement and the Material Agreements and/or the Subscription Agreement entered into by each investor with the Company, the terms of the Material Agreements and/or the Subscription Agreement entered into by each investor with the Company shall always prevail.

This Private Placement Memorandum and each Supplement are based on the law and practice in force in the Cayman Islands at the relevant time and is subject to changes therein. In the event of any dispute between the Company and an investor, such dispute shall be determined by the courts of the Cayman Islands.

2.3 Confidentiality

This Private Placement Memorandum and each Supplement is confidential. Any reproduction or distribution of this Private Placement Memorandum or any Supplement, in whole or in part, or the disclosure of its contents, without the consent of the Company, is prohibited except as required by law or by any regulatory or governmental authority. By accepting delivery of this Private Placement Memorandum and the relevant Supplement, each prospective applicant for Participating Shares agrees to keep confidential all information contained herein and therein that is not already in the public domain and to use this Private Placement Memorandum and the relevant Supplement for the sole purpose of evaluating a possible investment in the Company. Notwithstanding the foregoing, prospective applicants for Participating Shares are permitted to consult their accountant, legal advisor, or other independent

professional advisor on the contents of this Private Placement Memorandum and the relevant Supplement as part of the evaluation process.

Except as outlined in any data protection policy included in the Subscription Agreement entered into by each investor with the Company, any information forwarded to the Company by a potential investor will be treated on a confidential basis. If required to do so by law or regulation, or if, in consultation with any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be), the Company deems it necessary to protect or preserve the assets of the Company, the Company may pass on that information to a relevant third party. In addition, the Company may disclose information relating to the Shareholders as is necessary to allow any potential service provider to the Company or a particular Segregated Portfolio to complete such service provider's pre-appointment due diligence or other procedures (for example, in the event of a change of the Administrator, the Company may disclose information relating to the Shareholders to the potential administrator of the Company if necessary). By subscribing for Participating Shares, each subscriber is deemed to have consented to such release of confidential information pursuant to Confidential Information Disclosure Act (as revised) of the Cayman Islands.

The Company may be subject to anti-money laundering and other regulations in multiple jurisdictions. Under such regulations, the Company may be required to implement an internal anti-money laundering compliance program; any information obtained as part of the Company's anti-money laundering or other compliance procedures (including records of the Company) may be required to be disclosed to anti-money laundering or taxation authorities in such jurisdictions.

2.4 Restrictions on Distribution

The distribution of this Private Placement Memorandum and Supplements and the offering of Participating Shares may be restricted in certain jurisdictions. The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Private Placement Memorandum and wishing to make application for Participating Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Participating Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their citizenship, residence, or domicile.

This Private Placement Memorandum does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it would be unlawful to make such offer or solicitation.

Austria

Neither this Private Placement Memorandum nor any other document in connection with the Participating Shares is a prospectus according to the Austrian Investment Funds Act (Investmentfondsgesetz, InvFG), the Austrian Capital Markets Act (Kapitalmarktgesetz, KMG) or the Austrian Stock Exchange Act (Börsegesetz, BörseG) and it has therefore not been drawn up, audited, approved, passported and/or published in accordance with the aforesaid acts. The Company is not under the supervision of the Austrian Financial Market Authority or any other Austrian supervision authority.

Prospective purchasers of Participating Shares should note that the Participating Shares have not been and will not be offered in the Republic of Austria in the course of an offer to the public within the meaning of section 140 of the Austrian Investment Funds Act or section 176 of the Austrian Investment Funds Act or sec 1 para 1 no 1 of the Austrian Capital Markets Act but under circumstances which will not be considered as an offer to the public under any of the aforesaid acts. Therefore, the provisions of the Austrian Investment Funds Act and the provisions of the Austrian Capital Markets Act relating to registration requirements and to prospectus requirements do not apply and the Participating Shares have thus neither been registered for public distribution in Austria with the Austrian Financial Market Authority (Finanzmarktaufsichtsbehörde) nor been the subject matter of a prospectus compliant with the Austrian Investment Funds Act or the Austrian Capital Markets Act.

This Private Placement Memorandum is confidential and is being provided only to a limited number of recipients who have been individually selected in advance by certain criteria and are targeted in Austria

exclusively by means of a private placement. This Private Placement Memorandum is provided solely for the information of such recipients and must not be reproduced, published, distributed, or made available to any other person (including the press and any other media), in whole or in part, for any purpose and no steps may be taken that would constitute a public offer of the Participating Shares under either the Austrian Investment Fund Act or the Austrian Capital Markets Act (whether presently or in the future).

This Private Placement Memorandum is a marketing communication and has not been prepared in accordance with legal requirements designed to promote the independence of investment research.

This Private Placement Memorandum is not intended to provide a basis of any credit or other evaluation of the Company and its business and should not be considered as a personal recommendation for any recipient of this Private Placement Memorandum to purchase Participating Shares in the Company as it does not take into account the particular investment objectives, financial situation or needs of any specific recipient. Each investor contemplating purchasing any Participating Shares in the Company therefore represents to make its own independent investigation of the Company and of the suitability of an investment in the Participating Shares in the Company in light of their particular circumstances and represents to seek independent professional advice, including tax advice.

This Private Placement Memorandum is distributed under the condition that the above obligations are accepted by the recipient and complied with.

Australia

This Private Placement Memorandum is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) (Corporations Act) and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Company has not authorized nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement.

Accordingly, this Private Placement Memorandum may not be issued or distributed in Australia and the Participating Shares may not be offered, issued, sold, or distributed in Australia by the Company or its representatives or any other person, under this Private Placement Memorandum other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act or otherwise.

This Private Placement Memorandum does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of Participating Shares to a 'retail client' (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

Belgium

The offering of Participating Shares has not been and will not be notified to the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) nor has this Private Placement Memorandum been, nor will it be, approved by the Belgian Financial Services and Markets Authority. The Participating Shares may be offered in Belgium only to a maximum of 149 investors or to investors investing a minimum of €250,000 or to professional or institutional investors, in reliance on Article 5 of the Law of 3 August 2012. This Private Placement Memorandum may be distributed in Belgium only to such investors for their personal use and exclusively for the purposes of this offering of Participating Shares.

Accordingly, this Private Placement Memorandum may not be used for any other purpose nor may it be passed on to any other investor in Belgium. Any offer to sell or sale of Participating Shares must be made in compliance with the provisions of the law of 6 April 2010 on Trade Practices and Consumer Protection to the extent applicable pursuant to the Royal Decree of 5 December 2000.

Canada

Each Canadian investor who executes an application form or Subscription Agreement represents to the Company and/or any of its delegates and service providers and any dealer from whom such subscription is received that such investor and any ultimate investor for which such initial investor is acting as agent:

(a) is entitled under applicable provincial securities laws to purchase such Participating Shares without the benefit of a prospectus qualified under such securities laws, (b) is basing its investment decision solely on this document and not on any other information concerning the Company and/or any of its delegates and service providers or the offering of Participating Shares, (c) has reviewed and acknowledges the terms referred to below under the heading "Canadian Resale Restrictions", and (d) is in compliance with the following: (1) the investor is an "accredited investor" as defined Section 1.1 of National Instrument 45-106 – Prospectus and Registration Exemptions ("NI 45-106") and is not a person created or being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45 106; (b) the investor is either purchasing Participating Shares as principal for its own account, or is deemed to be purchasing the Participating Shares as principal for its own account in accordance with the applicable securities laws of the province in which such investor is resident, by virtue of being either: (i) a trust company or trust corporation as further described in subsection (ii) of the definition of "accredited investor" in Section 1.1 of NI 45-106; or (iii) a person acting on behalf of a fully managed account managed by that person as further described in subsection (iv) of the definition of "accredited investor" in Section 1.1 of NI 45-106; (c) the investor acknowledges and agrees that the offering of Participating Shares was made exclusively under this document and was not made through an advertisement of the Participating Shares in any printed media of general and regular paid circulation, radio, television or telecommunications; (d) the investor acknowledges that the Participating Shares are being distributed in Canada on a private placement basis only and that any resale of Participating Shares must be in accordance with the requirements of applicable securities laws, which will vary depending on the relevant jurisdictions; and (e) the investor acknowledges and agrees that its name and other specified information, including the amount of Participating Shares purchased, will be disclosed to the relevant Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws. The investor consents to the disclosure of such information. If required by applicable securities laws or stock exchange rules, the investor agrees to execute, deliver and file or assist the Company in obtaining and filing such reports, undertakings and other documents relating to the purchase of the Participating Shares by the investor as may be required by any securities commission, stock exchange or other regulatory authority.

Cayman Islands

No offer or invitation may be made to the public in the Cayman Islands to subscribe for Participating Shares. This Private Placement Memorandum shall not constitute an offer, invitation, or solicitation to any member of the public in the Cayman Islands to subscribe for any Participating Shares. Interests in the Company may be beneficially owned by persons resident, domiciled, established, incorporated, or registered pursuant to the laws of the Cayman Islands. The Company, however, will not undertake business with the public in the Cayman Islands other than so far as may be necessary for the carrying on of the business of the Company exterior to the Cayman Islands. "Public" for these purposes does not include (i) any limited liability company registered under the Limited Liability Companies Act (Revised), (ii) any exempted company or ordinary non-resident company registered under the Cayman Islands Companies Act (Revised), (iii) a foreign company registered pursuant to Part IX of the Cayman Islands Companies Act, (iv) any such company acting as general partner of a partnership registered under Section 9(1) of the Cayman Islands Exempted Limited Partnership Act (Revised) or (v) any director or officer of the same acting in such capacity or the trustee of any trust registered or capable of registration under Section 74 of the Trusts Act (As Revised) acting in such capacity.

China

The Participating Shares may not be offered or sold directly or indirectly to the public in the People's Republic of China ("PRC") and neither this Private Placement Memorandum, which has not been submitted to the China Securities and Regulatory Commission, nor any offering material or information contained herein relating to the Participating Shares, may be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of Participating Shares to the public in the PRC. The Participating Shares may be offered or sold only to PRC-related organizations that are authorized to engage in foreign exchange business and offshore investment from outside of the PRC, or PRC individuals with legitimate foreign currency accounts outside of the PRC. Such PRC-related organizations and PRC individuals may be subject to foreign exchange control approval and filing requirements under the relevant China foreign exchange regulations.

Denmark

The Company has not completed the notification procedure in order to be permitted to market its shares in Denmark pursuant to the Danish Act on Investment Associations etc. (Consolidated Act No. 333 of 20 March 2013 as partly replaced by Act No. 597 of 12 June 2013) (the "Act") and the Executive Order on Marketing Carried out by Foreign Investment Undertakings in Denmark (Executive Order No. 1 298 of 14 December 2012) (the "Executive Order") issued by the Danish Financial Supervisory Authority. The Participating Shares of the Company have not been offered or sold and may not be offered, sold, or delivered, directly or indirectly, to investors in Denmark. This implies, inter alia, that the Participating Shares in the Company may not be offered or marketed to potential investors in Denmark unless the notification procedure in accordance with the Act has been completed.

Finland

This Private Placement Memorandum does not constitute an offer to the public in Finland. The Participating Shares cannot be offered or sold in Finland by means of any document to any persons other than "Professional Investors" as defined by the Finnish Mutual Funds Act (Sijoitusrahastolaki 29.1.1999/48), as amended. No action has been taken to authorize an offering of the Participating Shares to the public in Finland and the distribution of this Private Placement Memorandum is not authorized by the Financial Supervision Authority in Finland. This Private Placement Memorandum is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. Subscriptions will not be accepted from any persons other than the person to whom this Private Placement Memorandum has been delivered by the Company and/or any of its delegates and service providers. This Private Placement Memorandum may not include all the information that is required to be included in a prospectus in connection with an offering to the public.

France

The Participating Shares may not be offered or sold directly or indirectly in the Republic of France and neither this Private Placement Memorandum, which has not been submitted to the Autorité des Marchés Financiers, nor any offering material or information contained therein relating to the Company, may be supplied in the Republic of France nor used in connection with any offer for subscription or sale of the Participating Shares to the public in the Republic of France.

Germany

Each purchaser of Participating Shares acknowledges that the Company is not and will not be registered for public distribution in Germany. This Private Placement Memorandum does not constitute a sales prospectus pursuant to the German Investment Act (Investmentgesetz) or the German Securities Prospectus Act (Wertpapierprospektgesetz). Accordingly, no offer of the Participating Shares may be made to the public in Germany. This Private Placement Memorandum and any other document relating to the Participating Shares, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the interests to the public in Germany or any other means of public marketing. An offer of the Participating Shares exclusively to credit institutions and financial services providers as defined in the German Banking Act, private or public insurance companies, investment companies and their investment managers as well as pension funds and their administrators is not deemed to be a public distribution.

Hong Kong

The contents of this Private Placement Memorandum have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This Private Placement Memorandum has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the "Ordinance") but has not been authorized by the Securities and Futures Commission pursuant to the Ordinance. Accordingly, the Participating Shares may only be offered or sold in Hong Kong to persons who are "professional investors" as defined in the Ordinance and any rules made under the Ordinance or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the Ordinance. In addition, this Private Placement Memorandum may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Participating Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a "professional investor" as defined in the Ordinance and any rules made under the Ordinance or as otherwise may be permitted by the Ordinance.

Indonesia

This Private Placement Memorandum may not be distributed in the Republic of Indonesia and the Participating Shares may not be offered or sold in the Republic of Indonesia or to Indonesian citizens wherever they are domiciled, or to Indonesian residents in a manner which constitutes a public offer under the laws of the Republic of Indonesia. This Private Placement Memorandum has not been and will not be registered as a prospectus in the Republic of Indonesia with the Indonesian Capital Market Supervisory Board and Financial Institution (Badan Pengawas Pasar Modal Dan Lembaga Keuangan or Bapepam-Lk).

Ireland

The distribution of this Private Placement Memorandum and the offering or purchase of Participating Shares is restricted to the individual to whom this Private Placement Memorandum is addressed. Accordingly, it may not be reproduced in whole or in part, nor may its contents be distributed in writing or orally to any third party and it may be read solely by the person to whom it is addressed and his/her professional advisers. The Participating Shares will not be offered or sold by any person: (a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended); or (b) otherwise than in conformity with the provisions of the Companies Acts 1963-2012; or (c) otherwise than in a manner that does not constitute an offer for sale to the public within the meaning of Section 9 of the Unit Trusts Act, 1990; or (d) in any way which would require the publication of a prospectus under the Investment Funds, Companies and Miscellaneous Provisions Act, 2005, as amended, and any regulations adopted pursuant thereto; or (e) in any country or jurisdiction including Ireland except in all circumstances that will result in compliance with all applicable laws and regulations in such country or jurisdiction. The Participating Shares will not in any event be publicly marketed in Ireland except in accordance with the requirements of the Central Bank of Ireland.

Isle of Man

The Company is not subject to any form of regulation or approval in the Isle of Man. This Private Placement Memorandum has not been registered or approved for distribution in the Isle of Man and may only be distributed in or into the Isle of Man by a person permitted under Isle of Man law to do so and in accordance with the Isle of Man Collective Investment Scheme Act 2008 and regulations made thereunder. Shareholders in the Company are not protected by any statutory compensation scheme.

Italy

The Participating Shares may not be offered, sold or delivered and this Private Placement Memorandum, or any circular, advertisement or other document or offering material relating to the Participating Shares, may not be published, distributed or made available in the Republic of Italy unless: (a) the Participating Shares have been previously registered with the Bank of Italy and, as appropriate, with the Italian Securities and Exchange Commission (Consob); and (b) the offering, sale or delivery of the Participating Shares and publication or distribution of this Private Placement Memorandum or of any other document or offering material is made in accordance with relevant Italian laws and regulations.

Japan

The Participating Shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Participating Shares nor any interest in them may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a "Japanese person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Jersey

This Private Placement Memorandum relates to a private placement and does not constitute an offer to the public in Jersey to subscribe for the Participating Shares offered hereby. No regulatory approval has been sought to the offer in Jersey and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. The offer of Participating Shares is personal to the person to whom this Private Placement Memorandum is being delivered by or on behalf of the Company, and a subscription for

the Participating Shares will only be accepted from such person. The Private Placement Memorandum may not be reproduced or used for any other purpose.

Korea

The Company does not make any representation with respect to the eligibility of any recipients of this Private Placement Memorandum to acquire the Participating Shares therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Participating Shares may only be offered to Qualified Professional Investors, as such term is defined under the Financial Investment Services and Capital Markets Act of Korea, and none of the Participating Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

Luxembourg

This Private Placement Memorandum and the Participating Shares referred to herein have not been registered with any Luxembourg authority. This Private Placement Memorandum does not constitute and may not be used for or in connection with a public offer in Luxembourg of the Participating Shares referred to herein.

Malaysia

The offering made under this Private Placement Memorandum does not constitute and should not be construed as constituting an offer or invitation to subscribe for or purchase any securities in Malaysia. The Company, by distribution of this Private Placement Memorandum, is not making and has not made available any securities for subscription or purchase in Malaysia. This Private Placement Memorandum is being distributed in Malaysia for information purposes only and does not constitute and should not be construed as offering or making available the Participating Shares for subscription or purchase in Malaysia.

Malta

It is not the present intention of the Directors to advertise or market the Participating Shares in Malta or to accept subscriptions for Participating Shares from Maltese resident persons, or from non-resident persons who are owned and controlled by, directly or indirectly, or who act on behalf of a person who is ordinarily resident and domiciled in Malta.

Netherlands

This document is not addressed to or intended for any individual or legal entity in the Netherlands except individuals or legal entities who qualify as qualified investors (as defined by section 1:1 of the Act on financial supervision (Wet op het financieel toezicht), as amended).

New Zealand

This Private Placement Memorandum is not a registered prospectus or an investment statement for the purposes of the Securities Act 1978 and does not contain all the information typically included in a registered prospectus or investment statement. This offer of Participating Shares does not constitute an “offer of securities to the public” for the purposes of the Securities Act 1978 and, accordingly, there is neither a registered prospectus nor an investment statement available in respect of the offer. Participating Shares in the Company may only be offered to the public in New Zealand in accordance with the Securities Act 1978 and the Securities Regulations 2009 (or any replacement or statutory modification of the Securities Act 1978 and the Securities Regulations 2009).

Singapore

The offer or invitation of the Participating Shares which is the subject of this Private Placement Memorandum does not relate to a collective investment scheme which is authorized under Section 286 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or recognized under Section 287 of the SFA. The Company is not authorized or recognized by the Monetary Authority of Singapore (the “MAS”) and Participating Shares are not allowed to be offered to the retail public. This Private Placement Memorandum and any other document or material issued in connection with the offer or sale is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you.

This Private Placement Memorandum has not been registered as a prospectus with MAS. Accordingly, this Private Placement Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Participating Shares may not be circulated or distributed, nor

may Participating Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor under Section 304 of the SFA, (b) to a relevant person pursuant to Section 305(1), or any person pursuant to Section 305(2), and in accordance with the conditions, specified in Section 305 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Participating Shares are subscribed or purchased under Section 305 by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Participating Shares pursuant to an offer made under Section 305 except: (i) to an institutional investor or to a relevant person defined in Section 305(5) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 305A(3)(i)(B) of the SFA; (ii) where no consideration is or will be given for the transfer; (iii) where the transfer is by operation of law; (iv) as specified in Section 305A(5) of the SFA; (v) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 of Singapore.

Taiwan

The Company has not been registered with or authorized by the Securities and Futures Bureau of the Taiwan Financial Supervisory Commission ("FSC"). Accordingly, the Participating Shares may not be offered to the public in Taiwan and no general advertisement or public solicitation in respect of the Participating Shares may take place in Taiwan. The Participating Shares may be offered or distributed by way of a private placement in Taiwan to certain qualified investors pursuant to the relevant provisions and requirements of the Securities Investment Trust and Consulting Law (SITC Law), Articles 52 to 54 of the Regulations Governing Offshore Funds and by virtue of an order issued by the FSC pursuant to Article 11 of the SITC Law. Any offer of Participating Shares by way of private placement must comply fully with the applicable laws and regulations in Taiwan. Any recipient of this private Placement Memorandum shall not distribute it or otherwise promote the Company in Taiwan and no person in Taiwan other than the person to whom the copy of this Private Placement Memorandum has been addressed may treat the same as constituting an invitation to him to invest. In addition, the person who acquires Participating Shares via private placement shall not transfer such Participating Shares to Taiwanese persons except for certain permitted transferees.

Spain

The Company has not been authorized by or registered with the Spanish Securities Market Commission as a foreign collective investment scheme in accordance with section 15.2 of Law 35/2003 of 4 November 2003 on Collective Investment Schemes. Accordingly, the Participating Shares of the Company may not be offered or sold in Spain by means of any marketing activities as defined in section 2 of Law 35/2003, as amended.

Sweden

This Private Placement Memorandum has not been approved by or registered with the Swedish Financial Supervisory Authority (Finansinspektionen) pursuant to the Swedish Financial Instruments Trading Act (lagen (1991:980) om handel med finansiella instrument). Accordingly, the Participating Shares may only be offered in Sweden in circumstances that will not result in a requirement to prepare a prospectus pursuant to the Swedish Financial Instruments Trading Act. The Company is not an Investment Fund (fondföretag) for the purpose of the Swedish Investment Funds Act (lag (2004:46) om investeringsfonder) and has therefore not been, nor will it be, approved or registered by the Swedish Financial Supervisory Authority pursuant to the Swedish Investment Funds Act.

Switzerland

The Company is considered a foreign investment scheme pursuant to Art. 119 of the Swiss Federal Collective Investment Schemes Act ("CISA"). No application has been submitted to the Federal Financial Market Supervisory Authority ("FINMA") to obtain approval within the meaning of Art. 120 CISA to publicly advertise, offer or distribute the investment in or from Switzerland, and no other steps have been taken in this direction. As a result, the investment is not registered with FINMA. Any offer or sale must therefore be

in strict compliance with Swiss law, and in particular with the provisions of the CISA and its implementing ordinances, and FINMA circular 2013/9 on distribution of collective investment schemes. Pursuant to the CISA and its implementing ordinances, the Participating Shares may not be offered, marketed or distributed to the public in or from Switzerland, but only to qualified investors according to art. 10 of CISA.

Any representation of the Company in Switzerland (if any) will be advised separately as Swiss Representative of the Company. Any offering documentation, including this Private Placement Memorandum, the Memorandum and Articles of Association and annual reports issued by the Company from time to time may be obtained free of charge from the Swiss representative. The Company's paying agent in Switzerland (if any) will be advised separately.

Retrocessions are deemed to be payments and other soft commissions paid to the Company and/or any of its delegates and service providers for distribution activities in respect of Participating Shares. In respect of distribution in Switzerland, the granting of retrocessions is permitted, irrespective of the contractual relationship between the recipient of the retrocession and the investor (asset management agreement, advisory agreement, execution only) and irrespective of whether the service qualifies as distribution or is not deemed to be distribution pursuant to Art. 3 CISA. In respect of distribution in Switzerland, the Company and/or any of its delegates and service providers could pay retrocessions for distribution activities to distributors or distribution partners. The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution. On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

Rebates are defined as payments by the Company and/or any of its delegates and service providers directly to investors from a fee or cost charged to the Company or any relevant Segregated Portfolio with the purpose of reducing the said fee or cost to a contractually agreed amount. In respect of distribution in or from Switzerland, investors may be granted rebates on the fees or costs provided that rebates are paid from fees received by the Company and/or any of its delegates and service providers and therefore do not represent an additional charge on the fund assets; rebates are granted on the basis of objective criteria; all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Company and/or any of its delegates and service providers are, without limitation, the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter; the amount of the fees generated by the investor; the investment behavior shown by the investor (e.g. expected investment period); the investor's willingness to provide support in the launch phase of a collective investment scheme. This shall not be treated as an exhaustive list. At the request of the investor, the Company and/or any of its delegates and service providers must disclose the amounts of such rebates free of charge.

United Kingdom

The Company is an unregulated collective investment scheme as defined in the Financial Services and Markets Act 2000 ("**FSMA 2000**") and accordingly cannot be marketed in the United Kingdom to the general public.

The distribution in the United Kingdom of this Private Placement Memorandum; (a) if made by a person who is not an authorized person under FSMA 2000, is being made to, or directed at, only the following persons: (i) persons who are "Investment Professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (ii) persons falling within any of the categories of persons described in Article 49 of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made by an unauthorized person and (b) if made by a person who is an authorized person under FSMA 2000, is being made, or directed at, only the following persons: (i) persons falling within one of the categories of "Investment Professionals" as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemption) Order 2001, as amended (the "**Promotion of CISs Order**"); (ii) persons falling within any categories of persons described in Article 22 of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made by an authorized person in accordance with the Promotion of CISs Order or the FSA's Conduct of Business

Sourcebook. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Private Placement Memorandum.

Prospective investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Company and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

The content of this Private Placement Memorandum has not been approved by an authorized person and such approval is, save where this Private Placement Memorandum is directed at or issued to the types of person referred to above, required by Section 21 of the Act.

Acquiring Participating Shares may expose an investor to a significant risk of losing the entire amount invested. The Company is a limited liability company and any person who acquires Participating Shares will not thereby be exposed to any significant risk of incurring additional liability. Any person who is in any doubt about investing in the Company should consult an authorized person specializing in advising on such investments.

United States

The Participating Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any of the states of the United States. The Participating Shares may not be offered, sold, or delivered directly or indirectly in the United States or to or for the account or benefit of any "US Person" except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws.

The Participating Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(a)(2) thereof. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act").

The Participating Shares are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in the Company does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in the Company's investment program. The Company's investment practices, by their nature, may be considered to involve a substantial degree of risk. Subscribers for Participating Shares must represent that they are acquiring the Participating Shares for investment purposes only.

The Participating Shares have not been and will not be filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Private Placement Memorandum. Any representation to the contrary is unlawful. There will be no public offering of the Participating Shares in the United States.

This Private Placement Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company and should not be reproduced or used for any other purpose.

OTHER JURISDICTIONS

Notwithstanding the foregoing, distribution of this Private Placement Memorandum in those member states of the European Economic Area that have implemented Directive 2011/61/EU of the European Parliament and the Council of the European Union on alternative investment fund managers (the "AIFM Directive") may only be made in compliance with the local law implementing the AIFM Directive.

The absence of a discussion in this Private Placement Memorandum regarding sales restrictions of the Participating Shares in any particular jurisdiction does not imply that the Participating Shares may or may not be purchased in such jurisdiction by prospective investors. Jurisdictions not addressed herein may or may not permit the purchase of the Participating Shares by prospective investors who are subject to the laws and regulations of such jurisdictions. Prospective investors should consult their own professional advisors with respect to the purchase of the Participating Shares.

The foregoing information is for general guidance only, and it is the responsibility of any person or persons in possession of this Private Placement Memorandum and any Supplement and wishing to make application for Participating Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Participating Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence, or domicile.

2.5 Risk Factors

This Private Placement Memorandum and any Supplement do not constitute a recommendation by the Company, the Directors, the Administrator, any Investment Manager, any Investment Advisor, any Portfolio Manager, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor or any other person, or advice to any recipient of this Private Placement Memorandum or any Supplement, on the merits of acquiring Participating Shares. This Private Placement Memorandum and each Supplement do not necessarily identify, or purport to identify, all the risk factors associated with the Company. Prospective applicants for Participating Shares must make their own independent assessment, after making such investigations as they consider necessary, of the merits of acquiring Participating Shares. Prospective applicants for Participating Shares should consult and rely upon their own investment, accounting, legal and tax representatives, and advisors as to such matters concerning the Company and to evaluate independently the financial risks, consequences and suitability of an investment in the Company, or if in any doubt about the contents of this Private Placement Memorandum or the relevant Supplement.

Investment in the Company carries substantial risk and may involve special risks that could lead to a loss of all or a substantial portion of such investment (see further under the section headed "Risk Factors"). Unless prospective applicants for Participating Shares fully understand and accept the nature of the Company and the potential risks inherent in the Company they should not invest in the Company. Each prospective applicant for Participating Shares is wholly responsible for ensuring that all aspects of the Company are acceptable to them.

There can be no assurance that the Company's objective in respect to any of its Segregated Portfolios will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment program for any investor. Prospective applicants for Participating Shares should carefully consider whether an investment in Participating Shares is suitable for them in light of their circumstances and financial resources.

Prospective applicants for Participating Shares should inform themselves as to the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for such acquisition, any foreign exchange restrictions, or exchange control requirements which they might encounter on acquisition or disposal of Participating Shares and the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Participating Shares.

Requirements which may be deemed necessary for the protection of retail or unsophisticated investors do not apply to the Company, which is therefore not suitable for retail or unsophisticated investors.

IF THE PROSPECTIVE APPLICANT FOR PARTICIPATING SHARES IS IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT THEY SHOULD CONSULT WITH THEIR ACCOUNTANT, LEGAL ADVISOR OR OTHER PROFESSIONAL ADVISOR BEFORE INVESTING.

3. DEFINITIONS AND INTERPRETATION

3.1 Definitions

Capitalized terms used in this Private Placement Memorandum and in each Supplement shall have the following meanings unless the context otherwise requires:

“1933 Act”	the Securities Act of 1933 of the United States (as amended).
“1940 Act”	the Investment Company Act of 1940 of the United States (as amended).
“Administrator”	means NAV Fund Services (Cayman) Ltd, (or any firm or corporation appointed and from time to time acting as administrator of the Company or of any Segregated Portfolio).
“Administration Agreement”	means the agreement between the Company on behalf of a particular Segregated Portfolio and NAV Fund Services (Cayman) Ltd, (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.
“Advisory Committee”	in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
“Advisory Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Advisory Committee (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.
“AMLCO”	means Anti-Money Laundering Compliance Officer.
“AMLCO/MLRO Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and AMLCO/MLRO (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.
“Articles”	means the Articles of Association of the Company (as amended or replaced from time to time).
“AUD”	means the Australian dollar.
“Auditors”	means RSM Cayman (or any firm or corporation appointed and from time to time acting as auditor of the Company or of any Segregated Portfolio).
“Base Currency”	in relation to the Company generally, USD, and in relation to a particular Segregated Portfolio specifically, as specified in the relevant Supplement.
“Broker(s)”	in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
“Brokerage Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Broker (as supplemented,

	amended or replaced from time to time) as described in the relevant Supplement.
“Business Day”	in relation to a particular Segregated Portfolio, as specified in the relevant Supplement.
“CAD”	means the Canadian dollar.
“CHF”	means the Swiss franc.
“CIMA” or “Monetary Authority”	means the Cayman Islands Monetary Authority.
“class”	means means a separate class of Participating Shares (and includes any sub-class or any such class).
“Companies Act”	means the Companies Act (Revised) of the Cayman Islands.
“Company”	means Falcon Hybrid SPC, incorporated as an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands.
“Custodian(s)”	in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
“Custody Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Custodian (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.
“Data Protection Legislation”	means the EU Data Protection Directive 95/46/EC and the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including the EU General Data Protection Regulation (EU) 2016/679. For the purposes of the foregoing provisions of this document it is the intention of the parties to interpret references to EU Data Protection Legislation as also being references to the equivalent provisions under the Data Protection Act, 2017 of the Cayman Islands.
“Deposit Bank(s)”	in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
“Deposit Bank Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Deposit Bank (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.
“Depository(ies)”	in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
“Depository Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Depository (as supplemented,

	amended or replaced from time to time) as described in the relevant Supplement.
“Directors”	means the members of the board of directors of the Company for the time being and any duly constituted committee thereof and any successors to such members as may be appointed from time to time.
“Distributor(s)”	in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
“Distribution Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Distributor (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.
“DMLRO”	means Deputy Money Laundering Reporting Officer.
“EUR” or “€”	means the euro.
“Eligible Investor”	means a Person eligible to hold Participating Shares, being a Person who is not a Restricted Person (as determined from time to time by the Directors).
“GBP” or “£”	means the British pound.
“GDPR”	means Regulation (EU) 2016/679 known as the General Data Protection Regulation, which came into force on 25 May 2018.
“General Assets”	means the assets of the Company which are not Segregated Portfolio Assets.
“Gross Negligence”	in relation to a person, generally means a standard of conduct beyond negligence whereby a person acts with reckless disregard for the consequences of his action or inaction.
“HKD”	means the Hong Kong dollar.
“IFRS”	means International Financial Reporting Standards issued by the International Accounting Standards Board.
“Ineligible Applicant”	means an ineligible applicant as described in the section headed “Subscription of Shares”.
“Initial Offer Period”	means the period determined by the Directors during which Participating Shares in a Segregated Portfolio are available for subscription at a fixed price (plus any applicable subscription fee) as specified in the relevant Supplement.
“Initial Price”	means the fixed price (plus any applicable subscription fee) at which Participating Shares in a Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio are available for

	subscription during the relevant Initial Offer Period described in the section headed “Subscription of Shares” and in the relevant Supplement.
“Investment Advisor(s)”	in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
“Investment Advisory Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Investment Advisor (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.
“Investment Manager(s)”	in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.
“Investment Management Agreement”	means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Investment Manager, (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.
“JPY”	means the Japanese yen.
“Material Agreements”	in relation to a particular Segregated Portfolio, any relevant Administration Agreement, any relevant Investment Management Agreement, any relevant Investment Advisory Agreement, any relevant Advisory Agreement, any relevant Portfolio Manager Agreement, Agreement, any relevant Custody Agreement, any relevant Deposit Bank Agreement, any relevant Broker Agreement, any relevant Paying Agent Agreement, any relevant Depository Agreement, any relevant Distributor Agreement and any other agreements entered into by the Company on behalf of a particular Segregated Portfolio with any other agents/advisors.
“Memorandum”	means the Memorandum of Association of the Company (as amended or replaced from time to time).
“Minimum Holding”	in relation to a particular Segregated Portfolio, as specified in the relevant Supplement.
“MLRO”	means Money Laundering Reporting Officer.
“month”	means a month of the Gregorian calendar.
“Mutual Funds Act”	means the Mutual Funds Act (Revised) of the Cayman Islands.
“Net Asset Value”	means the net asset value of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio determined in accordance with this Private Placement Memorandum and the Articles.
“Net Asset Value per Share”	means the Net Asset Value per Participating Share of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares a

	<p>Segregated Portfolio being the Net Asset Value of that particular Segregated Portfolio or of that particular class of Participating Shares of that Segregated Portfolio or of that particular series of Participating Shares of that Segregated Portfolio divided by the number of Participating Shares in issue or deemed to be in issue in respect of that particular Segregated Portfolio or of that particular class of Participating Shares of that Segregated Portfolio or of that particular series of Participating Shares of that Segregated Portfolio.</p>
“Ordinary Resolution”	<p>means a resolution passed by a simple majority of the votes of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution of the Shareholders entitled to vote at a general meeting of the Company.</p>
“Participating Shares”	<p>means redeemable, limited voting, participating shares in a particular Segregated Portfolio of the Company of USD 0.01 which may be issued in different currencies, different classes, and different series within classes in relation to any Segregated Portfolio and which have the rights as set out in this Private Placement Memorandum and in the Articles, being “Segregated Portfolio Shares” as defined in the Companies Act, as further described in the relevant Supplement.</p>
“Private Placement Memorandum”	<p>means this confidential private placement memorandum (as amended or replaced from time to time).</p>
“Person”	<p>means any natural person, firm, company, joint venture, partnership, corporation, association, or other entity (whether or not having a separate legal personality) or any of them as the context so requires.</p>
“Personal Data”	<p>means any information relating to an identified or identifiable natural person, also known as the data subject. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.</p>
“Portfolio Manager(s)”	<p>in relation to a particular Segregated Portfolio, if any, as specified in the relevant Supplement.</p>
“Portfolio Manager Agreement”	<p>means any agreement between the Company on behalf of a particular Segregated Portfolio and any relevant Portfolio Manager, (as supplemented, amended or replaced from time to time) as described in the relevant Supplement.</p>
“Redemption Day”	<p>means the Business Days on which Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or of that particular series of Participating Shares of a Segregated Portfolio may be redeemed, subject to any restrictions in that regard, as specified in the relevant Supplement.</p>

“Redemption Fee”	means the fee payable (if any) by a Shareholder to the Company or to the Company on behalf of a Segregated Portfolio on a redemption of Participating Shares, as the same may be determined by the Directors and disclosed to the Shareholder in this Private Placement Memorandum or the relevant Supplement at the time of its subscription for such Participating Shares.
“Redemption Notice”	means a notice in a form approved by the Directors by which a holder of Participating Shares requests the redemption of part or all of the Participating Shares.
“Redemption Price”	means the price per Participating Share (less any applicable redemption fee) at which Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or in a particular series of Participating Shares of a Segregated Portfolio are redeemed by the Company calculated in the manner described in the section headed “Redemption of Shares” or in the relevant Supplement.
“Register of Shareholders”	means the register (kept on one or more sheets) to be kept by the Company in accordance with Section 40 of the Companies Act (Revised).
“Securities”	means all forms of securities and other financial instruments whatsoever including, without limitation: share capital; stock; shares of beneficial interest; partnership interests and similar financial instruments; bonds; notes; debentures (whether subordinated, convertible, or otherwise); commodities; currencies; interest rate, currency, commodity, equity and other derivative products, including, without limitation: (a) future contracts (and options thereon) relating to stock indices, currencies, any governments, other financial instruments and all other commodities; (b) swaps, options, warrants, caps, collars, floors and forward rate agreements; (c) spot and forward currency transactions; and (d) agreements relating to or securing such transactions; equipment lease certificates; equipment trust certificates; loans; credit paper; accounts and notes receivable and payable held by trade or other creditors; trade acceptances; contract and other claims; executory contracts; participations; mutual funds; money market funds; exchange traded funds; structured securities; repurchase agreements; obligations of any government and instrumentalities of any of them; commercial paper; certificates of deposit; bankers' acceptances; choses in action; trust receipts; and other instruments or evidence of indebtedness of whatever kind of nature; in each case, of any Person or government whether or not publicly traded or readily marketable or such other form of security or financial instrument as the Directors may from time to time determine.
“Segregated Portfolio”	means a segregated portfolio of the Company established and maintained pursuant to part XIV of the Companies Act and the Articles and this Private Placement Memorandum (and the relevant Supplement hereto) which shall be segregated and kept separate from each other segregated portfolio of the Company, to which assets and liabilities and

income and expenditure attributable or allocated to each such segregated portfolio shall be applied or charged.

“Segregated Portfolio Assets”	means, in respect of each Segregated Portfolio, the assets of the Company held within such Segregated Portfolio comprising assets representing the share capital and reserves (including, without limitation, retained earnings, capital reserves and share premiums) attributable to or held within such Segregated Portfolio.
“Separate Account”	means a separate internal account of a Segregated Portfolio which the Directors may establish and cause to be maintained in accordance with the Articles and this Private Placement Memorandum (and the relevant Supplement hereto).
“SGD”	means the Singapore dollar.
“series”	means a share in the capital of the Company, including a Voting Share or a Participating Share of any Class or Series, as well as any fraction of a share.
“Shareholder”	means a person recorded as a holder of Participating Shares in the relevant Register of Shareholders.
“Side Letter”	means an agreement entered into by the Company or any of its directors, any relevant investment managers, or any relevant investment advisors on behalf of a particular Segregated Portfolio with one or more holders of Participating Shares to supplement the terms of this Private Placement Memorandum and/or the relevant Supplement and/or the relevant Subscription Agreement.
“Special Resolution”	means a special resolution of the Company passed in accordance with the Companies Act, being a resolution: (a) passed by a majority of not less than two-thirds of the Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed.
“Subscription Day”	means the Business Days (falling after the close of the relevant Initial Offer Period) on which investors may, if applicable, subscribe for Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or in a particular series of Participating Shares of a Segregated Portfolio, as specified in the relevant Supplement.

“Subscription Price”	means the price per Participating Share (plus any applicable subscription fee) at which Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or in a particular series of Participating Shares of a Segregated Portfolio may be issued (after the close of the relevant Initial Offer Period) calculated in the manner described in the section headed “Subscription of Shares”.
“Subscription Agreement”	means the relevant application form which any prospective subscriber for Participating Shares in a particular Segregated Portfolio would be required to submit in order to apply for the purchase of such Participating Shares, on the terms and conditions set out therein, and which, if accepted by or on behalf of the Company, would form a binding agreement between such prospective subscriber and the Company.
“Supplement”	means the supplemental confidential private placement memorandum issued by the Company in respect of each particular Segregated Portfolio established pursuant to which and upon the terms and conditions of which Participating Shares of each particular Segregated Portfolio are offered (in addition to the general terms and conditions set out in the Private Placement Memorandum) for purchase as the same may be amended from time to time.
“Suspension”	means a determination by the Directors to postpone or suspend: (a) the calculation of the Net Asset Value of Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or in a particular series of Participating Shares of a Segregated Portfolio and/or (b) the payment of any redemption proceeds (even if the redemption of Participating Shares is not postponed).
“USD” or “US\$”	means the US dollar.
“US Person”	means a citizen or resident of the United States, a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in the United States or any political subdivision thereof, an estate the income of which is subject to United States federal income taxation regardless of its source, a partnership or other entity created or organized in or under the laws of the United States, a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust or (ii) the trust has properly elected to be treated as a US Person, or any person falling within the definition of the term “United States Person” under the 1933 Act or any other relevant law or rule, and/or any other persons as the Directors may in their absolute discretion determine.
“United States”	means the United States of America (including the states and District of Columbia) and any of its territories, possessions, and other areas subject to its jurisdiction.

“Valuation Day”	means the Business Days on which the Net Asset Value per Share of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio is determined, as specified in the relevant Supplement.
“Voting Shares”	means non-redeemable, full voting, non-participating shares of par value USD 1.00 each in the Company having the rights as set out in this Private Placement Memorandum and the Articles.

3.2 Interpretation

In this Private Placement Memorandum and each Supplement unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words which are gender neutral, or gender specific include each gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Private Placement Memorandum or the relevant Supplement have a corresponding meaning;
- (d) an expression importing a natural person includes a company, partnership, joint venture, association, corporation or other body corporate and a government agency;
- (e) a reference to “includes” means to include without limitation;
- (f) a reference to a clause, schedule or attachment is a reference to a clause of this Private Placement Memorandum or the Supplement (as the context requires), and a schedule or attachment to, this Private Placement Memorandum or the relevant Supplement (as the context requires) and a reference to this Private Placement Memorandum or the relevant Supplement (as the context requires) includes a schedule and attachment to this Private Placement Memorandum or the relevant Supplement (as the context requires);
- (g) a reference to an act or law is a reference to that act or law as amended, consolidated or replaced;
- (h) a reference to a document includes all amendments or supplements to that document, or replacements or novations of it;
- (i) a reference to an entity in this Private Placement Memorandum or the relevant Supplement (as the context requires) includes that entity’s successors and permitted assigns;
- (j) all references to the currencies shall include any successor currency; and
- (k) a reference to a date is to a date of the Gregorian calendar.

4. INVESTMENT OBJECTIVES AND STRATEGIES, INVESTMENT RESTRICTIONS

4.1 Investment Objectives

Each Segregated Portfolio may have different investment objectives as set out in the relevant Supplement.

4.2 Investment Strategies

Each Segregated Portfolio may have different investment strategies as set out in the relevant Supplement.

4.3 Evaluation and Selection Process

The Directors will be responsible for evaluating and selecting investments in respect of a particular Segregated Portfolio unless an Investment Manager or an Investment Advisor is appointed to a particular Segregated Portfolio in which case the relevant Investment Manager or the relevant Investment Advisor will be responsible for evaluating and selecting investments in respect of a particular Segregated Portfolio.

The evaluation and selection of investments by the Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may be made by using several criteria, which may include:

- (a) an assessment of the potential return expected from a contemplated investment;
- (b) past performance;
- (c) the strategy used;
- (d) the particular geographic markets or economic sectors in which the investments will be made;
- (e) an estimate of degree of risk and volatility likely to be experienced with the investment over time;
- (f) the liquidity of the investment, including the marketability of the investments;
- (g) an assessment of how each investment strategy and geographic focus will be affected by probable economic scenarios;
- (h) an estimate of the degree of correlation of the performance of the particular investments with other investments of the Segregated Portfolio; and
- (i) an evaluation of the cost of purchasing the particular investments including fees and transaction costs.

4.4 Monitoring Process

The Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) shall decide periodically on the investments of the particular Segregated Portfolio to which they are appointed, review the investment process and monitor the performance of each such Segregated Portfolio or Segregated Portfolios.

4.5 Short Term Investments

To the extent that a particular Segregated Portfolio Assets are not invested, and during periods in which the Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant

Portfolio Manager (as the case may be) believe(s) that economic, financial or political conditions make it advisable, or opportunities for capital appreciation are limited or for defensive purposes, the Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may invest a particular Segregated Portfolio Assets in short-term debt securities or hold cash. In addition, the Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may place all or part of a particular Segregated Portfolio Asset in temporary investments for cash management purposes pending investments of initial or subsequent subscription monies in accordance with a particular Segregated Portfolio's investment objective, or in order to meet its operational expenses.

4.6 Holding of Investments

It may be necessary or desirable for tax or regulatory reasons in relation to some of the investments made in respect of a particular Segregated Portfolio for the Company to register the purchase of such investments in the name of a nominee or a special purpose vehicle or a subsidiary company. The Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) will put in place suitable arrangements to help protect the investment of any such Segregated Portfolio registered in the name of any such nominee or special purpose vehicle.

4.7 Currency Hedging Policy

The currency hedging policy in respect of a particular Segregated Portfolio will be as specified in the relevant Supplement.

4.8 Leverage Policy

The leverage policy in respect of a particular Segregated Portfolio will be as specified in the relevant Supplement.

4.9 Distribution/Dividend Policy

The distribution/dividend policy in respect of a particular Segregated Portfolio will be as specified in the relevant Supplement.

4.10 Investment Restrictions

Any investment restrictions in respect of a particular Segregated Portfolio will be as specified in the relevant Supplement.

THE COMPANY'S INVESTMENT PROGRAM IN RESPECT OF EACH OF ITS SEGREGATED PORTFOLIOS IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. MARKET RISKS ARE INHERENT IN ALL INVESTMENTS TO VARYING DEGREES. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S OBJECTIVE IN RESPECT OF ANY OF ITS SEGREGATED PORTFOLIOS WILL BE REALIZED. AN INVESTOR MAY LOSE SOME OR ALL OF THEIR INVESTMENT (SEE FURTHER UNDER THE SECTION HEADED "RISK FACTORS").

5. MANAGEMENT AND SERVICE PROVIDERS

5.1 Directors

The Directors are responsible for the overall management, control, and operation of the Company in accordance with the Articles (which incorporate provisions of this Private Placement Memorandum and each Supplement by reference), and the respective service agreements (if any) entered into with the Company. The Directors are entitled to delegate any of their powers and duties to third parties at their absolute discretion.

The Directors will review the operations of the Company in respect of each of its Segregated Portfolios at regular meetings (which will be held at least twice a year). For this purpose, the Directors will receive periodic reports from any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) detailing the performance of the Company in respect of each of its Segregated Portfolios and providing an analysis of each investment portfolio. Any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) will provide such other information as may from time to time be reasonably required by the Directors.

The Directors of the Company are Benny Menashe and Yaron Berenholtz whose biographical details are as follows;

Benny Menashe

Benny Menashe has a degree in Economics from Ben Gurion University with over 15 years of experience in prime brokerage and asset management. Benny began his career in 2006 with Finotec Trading UK, a leading prime broker based in London. Mr. Menashe joined FXCM in 2009 to work with the FX Institutional Sales and he returned to Finotec as the Chief Executive Officer in 2013. Benny's extensive knowledge and understanding of prime brokerage, risk management and business development has led him to start Falcon Investment Management in 2014.

Yaron Berenholtz

Yaron was born in Israel in 1973 and completed his legal studies at the year of 1997 in Westminster, London. He holds a bachelor's degree in Law (L.L.B.) and has been a member of the Israel Bar Association since 1998. Yaron specializes in local and international commercial and contract law, and is an expert in complex Commercial negotiation, international contract law, complexes deal structure, M&A, commercial litigation, trade and international insurance, mergers and liquidations of companies, tender law real estate transactions, and private Investments and fund raising around the world.

Michael Crothers

Michael is a corporate governance professional having received his Bachelor's degree in Law. He holds two professional designations holding associate member status of the Governance Institute, formally ICSA as well as professional member status with the International Compliance Association. Michael currently provides independent director services to a number of Cayman companies and is a professional Director in the Cayman Islands registered pursuant to the Directors Registration and Licensing Act 2014.

Petrus Ruan Van Vuuren

Ruan is a Chartered Accountant and holds the Accredited Director designation granted by the Chartered Governance institutiue of Canada. Ruan serves on the board of a varied portfolio of Cayman and other offshore investment funds and related entities and is a professional Director in the Cayman Islands registered pursuant to the Directors Registration and Licensing Act. Prior to joining IMS, he wa the Chief Analyst in the Investments Supervision Division of the Cayman Islands Monetary Authority, where his role included review and approval of various fund registrations.

For the purposes of this Private Placement Memorandum, the address of each of the Directors is the registered office of the Company.

The Articles provide that the remuneration (if any) of the Directors shall be determined by the holders of the Voting Shares and that the Directors may be reimbursed expenses. See further under the section headed "Fees and Expenses".

There is no provision for the retirement of the Directors on their attaining a certain age and the Articles do not provide for retirement of the Directors by rotation.

The Articles contain provisions that every Director or other officer or servant of the Company and their heirs and personal representatives shall be entitled to be indemnified out of the assets of a particular Segregated Portfolio, if incurred in respect of a particular Segregated Portfolio, and otherwise out of the assets of every Segregated Portfolio (apportioned according to the Net Asset Values of the respective Segregated Portfolios) against all actions, proceedings, costs, damages, expenses, claims, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted except such (if any) as he shall incur or sustain by or through his own fraud, willful default or dishonesty. The amount for which the indemnity is given shall immediately attach as a lien and charge over the property of the Segregated Portfolio or Segregated Portfolios and shall have priority over all other claims. It is acknowledged that such indemnification will be from and limited to the assets of a particular Segregated Portfolio, if incurred in respect of a particular Segregated Portfolio, and otherwise out of the assets of every Segregated Portfolio.

The Articles contain provisions that no Director or other officer or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or other officer or servant, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company or any Segregated Portfolio through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of any Segregated Portfolio shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default, or oversight on his part, or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happen through his own fraud, willful default or dishonesty.

5.2 Administrator, Registrar and Transfer Agent

NAV Consulting, Inc. has been engaged as the NAV calculation agent of the Company on behalf of a particular Segregated Portfolio (the "NAV Calculation Agent") pursuant to a Service Agreement entered into with the Company on behalf of a particular Segregated Portfolio (the "NAV Calculation Agreement"). The NAV Calculation Agent is responsible for, among other things, calculating a Segregated Portfolio's Net Asset Value and performing certain other accounting, back-office, data processing and related professional services all as described in the NAV Calculation Agreement.

NAV Fund Services (Cayman) Ltd. (the "Administrator") acts as the Administrator of the Company on behalf of a particular Segregated Portfolio pursuant to a Service Agreement entered into with the Company on behalf of a particular Segregated Portfolio (the "Administration Agreement," the Administrative Agreement and the NAV Calculation Agreement referred to collectively as the "NAV Agreements"). The Administrator is responsible for, among other things: (i) maintaining the register of shareholders of any relevant Segregated Portfolio and processing the issuance and transfer of Shares of any relevant Segregated Portfolio; (ii) disseminating financial information to Shareholders; (iii) processing requests for redemption of Shares; (iv) keeping books and records of any relevant Segregated Portfolio; and (v) performing other services in connection with the administration of any relevant Segregated Portfolio as described in the Administration Agreement.

The NAV Agreements provide that the NAV Calculation Agent and the Administrator (referred to collectively as "NAV") shall not be liable to the Company or any relevant Segregated Portfolio, any

Shareholder, or any other person in absence of finding of willful misconduct, gross negligence, or fraud on the part of NAV. Furthermore, the Company or any relevant Segregated Portfolio shall indemnify and hold harmless the NAV Calculation Agent, the Administrator, their affiliates, and their respective officers, directors, shareholders, employees, agents and representatives (collectively, the "NAV Parties") from and against any liability, damages, claims, loss, cost or expense, including, without limitation, reasonable legal fees and expenses (individually, "Loss" and collectively, "Losses") arising from, related to, or in connection with the services provided to the Company or any relevant Segregated Portfolio pursuant to the NAV Agreements, unless any such Losses are the direct result of the willful misconduct, gross negligence or fraud of NAV. In no event shall NAV have any liability to the to the Company or any relevant Segregated Portfolio, any Shareholder or any other person or entity which seeks to recover alleged damages or losses in excess of the fees paid to NAV by the by the Company or any relevant Segregated Portfolio in the one year preceding the occurrence of any loss, nor shall NAV be liable for any indirect, incidental, consequential, collateral, exemplary or punitive damages, including lost profits, revenue or data, regardless of the form of the action or the theory of recovery, even if NAV has been advised of the possibility of such damages or such damages were foreseeable. Any claim brought against NAV in connection with the NAV Agreements will be barred unless it is initiated within one year of the earlier of the disclosure of the event which is the subject of such claim or the date that the party advancing such claim knew or could with due inquiry have known of such event.

NAV shall not be liable to the Company or any relevant Segregated Portfolio, any Shareholder or any other person for the actions or omissions of any agent, contractor, consultant or other third party performing any portion of the services under the NAV Agreements absent a finding of gross negligence or fraud on the part of NAV in appointing such agent, contractor, consultant or other third party.

NAV shall not be liable to the Company or any relevant Segregated Portfolio, any Shareholder or any other person for actions or omissions made in reliance on instructions from the the Company or any relevant Segregated Portfolio or advice of legal counsel.

The services provided by NAV are purely administrative in nature. NAV has no responsibilities or obligations other than the services specifically listed in the NAV Agreements. No assumed or implied legal or fiduciary duties or services are accepted by or shall be asserted against NAV. NAV does not provide tax, legal or investment advice. NAV has no duty to communicate with Shareholders other than as set forth in Exhibit B of the NAV Agreements. NAV does not have custody of any relevant Segregated Portfolio Assets, it does not verify the existence of, nor does it perform any due diligence on any relevant Segregated Portfolio's underlying investments including, investments in or via related or affiliated entities. In connection with the payment processing functions, NAV shall not be responsible for performance of the due diligence on payment recipient s other than in connection with payments for Investors' withdrawals from any relevant Segregated Portfolio, which are subject to anti-money laundering review functions of the services.

The NAV Agreements also provide that it is the obligation of the Company or any relevant Segregated Portfolio's management, and not of NAV, to review, monitor or otherwise ensure compliance by the the Company or any relevant Segregated Portfolio with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Company or any relevant Segregated Portfolio's offering documents, including, without limitation, with its valuation policy or the Company or any relevant Segregated Portfolio's stated investment strategy, and with laws and regulations applicable to its activities. The Company or any relevant Segregated Portfolio's management's responsibility for the management of a particular Segregated Portfolio, including without limitation, the valuation of that Segregated Portfolio Assets and liabilities, including, defining and maintaining the valuation policy and for fair valuing that Segregated Portfolio Assets, the oversight of the services provided by NAV and the review of work product delivered by NAV shall not be affected by or limited by any of the services provided by NAV.

The NAV Agreement provides that NAV is entitled to rely on any information, including valuation information, received by NAV from any relevant Segregated Portfolio, the Segregated Portfolio's management, the Company or other parties, including without limitation, broker-dealers and data vendors, without independent verification, audit, review, inquiry, or performing other due diligence and NAV shall not be liable to the Company or any relevant Segregated Portfolio, any Shareholder or any other persons for losses suffered as a result of NAV relying on incorrect information. NAV has no

responsibility to review, independently value, verify, compare to other pricing source, or otherwise perform due diligence on the valuation information. NAV may accept such information as accurate and complete without independent verification. Furthermore, NAV shall not be liable to the Company or any relevant Segregated Portfolio, any Shareholder or any other person for any loss incurred as a result of an error or inaccuracy of any valuation information received from the Company or any relevant Segregated Portfolio or from any pricing or valuation service or data service provider or delay, interruption in service or failure to perform of any pricing or valuation service or data service provider used by NAV.

The information on investor statements and other reports produced by NAV shall not be considered an offer to sell or a solicitation of an offer to purchase any Shares, nor may it be used to induce or recommend the purchase or holding of Shares.

The NAV Agreements bar non-parties from asserting third party beneficiary claims against NAV.

The Company on behalf of any relevant Segregated Portfolio pays NAV fees out of the Segregated Portfolio Assets, generally based upon the size of the Segregated Portfolio, in accordance with NAV's standard schedule for providing similar services, subject to a monthly minimum.

Either party may terminate the NAV Agreements on 60 days' prior written notice as well as on the occurrence of certain events.

Shareholders may review the NAV Agreements by contacting the Company; provided, that NAV reserves the right not to disclose the fees payable thereunder.

NAV is not responsible for the preparation of this Private Placement Memorandum or the activities of the Company or any relevant Segregated Portfolio and therefore accepts no responsibility for any information contained in any other section of this Private Placement Memorandum.

Within the meaning of the applicable data protection laws, NAV acts as a Processor of the Company's Personal Data. NAV engages its affiliate, Back Office IT Solutions, Pvt. Ltd. to perform some of the Services, which may include, processing of the Company's Personal Data. As NAV Consulting, Inc. is located in the United States and Back Office IT Solutions Pvt. Ltd. in India, the Company's Personal Data is exported to and processed in the United States and India. For more information about how NAV collects, processes, uses and secures the Company's Personal Data, please reference NAV's Privacy Notice at: <https://www.navconsulting.net/Privacy-Policy>.

Cayman Funds Contact Information

Net Asset Valuation Calculation Agent
NAV Consulting, Inc.
1 Trans Am Plaza Drive, Suite 400
Oakbrook Terrace, Illinois 60181
T: +1.630.954.1919
F: +1.630.954.1945
transfer.agency@navconsulting.net

Administrator

NAV Fund Services (Cayman) Ltd.
5th Floor, Harbour Place
PO Box 30464
Grand Cayman KY1-1202
Cayman Islands
T: +1.345.946.5006 F: +1.345.946.5007
F: +1.630.954.2881
transfer.agency@navcayman.net

Where to Send Subscriptions, Redemptions, and Investor Correspondence:

NAV Fund Services (Cayman) Ltd.
5th Floor, Harbour Place

PO Box 30464
Grand Cayman KY1-1202
Cayman Islands
T: +1.345.946.5006 F: +1.345.946.5007
F: +1.630.954.2881
transfer.agency@navcayman.net

Please note email is always preferred to speed response and avoid delays.

The Company may, subject to approval from the Monetary Authority, on behalf of a Segregated Portfolio, appoint another administrator, registrar and transfer agent of such Segregated Portfolio.

For details of the Administrator and Administration Agreement, see further under the section headed "Administrator" in the relevant Supplement.

5.3 Auditors

The Directors have appointed RSM Cayman as the Company's auditors (the "Auditors"). The Auditors will conduct their audits in accordance with International Financial Reporting Standards ("IFRS"). Under the standard terms of the annual engagement letter which the Company will enter into with the Auditors, the Auditors' liability under such letter is expected to be capped based upon a multiple of fees paid to the Auditors under such letter, except to the extent finally determined to have resulted from the willful or intentional neglect or misconduct or fraudulent behavior by the Auditors. The annual engagement letter is also expected to contain a limitation of any liability to the Auditors' share thereof and other release and indemnity provisions relating to consequential loss, third party claims and fraudulent acts or omissions, misrepresentation, or willful default on the part of the Directors, employees or agents of the Company. RSM Cayman's audit reports may only be relied upon by those parties to whom they are addressed.

5.4 Investment Manager(s)

The Directors may appoint one or more investment manager(s) to a particular Segregated Portfolio (each an "Investment Manager") pursuant to an investment management agreement between the Company on behalf of a particular Segregated Portfolio and each such Investment Manager (each an "Investment Management Agreement").

For details of any such Investment Manager(s) and Investment Management Agreement(s), see further under the section headed "Investment Manager" in the relevant Supplement.

5.5 Investment Advisor(s)

The Directors may appoint one or more investment advisor(s) to a particular Segregated Portfolio or, alternatively, any Investment Manager may appoint one or more investment advisor(s) to itself in respect of a particular Segregated Portfolio (each an "Investment Advisor") pursuant to an investment advisory agreement between the Company on behalf of a particular Segregated Portfolio and each such Investment Advisor or, alternatively, pursuant to an investment advisory agreement between each such Investment Manager and each such Investment Advisor (each an "Investment Advisory Agreement").

For details of any such Investment Advisor(s) and Investment Advisory Agreement(s), see further under the section headed "Investment Advisor" in the relevant Supplement.

5.6 Advisory Committee(s)

The Directors may appoint one or more Advisory Committee(s) to a particular Segregated Portfolio (each an "Advisory Committee") pursuant to an advisory agreement between the Company on behalf of a particular Segregated Portfolio and each such Advisory Committee (each an "Advisory Agreement").

For details of any such Advisory Committee(s) and Advisory Agreement(s), see further under the section headed "Advisory Committee" in the relevant Supplement.

5.7 Portfolio Manager(s)

The Directors may appoint one or more Portfolio Manager(s) to a particular Segregated Portfolio or, alternatively, any relevant Investment Manager, or any relevant Investment Advisor may appoint one or more Portfolio Manager(s) to itself in respect of a particular Segregated Portfolio (each a "Portfolio Manager") pursuant to a portfolio manager agreement between the Company on behalf of a particular Segregated Portfolio and each such Portfolio Manager or, alternatively, pursuant to a portfolio manager agreement between each such Investment Manager and each such Portfolio Manager or, alternatively, pursuant to a portfolio manager agreement between each such Investment Advisor and each such Portfolio Manager (each a "Portfolio Manager Agreement").

For details of any such Portfolio Manager(s) and Portfolio Manager Agreement(s), see further under the section headed "Portfolio Manager" in the relevant Supplement.

5.8 Custodian(s)

The Directors may appoint one or more custodian(s) to a particular Segregated Portfolio (each a "Custodian") pursuant to a custody agreement between the Company on behalf of a particular Segregated Portfolio and each such Custodian (each a "Custody Agreement").

For details of any such Custodian(s) and Custody Agreement(s), see further under the section headed "Custodian(s)" in the relevant Supplement.

5.9 Deposit Bank(s)

The Directors may appoint one or more deposit bank(s) to a particular Segregated Portfolio (each a "Deposit Bank") pursuant to a deposit bank agreement between the Company on behalf of a particular Segregated Portfolio and each such Deposit Bank (each a "Deposit Bank Agreement").

For details of any such Deposit Bank(s) and Deposit Bank Agreement(s), see further under the section headed "Deposit Bank(s)" in the relevant Supplement.

5.10 Broker(s)

The Directors may appoint one or more broker(s) to a particular Segregated Portfolio (each a "Broker") pursuant to a brokerage agreement between the Company on behalf of a particular Segregated Portfolio and each such Broker (each a "Brokerage Agreement").

For details of any such Broker(s) and Brokerage Agreement(s), see further under the section headed "Broker(s)" in the relevant Supplement.

5.11 Paying Agent(s)

The Directors may appoint one or more paying agent(s) to a particular Segregated Portfolio (each a "Paying Agent") pursuant to a paying agent agreement between the Company on behalf of a particular Segregated Portfolio and each such Paying Agent (each a "Paying Agent Agreement").

For details of any such Paying Agent(s) and Paying Agents Agreement(s), see further under the section headed "Paying Agent(s)" in the relevant Supplement.

5.12 Depository(ies)

The Directors may appoint one or more depository(ies) to a particular Segregated Portfolio (each a "Depository") pursuant to a depository agreement between the Company on behalf of a particular Segregated Portfolio and each such Depository (each a "Depository Agreement").

For details of any such Depository(ies) and Depository Agreement(s), see further under the section headed "Depository(ies)" in the relevant Supplement.

5.13 Distributor(s)

The Directors may appoint one or more distributor(s) to a particular Segregated Portfolio (each a “Distributor”) pursuant to a distribution agreement between the Company on behalf of a particular Segregated Portfolio and each such Distributor (each a “Distribution Agreement”).

For details of any such Distributor(s) and Distribution Agreement(s), see further under the section headed “Distributor(s)” in the relevant Supplement.

5.14 Legal Counsel(s)

The Directors may appoint one or more legal counsel to a particular Segregated Portfolio (each a “Legal Counsel”) pursuant to an engagement letter between the Company on behalf of a particular Segregated Portfolio and each such Legal Counsel.

The Directors may appoint other legal counsel to the Company from time to time.

5.15 Other Agents/Advisors

The Directors may appoint other agents or advisors to a particular Segregated Portfolio.

For details of any such other agents or advisors, see the relevant Supplement.

5.16 Data Protection

In the course of business, the Company will collect, record, store, adapt, transfer and otherwise process information by which prospective investors may be directly or indirectly identified. The Company is a data controller within the meaning of Data Protection Legislation and undertakes to hold any Personal Data provided by investors in accordance with Data Protection Legislation.

The Company and/or any of its delegates or service providers may process prospective investor’s Personal Data for any one or more of the following purposes and legal basis:

- (a) to operate the Company, including managing and administering a Shareholder’s investment in the Company on an on-going basis which enables the Company and investors to satisfy their contractual duties and obligations to each other;
- (b) to comply with any applicable legal, tax or regulatory obligations on the Company and/or any of its delegates or service providers under any applicable laws and anti-money laundering and counter-terrorism legislation. If any such obligations derive from the laws of a non-EEA country, the Company and/or any of its delegates or service providers will be obliged to comply with those obligations in connection with the provision of services to investors;
- (c) for any other legitimate business interests’ of the Company or a third party to whom Personal Data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis and market research purposes; or
- (d) for any other specific purposes where investors have given their specific consent and where processing of personal data is based on consent, the investors will have the right to withdraw at any time.

The Company and/or any of its delegates or service providers may disclose or transfer Personal Data, whether in the Cayman Islands or elsewhere (including entities situated in countries outside the EEA), to other delegates, duly appointed agents and service providers of the Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Company and/or any of its delegates and service providers will not transfer Personal Data to a country outside of the EEA unless that country ensures an adequate level of data protection, appropriate safeguards are in place or relies on one of the derogations provided for under GDPR. The European

Commission has prepared a list of countries that are deemed to provide an adequate level of data protections which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand, and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Company and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardized contractual clauses, approved by the European Commission).

The Company will not keep Personal Data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company shall have regard to any applicable statutes of limitation and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation. The Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw at any time. Investors have the right to request access to their personal data kept by the Company; and the right to rectification or erasure of their data and to restrict or object to processing of their data, subject to any restrictions imposed by Data Protection Legislation.

Where processing is carried out on behalf of the Company, the Company shall engage a data processor, within the meaning of Data Protection Legislation, which provides sufficient guarantees to implement appropriate, within the meaning of Data Protection Legislation, which provides sufficient guarantees to implement appropriate technical and organizational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to process Personal Data only in accordance with the documented instructions from the Company.

Investors are required to provide their Personal Data for statutory and contractual purposes. Failure to provide the required Personal Data or an objection to processing may result in the Company being unable to permit, process, or release the investor's investment in the Company and this may result in the Company terminating its relationship with the investors.

6. SHARE CAPITAL

6.1 The Company's Authorized Share Capital

The Company has an authorized share capital of USD 50,000 divided into 4,990,000 Participating Shares of par value USD 0.01 per share ("Participating Shares") and 100 Management Shares of par value USD 1.00 per share ("Voting Shares"). The Articles provide that the Company may from time to time (by ordinary resolution of the holder of the Voting Shares) increase the authorized share capital of the Company and (by special resolution of the holder of the Voting Shares) reduce the authorized share capital of the Company.

The Voting Shares, which are the only shares of the Company which have the right to receive notice of, and attend and vote at, general meetings of the Company, have all been issued to Falcon Investment Management Ltd. The Voting Shares carry no rights to dividends. On a winding up of the Company, the holder of the Voting Shares is only entitled to receive the amount of capital paid up on its Voting Shares.

The unissued Participating Shares will be at the disposal of the Directors who will be able to issue these in respect of any Segregated Portfolio and will designate these as allocable to a particular Segregated Portfolio upon their issue. Only the investors who purchase Participating Shares in a particular Segregated Portfolio will participate in the assets, liabilities, profits, and losses of that Segregated Portfolio.

Investors invest in the Company with limited liability and, subject to the provisions of any warranties granted by an investor when investing into the Segregated Portfolio, cannot lose more than the amount of their investment. Shareholders will not be liable to make any further payment after they have paid the price of their Participating Shares and no further liability for the debts of the Company can be imposed on any Shareholder in respect of the Participating Shares held by them.

The rights attaching to the Participating Shares and the Voting Shares respectively are set out below.

The Directors may, in their sole discretion, designate certain investments that do not have a readily ascertainable value or which are not freely transferable as "Special Investments". If the Investment Manager designates an existing investment as a Special Investment, Shareholders at that time may have a portion of their Class of Shares automatically converted (on a pro rata basis) into Side Pocket Investment Shares, which are not redeemable at the option of the holder and carry no right to vote. Each Special Investment may be represented by a series of Side Pocket Investment Share.

6.2 Participating Shares

Participating Shares are participating shares with limited voting rights as contemplated in the Articles.

Subject to the terms of this Private Placement Memorandum, the relevant Supplement and the Articles, Participating Shares are redeemable at the option of the holder.

The holder of a Participating Share is not entitled to receive notice of, attend or vote at meetings of shareholders save with respect to such matters that may vary the rights of the Participating Shareholders either in respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio where the matter concerns that Segregated Portfolio or that class of Participating Shares of the Segregated Portfolio or that series of Participating Shares of the Segregated Portfolio specifically or in respect of every Segregated Portfolio where the matter concerns every Shareholder in the Company (as the case may be).

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 either in respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio where the matter concerns that Segregated Portfolio or that class of Participating Shares of the Segregated Portfolio or that series of Participating Shares of the Segregated Portfolio specifically or in respect of every Segregated Portfolio where the matter concerns every Shareholder in the Company (as the case may be) 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 either in

respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio where the matter concerns that Segregated Portfolio or that class of Participating Shares of the Segregated Portfolio or that series of Participating Shares of the Segregated Portfolio specifically or in respect of every Segregated Portfolio where the matter concerns every Shareholder in the Company (as the case may be). Except as otherwise stated in the relevant Supplement, all Participating Shares in the same Segregated Portfolio or in the same class of Participating Shares of a Segregated Portfolio or in the same series of Participating Shares of a Segregated Portfolio shall rank pari passu with each other and all Participating Shares in the Company shall rank pari passu with each other as far as any matter affecting every Shareholder is concerned.

In a winding-up, each holder of a Participating Share has a preferential right of return of the paid-up par value and a right to share in surplus assets of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio represented by those Participating Shares after return of the paid-up par value on the Voting Shares allocable to that Segregated Portfolio or that class of Participating Shares of the Segregated Portfolio or that series of Participating Shares of the Segregated Portfolio.

6.3 Voting Shares

Voting Shares do not carry any right to dividends.

The holders of Voting Shares have the right to receive notice of, attend and vote at a general meeting. Accordingly, other than rights which the Directors may have themselves, they have the exclusive right to appoint or remove Directors of the Company and only holders of Voting Shares are entitled to place the Company 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.

7. SUBSCRIPTION OF SHARES

7.1 Number of Participating Shares Initially Available

The number of Participating Shares available in relation to a particular Segregated Portfolio or to a particular class of Participating Shares of a Segregated Portfolio or to a particular series of Participating Shares of a Segregated Portfolio will be specified in the relevant Supplement.

7.2 Initial Subscriptions and Initial Price

Participating Shares in respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio may be subscribed for during the relevant Initial Offer Period at the relevant Initial Price (plus any applicable subscription fee) as specified in the relevant Supplement. The Initial Offer Period in respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio will be as specified in the relevant Supplement.

The Directors may extend or shorten the Initial Offer Period in respect to a particular Segregated Portfolio or to a particular class of Participating Shares of a Segregated Portfolio or to a particular series of Participating Shares of a Segregated Portfolio at their absolute discretion.

7.3 Subsequent Subscriptions and Subscription Price

After the close of the Initial Offer Period, investors may subscribe for Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or in a particular series of Participating Shares of a Segregated Portfolio at the relevant Subscription Price on the relevant Subscription Day as specified in the relevant Supplement.

The Directors are authorized from time to time to resolve to close any Segregated Portfolio or any class of Participating Shares of a Segregated Portfolio or any series of Participating Shares of a Segregated Portfolio to new subscriptions on such basis and on such terms as the Directors may in their absolute discretion determine.

7.4 Subscription Procedure

Subscriptions can only be made at the invitation of the Company.

The Administrator will be responsible for processing subscription applications on behalf of the Company.

The Directors and/or the Administrator (as the case may be) reserve the right to reject subscriptions in whole or in part, without giving any reason, in which event, subject to applicable law, subscription payments will be refunded at the applicant's risk, without interest in the same currency and by the same method in which the subscription monies were received at the expense of the applicant (where applicable). When accepted by the Company, subscriptions will (save as determined by the Directors) be irrevocable.

Applicants for Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or in a particular series of Participating Shares of a Segregated Portfolio during the relevant Initial Offer Period should complete the Subscription Agreement in the form provided with the relevant Supplement and, as directed, send it to either the Company or the Administrator by the method(s) specified in the relevant Supplement along with any requisite documentation and cleared funds in respect of the subscription moneys so as to be received by the Company and/or the Administrator (as the case may be) no later than the time stated in the relevant Supplement failing which the Subscription Agreement will be held over until the next following Subscription Day and Participating Shares will be issued at the relevant Subscription Price applicable on that following Subscription Day or, alternatively, will be rejected and, subject to applicable law, the

subscription moneys refunded at the applicant's risk, without interest in the same currency. The Company may (in the absolute discretion of the Directors) accept subscriptions received after the stated time or require a completed Subscription Agreement and/or cleared funds at an earlier or later time or date but, in any event, prior to the closure of any of the markets in which the particular Segregated Portfolio is invested.

Applicants for Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or in a particular series of Participating Shares of a Segregated Portfolio after the close of the relevant Initial Offer Period should complete a Subscription Agreement in the form provided with the relevant Supplement and, as directed, send it to either the Company and/or the Administrator (as the case may be) by the method(s) specified in the relevant Supplement along with any requisite documentation and cleared funds in respect of the subscription moneys so as to be received by the Company and/or the Administrator (as the case may be) no later than the time stated in the relevant Supplement failing which the Subscription Agreement will be held over until the next following Subscription Day and Participating Shares will be issued at the relevant Subscription Price applicable on that following Subscription Day or, alternatively, will be rejected and, subject to applicable law, the subscription moneys refunded at the applicant's risk, without interest in the same currency. The Company may (in the absolute discretion of the Directors) accept subscriptions received after the stated time or require a completed Subscription Agreement and/or cleared funds at an earlier or later time or date but, in any event, prior to the closure of any of the markets in which the particular Segregated Portfolio is invested.

The Company and/or the Administrator (as the case may be) will issue a written confirmation to successful applicants confirming acceptance of their subscription. Applications for Participating Shares will not be dealt with and Participating Shares will not be issued until receipt of notification that an applicant's funds have been cleared in the full amount of the subscription and completion of the relevant anti-money laundering procedures. Subscription moneys must be transferred from an account in the name of the Shareholder and not a third party. If the applicant does not receive an acknowledgement of its Subscription Agreement within 5 Business Days of submission to the Company and/or the Administrator (as the case may be), such applicant should contact the Company and/or the Administrator (as the case may be) to confirm the status of the Subscription Agreement. Neither the Company nor the Administrator accepts any liability for any Subscription Agreement which is submitted to the Company and/or the Administrator (as the case may be) but in relation to which no acknowledgement has been issued to the applicant. Neither the Company nor the Administrator shall be responsible for any mis-delivery or non-receipt of any original, e-mail or facsimile (as the case may be) if they have not acknowledged receipt of the original, e-mail or facsimile (as the case may be). In the case of mis-receipt or corruption of any message, the applicant will be required to re-send the documents. Notwithstanding the method of communication, the Company (in the absolute discretion of the Directors and the Administrator) reserves the right to ask for the production of original documents or other information to authenticate the communication.

Subject to the foregoing, Participating Shares in a particular Segregated Portfolio or in a particular class of Participating Shares of a Segregated Portfolio or in a particular series of Participating Shares of a Segregated Portfolio shall be deemed to be issued on the Business Day following the close of the relevant Initial Offer Period or the relevant Subscription Day (as the case may be).

7.5 Minimum Investment and Minimum Holding

In accordance with Cayman Islands law, at no time may the Directors accept initial investments below the equivalent of CI\$ 80,000 (approximately USD 100,000) or such other amount stipulated by Cayman Islands law. The minimum initial investment per subscriber, the minimum additional investment per subscriber and the Minimum Holding per Shareholder will be as specified in the relevant Supplement.

Subscriptions may also be made in kind at the sole discretion of the Directors.

7.6 Eligible Investors

Investment in Participating Shares is limited to Eligible Investors. Unless otherwise stipulated in the relevant Supplement, an Eligible Investor is any person who:

- (a) is a sophisticated investor (i.e. someone who has the knowledge, expertise and experience in financial matters to evaluate the risks of investing in the Segregated Portfolio);
- (b) is aware of the risks inherent in investing in the assets in which the relevant Segregated Portfolio will invest and the method by which these assets will be held and/or traded;
- (c) can bear the loss of their entire investment in the Segregated Portfolio;
- (d) is able to acquire and hold Participating Shares without violating applicable laws; and
- (e) is not an Ineligible Applicant.

Investors must represent and warrant on the appropriate Subscription Agreement that they are Eligible Investors. Any transferee of Participating Shares will be required to warrant in like terms before any transfer is registered.

7.7 Ineligible Applicants

The Participating Shares may not be offered, issued, or transferred to any person in circumstances which, in the opinion of the Directors, might result in the Company or any of its Segregated Portfolios incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise incur or suffer, or would result in the Company being required to register under any applicable United States securities laws.

The Participating Shares offered pursuant to this Supplement may not be issued or transferred to any persons or entities:

- (a) who/that are US Persons except with the consent of the Directors and pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws;
- (b) who/that are acting, directly or indirectly, on behalf of any US Persons except with the consent of the Directors and pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws;
- (c) who/that are in contravention of any applicable laws and regulations, including anti-money laundering regulations or conventions;
- (d) who/that are acting, directly or indirectly, on behalf of any other person or entities who/that are in contravention of any applicable laws and regulations, including anti-money laundering regulations or conventions;
- (e) who/that are terrorists or terrorist organizations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), as such list may be amended from time to time or named on the list of prohibited countries, territories, entities and individuals in the Official Journal of the European Communities;
- (f) who/that are acting, directly or indirectly, on behalf of any terrorists or terrorist organizations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), as such list may be amended from time to time or named on the list of prohibited countries, territories, entities and individuals in the Official Journal of the European Communities;

- (g) that are shell banks (being any credit institution (or a body corporate that is engaged in activities equivalent to a credit institution) that:
 - (i) does not have a physical presence, involving meaningful decision-making and management, in the jurisdiction in which it is incorporated;
 - (ii) is not authorized to operate, and is not subject to supervision, as a credit institution (or equivalent) in the jurisdiction in which it is incorporated, and;
 - (iii) is not affiliated with another body corporate that has a physical presence, involving meaningful decision-making and management, in the jurisdiction in which it is incorporated, and is authorized to operate, and is subject to supervision, as a credit institution or an insurance undertaking, in the jurisdiction in which it is incorporated;
- (h) who/that acting, directly or indirectly, on behalf of any shell banks (being any credit institution (or a body corporate that is engaged in activities equivalent to a credit institution) that:
 - (i) that does not have a physical presence, involving meaningful decision-making and management, in the jurisdiction in which it is incorporated;
 - (ii) is not authorized to operate, and is not subject to supervision, as a credit institution (or equivalent) in the jurisdiction in which it is incorporated, and;
 - (iii) is not affiliated with another body corporate that has a physical presence, involving meaningful decision-making and management, in the jurisdiction in which it is incorporated, and is authorized to operate, and is subject to supervision, as a credit institution or an insurance undertaking, in the jurisdiction in which it is incorporated;
- (i) who are politically exposed persons (being any individual who is, or has been, entrusted with a prominent public function, including either of the following individuals (but not including any middle ranking or more junior official):
 - (i) a specified official (being any of the following officials (including any such officials in an institution of the European Communities or an international body):
 - 1) a head of state, head of government, government minister or deputy or assistant government minister;
 - 2) a member of a parliament;
 - 3) a member of a supreme court, constitutional court or other high level judicial body whose decisions, other than in exceptional circumstances, are not subject to further appeal;
 - 4) a member of a court of auditors or of the board of a central bank;
 - 5) an ambassador, chargé d'affaires or high-ranking officer in the armed forces); or
 - 6) a member of the administrative, management or supervisory body of a state-owned enterprise unless the Company, in conjunction with the Administrator, after being specifically notified of such in writing, conducts further due diligence, and determines that such shall be permitted;
- (j) who/that are acting, directly or indirectly, on behalf of any politically exposed persons (being any individual who is, or has been, entrusted with a prominent public function, including either of the following individuals (but not including any middle ranking or more junior official):
 - 1) a specified official (being any of the following officials (including any such officials in an institution of the European Communities or an international body):
 - 2) a head of state, head of government, government minister or deputy or assistant government minister;
 - 3) a member of a parliament;
 - 4) a member of a supreme court, constitutional court or other high level judicial body whose decisions, other than in exceptional circumstances, are not subject to further appeal;
 - 5) a member of a court of auditors or of the board of a central bank;
 - 6) an ambassador, chargé d'affaires or high-ranking officer in the armed forces); or

- 7) a member of the administrative, management or supervisory body of a state-owned enterprise unless the Company, in conjunction with the Administrator, after being specifically notified of such in writing, conducts further due diligence, and determines that such shall be permitted;
- (k) who are immediate family members of any politically exposed persons (being (1) any spouse, child, parent, brother or sister of a politically exposed person, (2) any person considered to be equivalent to a spouse under the national or other law of the political of the place where the person or the politically exposed person resides or (3) any spouse of a child of the politically exposed person) unless the Company, in conjunction with the Administrator, after being specifically notified of such in writing, conducts further due diligence, and determines that such shall be permitted;
- (l) who/that are acting, directly or indirectly, on behalf of any immediate family members of any politically exposed persons (being (1) any spouse, child, parent, brother or sister of a politically exposed person, (2) any person considered to be equivalent to a spouse under the national or other law of the political of the place where the person or the politically exposed person resides or (3) any spouse of a child of the politically exposed person) unless the Company, in conjunction with the Administrator, after being specifically notified of such in writing, conducts further due diligence, and determines that such shall be permitted;
- (m) who are close associates of any politically exposed persons (being (1) any individual who has a joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations with the politically exposed person or (2) any individual who has a sole beneficial ownership of a legal arrangement set up for the actual benefit of the politically exposed person, unless the Company, in conjunction with the Administrator, after being specifically notified of such in writing, conducts further due diligence, and determines that such shall be permitted: or
- (n) who/that are acting, directly or indirectly, on behalf of any close associates of any politically exposed persons (being (1) any individual who has a joint beneficial ownership of a legal entity or legal arrangement, or any other close business relations with the politically exposed person or (2) any individual who has a sole beneficial ownership of a legal arrangement set up for the actual benefit of the politically exposed person, unless the Company, in conjunction with the Administrator, after being specifically notified of such in writing, conducts further due diligence, and determines that such shall be permitted.

Each applicant for, and transferee of, Participating Shares will be required to provide such representations, warranties or documentation as may be required by the Directors to ensure that these requirements are met prior to the issue or the registration of any transfer of Participating Shares. If the transferee is not already a Shareholder, it will be required to complete the appropriate Subscription Agreement.

7.8 Form of Shares

All Participating Shares will be in registered form only and therefore share certificates will not be issued. However, upon the acceptance of the Company of a duly completed Subscription Agreement, investors will receive written confirmation of the number of Participating Shares held by them, ownership of which shall be evidenced by entry in the relevant Register of Shareholders.

7.9 Suspension of Subscriptions

The Directors may declare a suspension of the calculation of the Net Asset Value per Share of any Segregated Portfolio in certain circumstances as described under the section headed "Calculation of Net Asset Value". No Participating Shares in such a Segregated Portfolio will be issued during any such period of such suspension. Any such suspension shall terminate when the Directors declare that the suspension is at an end.

8. REDEMPTION OF SHARES

8.1 General

All redemptions are subject to certain restrictions imposed by this Private Placement Memorandum, the relevant Supplement, the Articles and Cayman Islands law.

Subject to the foregoing, Participating Shares are redeemable at the option of the Shareholder on any Redemption Day.

Where Participating Shares have been acquired on more than one date, they will be redeemed on a “first in, first out” basis.

8.2 Redemption Days

Redemption Days in respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio will be the Business Days specified in the relevant Supplement.

8.3 Redemption Price

Unless otherwise specified in the relevant Supplement, the Redemption Price per Participating Share in respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio will be equal to the Net Asset Value per Share of that Segregated Portfolio or of that class of Participating Shares of the Segregated Portfolio or of that series of Participating Shares of the Segregated Portfolio as at the relevant Valuation Day immediately preceding the relevant Redemption Day, less any applicable redemption fee.

8.4 Redemption Procedure

The Administrator will be responsible for processing redemption requests on behalf of the Company.

Shareholders should send a completed redemption request in the form provided with the relevant Supplement by the method(s) specified in the relevant Supplement to be received by the Company or the Administrator no later than the time stated in the relevant Supplement failing which the redemption request will be held over until the next following Redemption Day and the Participating Shares will be redeemed at the relevant Redemption Price applicable on that following Redemption Day.

The Shareholder(s) must sign each redemption request and, when required by the Company and/or the Administrator (as the case may be), verification of the authenticity of the signature must be provided. Redemption requests may be sent by the method(s) specified in the relevant Supplement, but redemption proceeds will not be remitted until the Company and/or the Administrator (as the case maybe) has received the original of the redemption request unless this condition is waived in the relevant Supplement. A redemption request, once given, is irrevocable save with the consent of the Directors (which may be withheld in their discretion).

In order for a redemption request to be effective, it must be acknowledged by the Company and/or the Administrator (as the case may be). If the Shareholder does not receive an acknowledgement of its redemption request within 5 Business Days of submission to the Company and/or the Administrator (as the case may be), such Shareholder should contact the Company and/or the Administrator (as the case may be) to confirm the status of the redemption request. Neither the Company nor the Administrator accepts any liability for any redemption request which is submitted to the Company and/or the Administrator (as the case may be) but in relation to which no acknowledgement has been issued to the redeeming Shareholder. Neither the Company the Administrator shall be responsible for any mis-delivery or non-receipt of any e-mail, facsimile or original (as the case may be) if they have not acknowledged receipt of the e-mail, facsimile or original (as the case may be). In the case of mis-receipt or corruption of any message, the Shareholder will be required to re-send the documents. Notwithstanding the method of

communication, the Company and/or the Administrator (as the case may be) reserve the right to ask for the production of original documents or other information to authenticate the communication.

A request for a partial redemption of Participating Shares in a Segregated Portfolio may be refused or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Participating Shares in the Segregated Portfolio retained by the Shareholder would be less than the Minimum Holding in respect of a particular Segregated Portfolio.

The minimum redemption amount per investor in respect of a Segregated Portfolio will be as specified in the relevant Supplement.

8.5 Settlement

Payment of redemption proceeds will generally be made as soon as practicable after the relevant Redemption Day and will normally be made within 30 days of the Redemption Day provided the Net Asset Value per Share for the relevant Redemption Day has been finalized.

Redemption payments will be made in the applicable Base Currency and remitted to the investor by wire transfer (at the expense and risk of the investor) to an account in the name of the investor (and not a third party) as specified by the investor in his redemption request. No redemption proceeds will be paid to any investor unless all of the necessary Anti-Money Laundering checks have been completed to the satisfaction of the Directors and the Administrator.

Payment of redemption proceeds will be made in accordance with the provisions set out in the section headed "Settlement" in the relevant Supplement.

Unless otherwise specified in the relevant Supplement, redemption proceeds may also be remitted in kind at the absolute discretion of the Directors.

8.6 Deferred Redemptions

Unless otherwise specified in the relevant Supplement, in the event that redemption requests are received for the redemption of Participating Shares in a particular Segregated Portfolio representing in aggregate more than 25% of the total Net Asset Value of the Participating Shares in that Segregated Portfolio (or such other percentage as the Directors may determine in relation to any particular Segregated Portfolio) then in issue, the Company is entitled to reduce the requests rateably and pro rata amongst all Shareholders seeking to redeem Participating Shares in that Segregated Portfolio on the relevant Redemption Day and carry out only sufficient redemptions which, in aggregate, amount to 25% of the total Net Asset Value of the Participating Shares in that Segregated Portfolio (or such other percentage as the Directors may determine in relation to any particular Segregated Portfolio) then in issue. Participating Shares in a particular Segregated Portfolio which are not redeemed but which would otherwise have been redeemed will be redeemed on the next Redemption Day (subject to further deferral if the deferred requests themselves exceed 25% of the total Net Asset Value of the Participating Shares in the particular Segregated Portfolio (or such other percentage as the Directors may determine in relation to any particular Segregated Portfolio) then in issue). Unless otherwise specified in the relevant Supplement, the Participating Shares in a particular Segregated Portfolio will be redeemed at the Redemption Price as at the relevant Valuation Day immediately preceding the relevant Redemption Day on which they are redeemed.

Where applicable the Directors intend not to exercise their powers to defer redemptions except to the extent, they consider that existing Shareholders would otherwise be materially prejudiced or that such exercise is necessary to comply with applicable law or regulation.

8.7 Suspension of Redemptions

The Directors may declare a temporary suspension of the calculation of the Net Asset Value per Share of any Segregated Portfolio in certain circumstances as described under the section headed "Calculation of Net Asset Value". No Participating Shares in such a Segregated Portfolio will be redeemed during any such period of suspension. Any such suspension shall terminate when the Directors declare that the

suspension is at an end. The Directors may withhold payment to any person whose Participating Shares have been tendered for redemption until after such suspension has been lifted. Notice of any such suspension will be given to any Shareholder who has tendered his Participating Shares for redemption and to whom full payment of the redemption proceeds has not yet been remitted. If a redemption request is not withdrawn by a Shareholder following notification of such a suspension, the redemption will be completed on the basis of the relevant Redemption Price on the relevant Valuation Day immediately preceding the relevant Redemption Day on which the Participating Shares are eventually redeemed.

The Directors may declare an indefinite suspension of the redemption of Participating Shares in a particular Segregated Portfolio (without the requirement of a suspension of the calculation of the Net Asset Value per Share of any Segregated Portfolio) in one or more of the following circumstances:

- (a) where the Directors determine to conduct a controlled wind down of the operations of a Segregated Portfolio for any reason, including where they determine that the Segregated Portfolio is no longer economically viable, with a view to returning assets of that Segregated Portfolio to Shareholders of that Segregated Portfolio; or
- (b) for any other reason that the Directors in their discretion deem is in the best interests of the Shareholders of the Segregated Portfolio.

8.8 Compulsory Redemptions

The Directors have the right to require the compulsory redemption of all or part of the Participating Shares held by or for the benefit of a Shareholder at any time upon providing 30 days' notice, including, without limitation, if the Directors determine that the Participating Shares are held by or for the benefit of any Shareholder who is or becomes an Ineligible Applicant and/or is not or is no longer an Eligible Investor. Shareholders are required to notify the Company immediately if at any time they cease to be Eligible Investors or become Ineligible Applicants. When the Directors become aware that a Shareholder: (a) has ceased to be an Eligible Investor or has become an Ineligible Applicant; (b) is holding Participating Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax, pecuniary or material administrative disadvantages for the Company or its Shareholders; (c) has failed to provide any information or declaration required by the Directors within 14 Business Days of being requested to do so; or (d) in the opinion of the Directors, the ownership of the Participating Shares by the Shareholder is, or may be, unlawful or harmful or injurious to the business or reputation of the Company, the Directors may either (e) direct such Shareholder to redeem or to transfer the relevant Participating Shares to a person who is qualified or entitled to own or hold such Participating Shares or (f) redeem the relevant Participating Shares.

Any person who becomes aware that he is holding Participating Shares in contravention of any of the above provisions and who fails to transfer his Participating Shares pursuant to the above provisions shall indemnify and hold harmless each of the Company, the Directors and the Shareholders (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Articles also permit the Directors to redeem Participating Shares where during a period of six years no cheque in respect of any dividend on the Participating Shares has been cashed and no acknowledgement has been received in respect of any confirmation of ownership of the Participating Shares sent to the Shareholder. The Articles also provide that any unclaimed dividends may be forfeited after six years and, on forfeiture, form part of the assets of the Segregated Portfolio in which the forfeiting party was a Shareholder.

9. RESTRICTIONS ON TRANSFER

9.1 General

Subject to the restrictions set out in this Private Placement Memorandum, Participating Shares are transferable by written instrument of transfer signed by the transferor (or in the case of a transfer by a body corporate, signed by a recognized authorized signatory or attorney-in-fact on behalf of the transferor) and containing the name and address of the transferor and the transferee.

The instrument of transfer shall be in such form as the Directors shall approve.

The Directors may in their absolute discretion decline to register any transfer of Participating Shares to a person of whom they do not approve or if they are not satisfied that such transfer complies with all applicable laws and regulations or if they are not satisfied that the person or persons signing the instrument of transfer has the authority to do so.

Any person becoming entitled to Participating Shares in consequence of the death or bankruptcy of a Shareholder shall, on producing appropriate evidence, at the absolute discretion of the Directors, 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. The Directors may suspend the registration of transfers for not more than a total of 30 days in any year.

9.2 Procedure

The Administrator will be responsible for processing transfer requests on behalf of the Company.

Shareholders wishing to transfer Participating Shares must sign the written instrument of transfer in the exact name or names in which the Participating Shares are registered, indicate any special capacity in which they are signing and supply all other required details. The completed form of transfer duly stamped if applicable, together with such other evidence as the Company may reasonably require to show the right of the transferor to make the transfer, must be sent to the Company and/or the Administrator (as the case may be). The transfer shall take effect upon the registration of the transferee in the Register of Shareholders. If the transferee is not already a Shareholder, he will be required to complete a Subscription Agreement.

In order for a transfer to be effective, it must be acknowledged by the Company and/or the Administrator (as the case may be). If the transferor/transferee does not receive an acknowledgement of the written instrument of transfer within 5 Business Days of submission to the Company and/or the Administrator (as the case may be), such transferor/transferee should contact the Company and/or the Administrator (as the case may be) to confirm the status of the transfer. Neither the Company nor the Administrator accepts any liability for any transfer which is submitted to the Company and/or the Administrator (as the case may be) but in relation to which no acknowledgement has been issued to the transferor/transferee. Neither the Company nor any the Administrator shall be responsible for any mis-delivery or non-receipt of any facsimile or original if they have not acknowledged receipt of the facsimile or original. In the case of mis-receipt or corruption of any message, you will be required to re-send the documents. Notwithstanding the method of communication, the Company and/or the Administrator (as the case may be) reserve the right to ask for the production of original documents or other information to authenticate the communication. The Company reserves the right to require any transferee to execute a Subscription Agreement as if such transferee were an original subscriber for the Participating Shares the subject of the transfer.

10. CALCULATION OF NET ASSET VALUE

The Net Asset Value per Share of each Segregated Portfolio or of each class of Participating Shares of a Segregated Portfolio or of each series of Participating Shares of a Segregated Portfolio will be determined by the Directors with the assistance of the Administrator, except when the determination of same has been suspended (in accordance with this Private Placement Memorandum and the Articles), on each Valuation Day and is calculated to four decimal figures by aggregating the value of the assets owned or contracted for by the Company in respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio, net of any relevant taxes and converted into the relevant Base Currency of the particular Segregated Portfolio or of the particular class of Participating Shares of the Segregated Portfolio or of the particular series of Participating Shares of the Segregated Portfolio and subtracting (i) all of the liabilities of the Company in respect of that Segregated Portfolio or of that class of that Segregated Portfolio or of that series of that Segregated Portfolio (including accrued liabilities and such provisions and allowances for contingencies as the Directors and/or the Administrator will consider appropriate in respect of the costs and expenses payable by the Company in respect of that Segregated Portfolio or of that particular class of Participating Shares of that Segregated Portfolio or of that particular series of Participating Shares of that Segregated Portfolio) and (ii) such proportion of the amount paid up on the Voting Shares as the Company shall determine, and dividing the resulting sum by the number of Participating Shares of that Segregated Portfolio or of that particular class of Participating Shares of that Segregated Portfolio or of that particular series of Participating Shares of that Segregated Portfolio outstanding at the close of business on that Valuation Day.

In general, the assets of each Segregated Portfolio or of each class of Participating Shares of a Segregated Portfolio or of each series of Participating Shares of a Segregated Portfolio will be valued as follows:

- (a) On each Valuation Day, the value of any investment in any special purpose vehicle will be the final net asset value of the special purpose vehicle in question reported by or on behalf of the special purpose vehicle in question on the relevant Valuation Day ("Final NAV") or, if not available, the most recent estimated net asset value of the special purpose vehicle in question based on preliminary returns reported by the special purpose vehicle in question on the relevant Valuation Day ("Estimated NAV"). All values assigned to assets and liabilities by the relevant party shall be final and conclusive as to all holders of Participating Shares in a particular Segregated Portfolio. The Net Asset Value per Share will be based on an Estimated NAV when a Final NAV is unavailable. The Directors and/or the Administrator will obtain confirmation from the special purpose vehicle in question regarding its net asset value calculations (whether it is supplying an Estimated NAV or a Final NAV) prior to the determination of the Net Asset Value per Share. Once the Directors and/or the Administrator have/has finalized a Segregated Portfolio's Net Asset Value per Share as of any Valuation Day, whether or not based on an 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 an Estimated NAV and a Final NAV, any necessary adjustments will affect, and be reflected in, the Net Asset Value per Share reported in subsequent periods only. Accordingly, any purchase or redemption of Participating Shares in a particular Segregated Portfolio will be at Net Asset Value per Share as of the Valuation Day coinciding with or immediately preceding the relevant Subscription Day or the relevant Redemption Day (as the case may be).
- (b) The value of any investment which is quoted, listed or normally dealt in on a securities exchange or similar electronic system shall be calculated by reference to the price appearing to the Directors and the Administrator in conjunction with any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) to be the latest closing price as published by the relevant exchange or clearing house for such amount of such investment as the Directors and the Administrator in conjunction with any relevant Investment Manager, any relevant Investment Advisor, or any Relevant Portfolio Manager (as the case may be) may consider in the circumstances to provide a fair criterion, provided that:
 - (i) if an investment is quoted, listed or normally dealt in on more than one securities exchange or similar electronic system, the Directors and the Administrator in conjunction

with any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) shall adopt the latest closing price as published by the relevant exchange or clearing house which in their opinion provides the principal market for such investment;

- (ii) in the case of an investment which is quoted, listed or normally dealt in on a market but in respect of which for any reason, prices on that market may not be available at any relevant time, the value therefor shall be certified by a person, firm or association making a market in such investment and qualified, in the opinion of the Directors and the Administrator in conjunction with any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be), to provide such a certificate; and
 - (iii) there shall be considered interest on interest-bearing investments up to the relevant Valuation Day.
- (c) The value of any investment, which is not quoted, listed, or normally dealt in on a market shall be the value thereof ascertained by or on behalf of the Directors and the Administrator in good faith. For this purpose:
 - (i) the value of such investment shall be the amount expended in the acquisition thereof; and
 - (ii) in valuing such investments, the Directors and/or the Administrator (as the case may be) may consider, inter alia, the fundamental analytical data relating to the investments, the nature and duration of restrictions on disposition of the investments and the forces, which influence the market in which the investments are purchased and sold.
- (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 and/or the Administrator (as the case maybe) 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 and/or the Administrator (as the case may be) shall determine.
- (e) Currency and futures forwards and currency and futures options shall be valued at bid or offer values (as appropriate) in accordance with procedures determined by the Directors and the Administrator (as the case may be), as at such time on the Valuation Day as shall be determined by the Directors and/or the Administrator (as the case may be).
- (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 Day.
- (h) Interest-bearing securities shall be valued at cost plus accrued interest from the date of acquisition and adjusted by an amount equal to any discount or premium on the sum of the nominal value and accrued interest at the date of acquisition 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 Day.
- (i) In the case of any security or other property which in the opinion of the Directors and/or the Administrator (as the case may be) it would not be appropriate to value as above provided, the

value thereof shall be determined in such manner as the Directors and/or the Administrator (as the case may be) shall from time to time determine.

- (j) In the case of any asset realized or contracted to be released at a known value the net proceeds, discounted at a rate considered appropriate by the Directors and/or any relevant Administrator (as the case may be), 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.
- (l) Values expressed in a currency other than the relevant Base Currency will be translated into the relevant Base Currency at the average of the last available buying and selling price for such currency according to the interbank exchange rates.

The liabilities of the Company in respect of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio shall be deemed to comprise:

- (a) all bills and accounts payable;
- (b) all fees and expenses payable and/or accrued;
- (c) all contractual obligations for the payment of money or the acquisition of property;
- (d) all provisions authorized or approved by the Directors and/or the Administrator (as the case may be) for taxes or contingencies; and/or
- (e) all other liabilities of the Company in respect of that Segregated Portfolio or of that particular class of Participating Shares of that Segregated Portfolio or of that particular series of Participating Shares of that Segregated Portfolio of whatsoever kind and nature, except liabilities represented by outstanding Participating Shares and surplus of the Company in respect of that Segregated Portfolio or of that particular class of Participating Shares of that Segregated Portfolio or of that particular series of Participating Shares of that Segregated Portfolio.

In determining the Net Asset Value and Net Asset Value per Share of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio, the Directors and/or the Administrator (as the case may be) will follow the valuation policies and procedures adopted by the Company as set out above and/or in the relevant Supplement, if applicable. The Directors and/or the Administrator (as the case may be) may also use and rely on industry standard financial models in pricing any relevant assets.

Prospective investors should be aware that situations involving uncertainties as to the valuation of portfolio positions may occur and could have an adverse effect on the net assets of a particular Segregated Portfolio or a particular class of Participating Shares of a Segregated Portfolio or a particular series of Participating Shares of a Segregated Portfolio. Absent bad faith or manifest error, the Net Asset Value and Net Asset Value per Share of a particular Segregated Portfolio or of a particular class of Participating Shares of a Segregated Portfolio or of a particular series of Participating Shares of a Segregated Portfolio as determined by the Directors and/or any relevant Administrator (as the case may be) is conclusive and binding on all Shareholders.

The Company may temporarily suspend the calculation of the Net Asset Value and Net Asset Value per Share in respect to any particular Segregated Portfolio, whereupon the issue and redemption of Participating Shares in that Segregated Portfolio will be suspended, under any one or more of the following circumstances:

- (a) a closure of or suspension of trading on any market on which any assets of the applicable Segregated Portfolio are traded;

- (b) a breakdown occurs in any of the means normally employed by the Directors and the Administrator (as the case may be) to ascertain the value of the assets of the Segregated Portfolio or when for any other reason the value of the assets of the Segregated Portfolio cannot reasonably be ascertained;
- (c) circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Segregated Portfolio to realize any investments or other assets owned or contracted for, which together constitute a material proportion of the overall assets of the Segregated Portfolio; or
- (d) for any other reason that the Directors in their discretion deem is in the best interests of the Shareholders of the Segregated Portfolio.

11. FEES AND EXPENSES

11.1 Subscription Fees

Any subscription fees payable in respect a particular Segregated Portfolio will be specified in the relevant Supplement.

11.2 Redemption Fees

Any redemption fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.3 Management Fees

Any management fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.4 Performance Fees

Any performance fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.5 Advisory Fees

Any advisory fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.6 Administration Fees

Any administration fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.7 Audit Fees

Any audit fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.8 AMLCO/MLRO/DMLRO Fees

Any AMLCO/MLRO/DMLRO fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.9 Custody Fees

Any custody fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.10 Deposit Bank Fees

Any deposit bank fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.11 Brokerage Fees

Any brokerage fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.12 Paying Agent Fees

Any paying agent fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.13 Depository Fees

Any depository fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.14 Distribution Fees

Any distribution fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.15 Legal Fees

Any legal fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

11.16 Remuneration and Reimbursement of the Directors

The remuneration (if any) of the Directors shall from time to time be determined by the holders of the Voting Shares. If applicable, the Directors shall be entitled to remuneration in respect of each Segregated Portfolio operating which may differ from Segregated Portfolio to Segregated Portfolio.

The Directors may also be reimbursed all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Segregated Portfolio or in connection with the business of the Segregated Portfolio.

Where these expenses are attributable to any particular Segregated Portfolio or Segregated Portfolios then Falcon Investment Management Ltd. will bear the costs of such expenses (out of its own assets) and these will not be charged back to the Company or any of its Segregated Portfolios.

11.17 Organizational/Operating Costs and Expenses

Falcon Investment Management Ltd. has borne the organizational costs and expenses of the setup of the Company (out of its own assets) and these will not be charged back to the Company or any of its Segregated Portfolios.

Until further notice, Falcon Investment Management Ltd. will also bear (out of its own assets) the general operating costs and expenses of the Company (i.e. those operating costs and expenses which are not specific to any particular Segregated Portfolio), including, but not limited to, administrative expenses, legal and licensing expenses, government fees and the cost of insurance (if any) for the benefit of the Directors. If Falcon Investment Management Ltd. wishes to relieve itself of this obligation so that each Segregated Portfolio will be required to bear a pro rata share (based on their respective Net Asset Values) of the Company's general operating costs and expenses, then Falcon Investment Management Ltd. will require to give the Shareholders in each Segregated Portfolio at least 6 months' prior notice of its intention to do so and will also require to inform any prospective investor in each Segregated Portfolio of any decision made in this regard prior to them subscribing for Participating Shares in the Segregated Portfolio in question.

The operating costs and expenses of each particular Segregated Portfolio or of each particular class of Participating Shares of a Segregated Portfolio or of each particular series of Participating Shares of a Segregated Portfolio (other than those which are provided for otherwise) will be borne in accordance with the relevant Supplement.

11.18 Other Fees

Any other fees payable in respect of a particular Segregated Portfolio will be specified in the relevant Supplement.

12. TAXATION

The following information in this section is based on the Directors' understanding of certain aspects of the law and practice currently in force in the Cayman Islands. There can be no guarantee that the tax position or proposed tax position at the date of this Private Placement Memorandum or at the time of an investment will endure indefinitely.

12.1 Cayman Islands

Under current legislation in the Cayman Islands, no direct taxes will be imposed upon the Company or its shareholders by the Cayman Islands Government. Under current legislation in the Cayman Islands, there are no exchange control laws or regulations in effect.

The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax, gift tax or withholding tax.

No stamp duty is levied in the Cayman Islands on the transfer or redemption of Participating Shares.

12.2 United States

The following summary is considered by the Company to be a correct interpretation of existing laws as applied at the date of this Private Placement Memorandum, but no representation is made or intended by the Company that changes in such laws or their application or interpretation will not be made in the future. Persons interested in subscribing for Participating Shares in a particular Segregated Portfolio should consult their own tax advisers with respect to the tax consequences, including the income tax consequences, if any, to them of the purchase, holding, redemption, sale, or transfer of Participating Shares in a particular Segregated Portfolio.

Pursuant to United States Internal Revenue Service ("IRS") regulations, the Company and its tax advisers hereby inform you that: (i) any tax advice contained herein is not intended and was not written to be used, and cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer; (ii) any such advice was written to support the promotion or marketing of the Participating Shares in a particular Segregated Portfolio described in this Private Placement Memorandum and the relevant Supplement; and (iii) each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

If the Company is not considered to be engaged in a U.S. trade or business in relation to any particular Segregated Portfolio, the Company generally should not be subject to United States federal income tax or branch profits tax with respect to its (i) ordinary income, to the extent it is not subject to United States withholding taxes as described further below; or (ii) capital gains to the extent that such gains are not derived from "United States real property interests" within the meaning of section 897 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). If the Company were considered to be engaged in a United States trade or business in relation to any particular Segregated Portfolio, the Company would be required to file United States federal income tax returns, pay tax at regular corporate rates, and pay an additional 30% branch profits tax, which would materially impact the Company's ability to achieve its investment objective. The determination of whether a non-U.S. corporation, such as the Company, is engaged in a United States trade or business is determined on the basis of the facts and circumstances in each case. No assurance can be given that the Company will not be considered to be engaged in a United States trade or business. Thus, no assurance can be given that the Company's income and gains will not be subject to United States federal income tax and branch profits tax.

The Company will be subject to a 30% United States federal withholding tax payable with respect to items of "fixed or determinable annual or periodical" income (which term includes, among other things, certain interest income, dividends, rents, and royalties) which are considered to be from sources within the United States and which are not effectively connected with a United States trade or business. This tax will apply even if the Company complies with its obligations under the Hiring Incentives to Restore Employment Act (the "HIRE Act") (as discussed below). Subject to certain related party ownership rules and other limitations, any interest received by the Company that qualifies as "portfolio interest" may be exempt from United States withholding tax. "Portfolio interest" is generally defined (with certain

exceptions) as interest paid on registered obligations issued after 18 July 1984 with respect to which the person who is otherwise required to withhold tax has received the required certification that the beneficial owner of the obligation is not a US Person.

Foreign Account Tax Compliance Act (“FATCA”)

The Foreign Account Tax Compliance Act (“FATCA”) (added as Sections 1471 -1474 of the United States Internal Revenue Code of 1986, as amended, by the Hiring Incentives to Restore Employment Act of 2010) may impose certain requirements on the Company.

On 29 November 2013, the Government of the Cayman Islands signed a “Model 1” Inter Governmental Agreement with the United States in response to FATCA (“Model 1 IGA”). These arrangements will result in a requirement for the Company to obtain a Global Intermediary Identification Number (“GIIN”) from the United States Internal Revenue Service, and to disclose certain information regarding its U.S. investors to the TIA (together, with the Model 1 IGA, the “C.I. FATCA Requirements”).

In order to assist the Company to address its potential FATCA obligations and to meet the FATCA related requirements, each Shareholder may be asked to provide the Company with certain information, representations, certificates or forms relating to such Shareholder (or its direct or indirect owners) as may be requested from time to time by the Company, which the Directors may determine, in their sole discretion, to be necessary or appropriate in order to:

- (a) satisfy any requirements imposed under FATCA, including under any C.I. FATCA Requirements, and;
- (b) comply with any applicable reporting or withholding requirements and other obligations which exist or may arise as a result of FATCA and/ or the C.I. FATCA Requirements.

In addition, each Shareholder may be required to take such actions as the Directors may reasonably request in connection with the foregoing. In the event that any Shareholder fails to provide any of the information, representations, certificates or forms, or to undertake any of the actions required, the Directors shall have full authority to:

- (a) compulsorily redeem such Shareholder’s Participating Shares;
- (b) effect a transfer of such Shareholder’s Participating Shares to an Eligible Investor; or
- (c) take any steps as the Directors determine in their sole discretion are necessary, or appropriate to mitigate the consequences on the Company and the other Shareholders, of such Shareholder’s failure to comply with the requirements of this section.

If requested by the Company, a Shareholder shall provide and/or execute any and all documents, opinions, instruments and certificates as the Directors shall have reasonably requested or that are otherwise required to effectuate the foregoing. By executing a Subscription Agreement, each investor expressly agrees for its information to be passed to relevant regulatory authorities which may make a request pursuant to FATCA or the C.I. FATCA Requirements.

For the avoidance of doubt, among the possible effects of the legislation, depending on how it is interpreted, and whether and how the Company chooses to comply, are the following:

- (a) In order to avoid incurring withholding tax, the Company may require Shareholders to provide identifying information as to themselves and, as applicable, their direct and indirect owners, and to certify such information in such form as may be required.
- (b) If the Company allows shareholders that do not provide the required identifying information to remain as Shareholders, it is possible that a withholding tax might be imposed in respect of certain of the Company’s income, to the extent that such income is attributable to such Shareholders. In that case, the Company may withhold redemption proceeds in respect of those

Shareholders that have not provided such information so as to ensure that the economic burden of such tax is borne by those Shareholders; and;

- (c) Another possibility is that a withholding tax might be imposed in respect of certain of the Company's income, not limited to the portion attributable to Shareholders that do not provide identifying information. This could occur if, for example, the Company does not comply with C.I. FATCA Requirements. In this case, all of the shareholders could be adversely affected by the tax.

Each Shareholder specifically acknowledges that a failure to comply with the provisions of this section may result in up to a 30% withholding or penalty being assessed on certain payments made to (or on behalf of) such non-compliant Shareholder and/or the Company.

Each Shareholder that fails to comply with the requirements of this section and of the C.I. FATCA Requirements shall, together with any other Shareholders that so fail to comply, indemnify, and hold harmless the Company and its direct and indirect owners for any cost or loss arising out of such failure to comply, including, in respect of any sums withheld on payments made to the Company.

The Company's income may be subject to non-United States income taxes, including withholding taxes. Further, the Company may be subject to taxes imposed by states and localities within the United States.

Dividends received from the Company by Shareholders who are not US Persons within the meaning of the Code and gains realized by such Shareholders from the sale, exchange or redemption of Participating Shares should not be subject to United States income taxes or withholding taxes provided that such dividends and gains are not effectively connected with the conduct by such Shareholders of a United States trade or business.

12.3 OECD

Common Reporting Standard

On 29 October 2014 the Cayman Islands was one of over fifty jurisdictions which signed the "Multilateral Competent Authority Agreement" ("MCAA") to automatically exchange information based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters. Since 29 October 2014 several more jurisdictions have signed up the initiative and many others are expected to follow suit in the foreseeable future.

The MCAA is part of the process by which the automatic exchange of tax information ("AEOI") under the Organization for Economic Cooperation and Development ("OECD") and the G20's new Standard for Automatic Exchange of Financial Information in Tax (the "Standard") will be implemented. The Standard is made up of two parts - the MCAA being the template for the necessary Intergovernmental Agreements ("IGA's") whilst the reporting and due diligence requirements for AEOI are set out in the Common Reporting Standard ("CRS").

The Standard aims to set the worldwide standard AEOI among tax authorities and provides for an annual automatic exchange of all financial information between jurisdictions, mostly on a reciprocal basis. In a move to improve the standard of exchange of information upon request, it was agreed that the Standard should include a requirement that beneficial ownership of all legal entities be available to tax authorities and exchanged with treaty partners.

As from 1 January 2016 (when the Standard came into force in the Cayman Islands) all "Reporting Financial Institutions" (as that term is defined in the relevant enabling regulations, namely, The Tax Information Authority (International Tax Compliance) (Common Reporting Standard) Regulations, 2015 of the Cayman Islands (the "Regulations"), including the Company, shall establish policies and maintain procedures designed to identify "Reportable Accounts" (as that term is defined in the Regulations) in order to identify each jurisdiction in which an "Account Holder" (as that term is defined in the Regulations) or a "Controlling Person" (as that term is defined in the Regulations) is resident for income tax or corporation tax purposes or for the purpose of any tax imposed by the law of the jurisdiction that is of a similar character to either of those taxes. All Reporting Financial Institutions, including the Company,

shall, in respect of the Reporting Financial Institution's first reporting year and each subsequent calendar year make a return to the Tax Information Authority of the Cayman Islands (or its delegate) setting out the information required to be reported under the CRS in respect of each Reportable Account maintained by the Reporting Financial Institution at any time during that year.

Each Reporting Financial Institution, including the Company, must report, amongst other things, the following information with respect to each Reportable Account of such Reporting Financial Institution:

- (a) The name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person (as that term is defined in the Regulations) that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with Sections V, VI and VII of the Regulations, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction(s) of residence and TIN(s) of the Entity (as that term is defined in the Regulations) and the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth of each Reportable Person;
- (b) The account number (or functional equivalent in the absence of an account number); and
- (c) The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account.

The Tax Information Authority of the Cayman Islands (or its delegate) shall then be required to automatically exchange information as outlined above with the relevant tax authorities depending on the residency of the Reportable Person in question.

12.4 Shareholder Taxation

Prospective investors should ascertain from their professional advisors 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 receipt of dividends (if any) by Shareholders, the redemption, switching or transfer of Participating Shares and any distribution on a winding-up of the Company may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship, or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. None of the Directors, the Company or any of the Company's agents shall have any liability in respect of the individual tax affairs of Shareholders.

12.5 Company Taxation

Prospective investors should note that the Company may be subject to irrecoverable withholding taxes on investment income in the country of origin.

13. GENERAL INFORMATION AND REGULATORY MEASURES

13.1 Reports and Financial Statements

The Company's fiscal year ends on 31 December in each year.

Shareholders will receive audited annual financial reports in relation to the Segregated Portfolio in which they are invested within six months of the end of the Company's fiscal year. The Directors and the Administrator and/or any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) will also provide interim reports to the Company from time to time for distribution.

Shareholders will receive (in respect of those Segregated Portfolios in which they have invested) performance summaries periodically as specified in the Supplement and annual audited financial statements.

13.2 Registered Office

The Company's registered office is located at the offices of C/o Bolder Corporate Services (Cayman) Limited, 3-212 Governors Square, 23 Lime Tree Bay Ave, PO Box 30746 SMB, Grand Cayman, KY1-1203, Cayman Islands

Copies of the Company's constitution and any annual or periodic reports may be inspected and obtained at the Registered Office.

13.3 Constitutive Documents, Laws etc.

This Private Placement Memorandum is not intended to provide a complete description of the Company's Memorandum or Articles or any agreements entered into by the Company. Copies of all such documents (where these are applicable to any Segregated Portfolio in which a Shareholder is invested or a prospective investor wishes to invest) are available upon written request to the Directors and/or the Administrator (as the case may be), subject to reimbursement of reasonable costs (if any).

13.4 Mutual Fund Registration

The Company falls within the definition of a "mutual fund" in terms of the Mutual Funds Law (as amended) of the Cayman Islands. However, the Company is not required to be licensed or to employ a licensed mutual fund administrator to provide a principal office in the Cayman Islands since the minimum interest purchasable by a prospective investor in the Company is equal to or exceeds C\$80,000 (approximately US\$100,000) or its equivalent in any other currency. Accordingly, the obligations of the Company are: (a) to register the Company with the Managing Director of the Monetary Authority in accordance with terms of the Mutual Funds Law; (b) to file with the Monetary Authority prescribed details of this Private Placement Memorandum and any material change to it; (c) to file annually with the Monetary Authority accounts audited by an approved auditor; and (d) to pay a prescribed registration fee and annual fee.

The Monetary Authority may, at any time, instruct the Company 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 Company as the Monetary Authority may reasonably require enabling it to carry out its duty under the Mutual Funds Act.

The Monetary Authority would have the right, whenever it considers it necessary, to examine, including by way of on-site inspections or in such other manner as it may determine, the affairs or business of the Company for the purpose of satisfying itself that the provisions of the Mutual Funds Act and applicable anti-money laundering regulations are being complied with.

The Directors would be required to give the Monetary Authority access to or provide at any reasonable time all records relating to the Company and the Monetary Authority would be entitled to copy or take an extract of a record it is given access to. Failure to comply with these requests by the Monetary Authority may result in substantial fines on the part of the Directors and may result in the Monetary Authority applying to the court to have the Company wound up.

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

- (a) is or is likely to become unable to meet its obligations as they fall due;
- (b) is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors;
- (c) is not being managed in a fit and proper manner; or
- (d) has persons appointed as Director, manager or officer that is not a fit and proper person to hold the respective position.

The powers of the Monetary Authority in respect of a regulated mutual fund include, inter alia, the power to require the substitution of Directors, to appoint a person to advise the Company on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Company. There are other remedies available to the Monetary Authority including the ability to cancel the registration of the Company and to apply to the court for approval of other actions.

Neither the Monetary Authority nor any other governmental Monetary Authority in the Cayman Islands has commented upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands. The Company's activities are not approved or guaranteed by the Monetary Authority or by the Cayman Islands government and neither the Monetary Authority nor the Cayman Islands government has any obligation to any investor as to the performance or credit worthiness of the Company. The Monetary Authority shall not be liable for any losses or default of the Company or for the correctness of any opinions or statements expressed in this Private Placement Memorandum. Any representation to the contrary is unlawful.

This Private Placement Memorandum is based on law and practice currently in force in the Cayman Islands and is subject to changes therein.

13.5 Cayman Islands Anti-Money Laundering Regulations

In order to comply with regulations aimed at the prevention of money laundering, the Company will require verification of identity from all prospective investors (unless in any case the Company is satisfied that an exemption under the Anti-Money Laundering Regulations (as revised) of the Cayman Islands (the "Regulations") applies).

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to his attention in the course of his trade, profession, business or employment he is required to report such belief or suspicion to the relevant authorities pursuant to The Proceeds of Crime Act (as revised) of the Cayman Islands, and such report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

The Company has appointed Anti-Money Laundering Compliance Officer ("AMLCO"), Money Laundering Reporting Officer ("MLRO"), and Deputy Money Laundering Reporting Officer ("DMLRO") of the Company (collectively, the "Officers"). The Officers shall carry out their functions in accordance with the laws of the Cayman Islands.

The AMLCO shall act as point of contact with supervisory and other competent authorities, respond to the competent authorities requests for information relating to the Company's Anti-Money Laundering Program, provide Anti-Money Laundering/Counter Terrorist Financing ("AML/CTF") compliance oversight of the

Company's and each Segregated Portfolio's activities (including investor-related anti-money laundering issues), establish and maintain appropriate systems and controls (including documented policies and procedures) to ensure compliance with Cayman AML/CTF laws/regulations, oversee audits/testing of the Administrator's AML/CTF program and KYC documentation, ensure procedures are in place and employees are aware of procedures for the reporting of suspicious activity to the MLRO/DMLRO, maintain logs/records relating to specified scenarios such as rejection of subscriptions, investor account freezes and enhanced due diligence on politically exposed persons and other high risk investors, advise the Directors of AML/CTF compliance issues that need to be brought to its attention and report periodically to the Directors regarding the state of the Company's AML/CTF program and controls.

The MLRO shall receive internal suspicious activity reports presented by the Company, the Administrator and/or the relevant Investment Manager's staff or other service providers of the Company as applicable and considering any such report in light of all other relevant information for the purpose of determining whether or not the information or other matter contained in the report gives rise to knowledge or suspicion of criminal conduct pursuant to the Anti-Money Laundering Regulations (as revised) of the Cayman Islands, the Proceeds of Crime Act (as revised) of the Cayman Islands and the Guidance Notes on the Prevention and Detection of Money Laundering (as revised) of the Cayman Islands, file suspicious activity reports with the Financial Reporting Authority ("FRA") as required, maintain a log of all reports of suspicious activity (including where the filing of a suspicious activity report is not deemed necessary or appropriate), keep the Directors informed of all internal reports of suspicious activity and suspicious activity reports filed with the FRA, to the extent permitted by law and regulation.

In the absence of the MLRO, the DMLRO will be the final decision maker as to whether to file a suspicious activity report.

The Officers are subject to change without prior consent or notice to the Shareholders.

Shareholders may request the Company provide further particulars of the Officers.

13.6 Cayman Islands Ultimate Beneficial Ownership Requirements

The Cayman Islands introduced a requirement for reporting of the ultimate beneficial owner of interests in Cayman Islands entities, consistent with global initiatives to increase transparency. Cayman Islands entities are obtaining information from their investors on the beneficial owners which is reported by secure portal to the Cayman Islands authorities.

The Company is out of scope and hence not required to identify its beneficial owners. However, circumstances may change, and, in the future, the Company may be required to liaise with Shareholders to obtain information.

13.7 Cayman Islands Economic Substance Act

As a result of the OECD'S global Base Erosion and Profit Shifting ("BEPS") initiative and the EU Code of Conduct Group substance requirements, the Cayman Islands has enacted The International Tax Co-operation (Economic Substance) Act, 2018 ("ES Act") and issued related Regulations and Guidance Notes. As a member of the BEPS Inclusive Framework jurisdictions, the Cayman Islands is committed to meeting substantial activities requirements put in place by the OECD Forum on Harmful Tax Practices. Similar legislation has been introduced in numerous jurisdictions, including the Channel Islands and the British Virgin Islands. Under the ES Act, certain vehicles formed or registered in the Cayman Islands are required to have economic substance in the Cayman Islands. The requirement to show economic substance is primarily aimed at preventing base erosion and profit shifting. The ES law applies to "relevant entities". Investment funds such as the Company are specifically excluded from the definition of relevant entity and, as such, they are not within the scope of the ES Act. The definition of "investment fund" is broad and will include a wide range of investment funds, including those that are registered with the Monetary Authority. Accordingly, no current requirements are imposed on the Company by the ES Act.

13.8 Anti-Money Laundering Regulations of Other Jurisdictions

The Company and its affiliates may need to comply with the US Patriot Act and other applicable US and non-US anti-money laundering laws. In addition, many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law) or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies (collectively, the "Requirements") and the Company could be requested or required to obtain certain assurances from investors subscribing for Shares, disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is the Company's policy to comply with the Requirements to which they are or may become subject and to interpret them broadly in favor of disclosure.

To achieve this objective, each investor will be expected to represent its compliance with the applicable anti-money laundering laws. Each investor will be required to agree in the Subscription Agreement entered into by each investor with the Company and will be deemed to have agreed by reason of owning any Participating Shares in the Company, that it will provide additional information or take such other actions as may be necessary or advisable for the Company (in the discretion of the Directors) to comply with any Requirements, related legal process or appropriate requests (whether formal or informal) or otherwise. Each investor by executing the Subscription Agreement entered into by each investor with the Company consents, and by owning Participating Shares is deemed to have consented, to disclosure by the Company and its agent to relevant third parties of information pertaining to it in respect of the Requirements or information requests related thereto. Failure to honor any such request may result, in the discretion of the Directors, in redemption by the Company or a forced sale to another investor of such investor's Shares.

13.9 Obligations on Shareholders and prospective investors

In this section, FATCA, CRS, the information required under the Requirements and supplemental guidance notes and (if the Company is in scope) the ultimate beneficial owner regime and any other reporting required of the Company, any relevant Segregated Portfolio or its agents are collectively referred to as "Reporting Requirements".

The Company's and each relevant Segregated Portfolio's ability to comply with the Reporting Requirements will depend on each Shareholder providing the Company with information that the Company requests concerning the Shareholder or its direct and indirect owners. If a Shareholder fails to provide the Company, the Administrator, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) with any information the Company, the Administrator, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) requests, and, in the opinion of the Directors, the Administrator, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be), holding of Participating Shares by such person (whether directly or beneficially) will result in the Company, the Administrator, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) incurring any liability to taxation or suffering a pecuniary disadvantage which the Company, the Administrator, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) might not otherwise have incurred or suffered, or the Company, the Administrator, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) being exposed to any liability, penalty or regulatory action, then the Directors, may exercise its right to request a transfer of Participating Shares to another person or to compulsorily redeem the Participating Shares held by such Shareholder. Any such transfer or compulsory redemption will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Directors acting in good faith and on reasonable grounds.

By investing (or continuing to invest) in a Segregated Portfolio, investors shall be deemed to acknowledge that:

- (a) the Company (or its agent or service provider) may be required to disclose for the Reporting Requirements certain confidential information in relation to the investor, including but not limited to the investor's name, address, tax identification number (if any), tax residence(s), social security number (if any) and certain information relating to the investor's investment;

- (b) the TIA may be required to automatically exchange and report information as outlined above;
- (c) the Company may require the investor to provide additional information and/or documentation for the Reporting Requirements;
- (d) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Company or the relevant Segregated Portfolio, or a risk of the Company or the relevant Segregated Portfolio or its investors being subject to tax or penalties under the relevant legislative or inter-governmental regime, the Company and the relevant Segregated Portfolio reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation the deduction or withholding of certain amounts from the Shareholder's applicable Net Asset Value from any redemption or dividend payment, compulsory redemption or withdrawal of the investor concerned, the adjustment of the Net Asset Value per Share held by the investor concerned, and the conversion of the relevant Participating Shares into Participating Shares of another Class;
- (e) no investor affected by any such action or remedy shall have any claim against the Company or the relevant Segregated Portfolio (or its agent or service provider) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Company or the relevant Segregated Portfolio in order to comply with the Reporting Requirements; and
- (f) the Company and the relevant Segregated Portfolio (or its agent or service provider) will endeavor to satisfy the requirements imposed by the Reporting Requirements. In the event that the Company or the relevant Segregated Portfolio (or its agent or service provider) is not able to comply with the requirements imposed by the Reporting Requirements and the Company does suffer withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Company may be adversely affected, and the Company may suffer significant loss as a result.

Each prospective investor should consult with its own advisors as to the potential impact of the Reporting Requirements.

The Company and each relevant Segregated Portfolio reserves the right to request such information as is necessary for the Reporting Requirements. In the event of delay or failure by the prospective Shareholder to produce any information required for verification purposes, the Company may refuse to accept the subscription for Participating Shares and, if so, any funds received will be returned without interest to the account from which the monies were originally debited.

13.10 Miscellaneous

The Company and each Segregated Portfolio is not, nor has it been since its incorporation, engaged in any litigation or arbitration and the Directors are not aware of any litigation or arbitration or claims pending or threatened against the Company and each Segregated Portfolio.

13.11 Side Letters

The Directors or, with the prior consent of the Company, any relevant Investment Manager, or any relevant Investment Advisor, (as the case may be) shall be entitled to enter into side letters with one or more holders of Participating Shares in a Segregated Portfolio supplementing the terms of the Private Placement Memorandum and the relevant Supplement subject also to the Company, any relevant Investment Manager, or any relevant Investment Advisor (as the case may be) complying with all applicable laws, rules and regulations which are in force at the time any side letter is entered into. However, the Company, any relevant Investment Manager, or any relevant Investment Advisor (as the case may be) shall not be entitled to enter into any side letters which provide certain Shareholders with preferred liquidity rights in relation to their Participating Shares over the rights held by the other Shareholders in the same class.

14. POTENTIAL CONFLICTS OF INTERESTS

Potential conflicts of interests exist in the structure and operation of the Company.

14.1 Voting Shares

Falcon Investment Management Ltd. holds all the Voting Shares in the Company. Other than the Directors themselves who may appoint other Directors, only the holders of the Voting Shares may appoint or remove the Directors. And only the Directors may terminate the services of any Investment Manager (if appointed by the Company), any Investment Advisor (if appointed by the Company), any Portfolio Manager, the Administrator, the Auditors, the AMLCO/MLRO, the DMLRO, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, any Legal Counsel, and any other agents of the Company.

14.2 Directors

Any potential conflicts of interests involving the Directors shall be disclosed in the relevant Supplement.

14.3 Non-Exclusivity

The Directors, any Investment Manager, any Investment Advisor, any Portfolio Manager, the Administrator, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, and any other agents of the Company and their respective affiliates may manage or provide management, advisory or other services in respect of investments and investment companies other than those of the Company that may create conflicts between the interests of their other clients and the Company. In that respect, the Directors, any Investment Manager, any Investment Advisor, any Portfolio Manager, the Administrator, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, and any other agents of the Company and any of their respective affiliates may give advice and act 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 Company. Because of different investment objectives and strategies, situations may occur where an asset is bought or sold for one or more managed investment companies (including the Company) and accounts, while one or more of the other investment companies and accounts to which the Directors, any Investment Manager, any Investment Advisor, any Portfolio Manager, the Administrator, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, and any other agents of the Company or any of their respective affiliates are providing services in buying or selling the same assets. Moreover, if the purchases or sales of assets for two or more of such other investment companies and accounts arise at or about the same time, transactions in such assets will be allocated, insofar as it is feasible, for the respective investment companies 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 investment companies and accounts to which the Directors, any Investment Manager, any Investment Advisor, any Portfolio Manager, the Administrator, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, and any other agents of the Company and or any of their respective affiliates are providing services have an adverse effect on other investment companies (including the Company) and accounts to which the Directors, any Investment Manager, any Investment Advisor, any Portfolio Manager, the Administrator, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, and any other agents of the Company or any of their respective affiliates are providing services.

14.4 Non-Public Information

The Directors, any Investment Manager, any Investment Advisor, any Portfolio Manager, the Administrator, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, and any other agents of the Company or any of their respective affiliates, in the course of their other business activities, may obtain non-public information that would be of value to the Company. However, The Directors, any Investment Manager, any Investment Advisor, any Portfolio Manager, the Administrator, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, and any other agents of the Company or any of their respective affiliates will be under no obligations to use and may depending upon the circumstances, be legally prohibited from using such

information for the benefit of the Company. Each will at all times, have regard in such event to its obligations to the Company and will endeavor to ensure that such conflicts are resolved fairly. When making investments where a conflict of interest may arise, the Directors will act in a fair and equitable manner as between the Company and its other clients.

14.5 Soft Dollar Commissions and Other Trading Fees

In accordance with applicable law, the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be). The benefits provided under such arrangements will assist the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) in the provision of investment management services to the Company on behalf of the Segregated Portfolio to which it is appointed and to other third parties. Specifically, the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgement of the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be), the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research, analysis and advisory services and which, depending on the precise nature of the services, may also take the form of market price or data processing services, electronic trade confirmation or record keeping systems, or third party electronic dealing or quotation systems, may be used by the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) in connection with transactions in which the Company will not participate. The goods or services must provide a demonstrable benefit to the Company, and the broker's transaction execution must be consistent with best execution and not be in excess of customary full-service brokerage rates.

Research products or services provided to the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products and services (e.g., quotation equipment and computer costs and expenses) providing lawful and appropriate assistance to the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) in the performance of its investment decision-making responsibilities.

Generally, research obtained with "soft" dollars generated by the Company on behalf of a particular Segregated Portfolio may be used by the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) to service accounts other than the Company. Where a product or service obtained with soft dollars provides both research and non-research assistance to the Company, the Company will make a reasonable allocation of the cost which may be paid for with soft dollars. Research-related products and services may be paid for either with commission dollars or directly by the Company.

The Company's securities transactions can be expected to generate a substantial amount of brokerage commissions and other compensation, all of which the Company, not any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be), will be obligated to pay. The Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) will have complete discretion in deciding what brokers and dealers the Company will use and in negotiating the rates of compensation the Company will pay. In addition to using brokers as "agents" and paying commissions, the Company may buy or sell securities directly from or to dealers acting as principals at prices that include mark-ups or markdowns and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.

From time to time, brokers (including, without limitation, prime brokers) may assist the Company in raising additional funds from investors. In addition, from time to time, an investor may request that the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) direct brokerage to a broker affiliated with an advisor to the investor who had recommended that the investor invest in the Segregated Portfolio. Subject to its obligation to seek best execution, the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may consider referrals of investors to the Segregated Portfolio, and requests by investors to direct brokerage, in determining its selection of brokers (including, without limitation, prime brokers). However, the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) will not commit to an investor or broker to allocate a particular amount of brokerage in any such situation.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual business received by a broker may be less than the suggested allocations but can (and often does) exceed the suggestions, because transactions are allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research services. The investment information received from the Segregated Portfolio's brokers may be used by Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) in servicing all its accounts, and not all such information need be used by the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) in connection with the Segregated Portfolio. Nonetheless, the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) believes that such investment information provides the Segregated Portfolio with benefits by supplementing the research otherwise available to the Segregated Portfolio. To the extent consistent with best execution, the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may allocate transactions to brokers that refer investors to the Segregated Portfolio.

ANY OTHER PERCEIVED POTENTIAL CONFLICTS OF INTERESTS SPECIFIC TO A SEGREGATED PORTFOLIO WILL BE DETAILED IN THE RELEVANT SUPPLEMENT.

15. RISK FACTORS

As with all investments, risk cannot be eliminated and there can be no assurance or guarantee that the Company will meet its objective in respect of any Segregated Portfolio. Investment in a Segregated Portfolio is only available to investors who fully understand and are willing to assume the risks involved. Below are certain risk factors that must be taken into consideration before investing in Participating Shares of a Segregated Portfolio. While the Directors believe the following to be the most significant, this list is not intended to be exhaustive and some of the risk factors listed may not necessarily apply to every Segregated Portfolio. Any other potential perceived risk factors specific to a Segregated Portfolio will be detailed in the relevant Supplement. Prospective investors are urged to consult their financial advisor before investing in a Segregated Portfolio.

15.1 General Risks of Investing

An investment in a Segregated Portfolio is subject to all risks incidental to the ownership of investments and other assets, which the Company in respect of a Segregated Portfolio 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 a Shareholder in a Segregated Portfolio and a Shareholder may lose some or even all of his investment. Under certain circumstances, the Company may be unable to liquidate its investments due to the absence of a liquid market, and consequently, may not be able to redeem Participating Shares in cash.

Risk of Loss

Investment in a Segregated Portfolio should be considered speculative and should not be considered as a complete investment program. Investment in a Segregated Portfolio is designed for sophisticated investors who are able to bear a loss of their capital contributions in the Segregated Portfolio, who do not require regular current income and who can accept a high degree of risk in their investments. The value of Participating Shares in any Segregated Portfolio as well as the value of the underlying investments of the Segregated Portfolio may go down as well as up. In a worst-case scenario, an investor should be prepared to lose all or a substantial portion of their investment.

Market Conditions Risk

There are certain general market conditions in which any given investment strategy is unlikely to be profitable. The Company will not have any ability to control or predict such market conditions.

Strategy Risk

In response to market, economic, political, or other conditions, the Company may temporarily use a different investment strategy in respect of a Segregated Portfolio. Such a strategy could include investing a relatively significant amount of a Segregated Portfolio's assets in cash or high-quality money market securities. If the Company does so, it could affect the Company's performance in respect of a Segregated Portfolio and the Company might not achieve its investment objective in respect of a Segregated Portfolio.

Concentration Risk

The Company is not obliged to utilize common diversification techniques in the proportion of its assets that it may invest. The investment of all or a large percentage of a Segregated Portfolio's assets in one or a small number of investments or assets may cause a Segregated Portfolio's Net Asset Value and Net Asset Value per Share to fluctuate more than that of a diversified investment fund.

Further, a Segregated Portfolio's assets could be concentrated in a limited number of securities and other instruments. Thus, a Segregated Portfolio could be adversely affected if the security or instrument does not perform as well as other instruments, products or sectors.

Absence of Investment Restrictions Risk

Unless specifically provided for in the relevant Supplement, there are no investment restrictions on a Segregated Portfolio and a Segregated Portfolio is not limited in the amount of capital which may be committed to a single investment or class of investments.

Market Hedges Risk

The Company may or may not hedge part of the market risks associated with a Segregated Portfolio's assets by using derivative transactions. Such market hedges may under certain circumstances result in losses to the portfolio.

In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Company from achieving the intended hedge or expose a Segregated Portfolio to additional risk of loss.

Interest Rate Risk

Interest rate increases or expectation of increases could cause the value of debt securities to decline. The Company may also be short debt securities and the position's value may decline in the case of an interest rate decrease or the expectation of a decrease.

Legal Risk

The Company may make investments based on, or enter into contracts described by, significant legal documents. Such documents may include (but are not limited to) prospectuses and other offering documents as well as OTC derivative contracts, including contracts for differences and credit default swaps. Whilst the Company will generally seek advice on material matters, there can be no guarantee that any advice given will be accurate, that a contract will be validly executed by the relevant counterparty or that a contract will ultimately prove to be enforceable against the relevant counterparty. Furthermore, the expected outcome of these contracts or investments may not be realized in practice. If these contracts or investments do not produce the expected result, a Segregated Portfolio could suffer significant losses.

15.2 Liquidity Risks

The liquidity risk is one of the most important risks to consider for an investment. It can be present in the following forms:

Limited Transferability Risk

Since the Participating Shares are transferable only with the prior approval of the Directors, Shareholders may not be able to sell their investments and therefore would have to utilize a Segregated Portfolio's redemption program, which itself may be subject to restrictions — see further under the section headed "Redemption of Shares".

Lack of Liquidity of Participating Shares Risk

There is currently no recognized market for the Participating Shares in any Segregated Portfolio and, as such, Participating Shares will likely have very limited or no liquidity. Investors should be fully aware of the long-term nature of their investment in a Segregated Portfolio and should have other financial reserves so that they are able to bear the economic risk of the loss of their entire investment.

Liquidity of Investments Risk

As the Company may invest in assets which are unlisted and tradable only with the issuer, delays may occur in obtaining values for such investments. All of the above could result in delays in the calculation of the Net Asset Value of a Segregated Portfolio or the Net Asset Value per Share of a Segregated Portfolio and/or payment of any redemption proceeds.

In Kind Redemptions Risk

The Company intends to make all redemptions in cash but may make in kind redemptions if it so determines. Such non-cash redemptions could expose investors to some, or all of the risks associated with investments as described in this Private Placement Memorandum and/or in the relevant Supplement, including, but not limited to, stock market volatility, illiquidity, etc.

15.3 Leverage Risks

Increased/Enhanced Exposure Risk

The Company may in respect of a Segregated Portfolio (if permitted in terms of the relevant Supplement) leverage its investment positions by borrowing funds, which will typically be secured by the Segregated Portfolio's securities and other assets, from securities broker-dealers, banks, or others. Borrowing money to purchase securities may provide the Company with the opportunity for greater capital appreciation in respect of a Segregated Portfolio but, at the same time, will increase the Segregated Portfolio's exposure to capital risk and higher current expenses. Moreover, if the assets under management are not sufficient to pay the principal of, and interest on, the debt when due, the Segregated Portfolio could sustain a total loss of its investment. As such, the Segregated Portfolio's exposure to capital risk is enhanced.

Price Movement Risk

The leverage provided by custodians/brokers and most third parties allows for taking large foreign exchange positions with relatively low amounts. Therefore, a relatively small price movement in an unfavorable direction in the exchange rate could result in immediate and substantial losses for a Segregated Portfolio's investments.

15.4 Trading Risks**Uncontrollable Events Risk**

Substantial risks are involved in the trading of any type of asset. Market movements can be volatile and are difficult to predict. Government activities can have a profound effect on interest rates, which, in turn, substantially affect asset values, as well as the liquidity of such markets. Politics, recession, inflation, employment levels, trade policies, international events, war, and other unforeseen events can also have significant impact upon the prices of securities. A variety of possible actions by various government agencies also can inhibit the profitability of a Segregated Portfolio and the investments in which a Segregated Portfolio is invested or can result in losses. Such events, which can result in high market movements and volatile market conditions, create the risk of catastrophic losses for the trading entities in which a Segregated Portfolio will invest.

Early Losses Risk

If a Segregated Portfolio begins trading under market conditions which result in substantial early losses, the risk of the Segregated Portfolio having to terminate its trading will be substantially increased. A Segregated Portfolio could experience substantial cash flow difficulties were its assets to be depleted early, particularly in view of the charges to which the Segregated Portfolio is subject. A Segregated Portfolio may commence trading operations at an unpropitious time resulting in significant initial losses.

Emerging Markets Risk

Investing in new or emerging market assets involves certain risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include: (a) the risk of nationalization or expropriation of assets or confiscatory taxation; (b) social, economic and political uncertainty including war; (c) price fluctuations, less liquid and smaller markets; (d) currency exchange rate fluctuations; (e) rates of inflation (including hyperinflation); and (f) governmental involvement in and control over the economies.

15.5 Currency Risks**Unhedged Currency Risk**

The portfolio of the Segregated Portfolio may include investments which are denominated in a currency other than the Base Currency of the Participating Shares and some income may be received by a Segregated Portfolio in a currency other than the Base Currency of the Segregated Portfolio. Fluctuations in the value of currencies could affect the value of a Segregated Portfolio's assets.

Hedged Currency Risk

The Company may enter into forward foreign exchange contracts or other financial instruments to seek to hedge against declines in the value of its/their portfolio(s) as a result of changes in currency exchange rates. The underlying portfolio of investments for the Segregated Portfolio may be pledged as collateral to secure the relevant forward foreign exchange contracts. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the value of the portfolio position or prevent losses if

the value of such position declines, but establishes other positions designed to gain from those same developments thus offsetting the decline in the portfolio position's value. Such hedging transactions also limit the opportunity for gain if the value of the hedged portfolio position should increase.

The Company is not obliged to enter into currency hedging transactions in respect of any of its Segregated Portfolios and may decide not to do so in given circumstances. In fact, the Company may decide to increase the portfolio exposure to exchange movements by entering into forward foreign exchange contracts. The success of any hedging transaction depends upon the ability of the Company to predict correctly movements in currency exchange rates. Consequently, unanticipated changes in currency exchange rates may result in a poorer overall performance for a given portfolio than if the Company had not engaged in any such hedging transaction.

15.6 Redemption Risks

Substantial Redemptions Risk

Substantial redemptions by investors within a limited period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of both the interests being redeemed and the remaining outstanding interests. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in the Segregated Portfolio's Net Asset Value could make it more difficult for the Segregated Portfolio to generate a positive rate of return or recoup losses due to a reduced equity base.

Mandatory Redemptions Risk

The Company has the right to require, on 30 days' notice, the compulsory redemption or transfer of all Participating Shares held by a Shareholder if the Directors determine that the Participating Shares are not held for the benefit of any Eligible Investor or are held for the benefit of any Ineligible Applicant. The Company also reserves the right to require compulsory redemption or transfer of all Participating Shares held by a Shareholder if, in the opinion of the Directors, the ownership of the Participating Shares by the Shareholder is, or may be, unlawful or harmful or injurious to the business or reputation of the Company. See further under the section headed "Redemption of Shares".

In Kind Redemptions Risk

See further under the section headed "Liquidity Risks".

15.7 Miscellaneous Risks

Lack of Track Record Risk

The Company is newly established with no operating history, having been incorporated on 4 May 2021. The lack of a track record will reduce the accuracy and scope of assessment possible.

Segregated Portfolio Company Risk

Under Cayman Islands law, as the Company is a segregated portfolio company, the assets, liabilities, income, and losses of each Segregated Portfolio are legally segregated from the assets and liabilities of the Company and of its other Segregated Portfolios although each Segregated Portfolio is not a separate legal entity. The Directors cannot comment or confirm that any foreign court or government agency will necessarily recognize Cayman Islands law in this regard.

Distribution/Dividend Policy Risk

Unless otherwise detailed in the relevant Supplement, payments of dividends on the Participating Shares in a particular Segregated Portfolio may not be contemplated. In such case, those who anticipate the need for regular income from dividends from their investments should not invest in the Company. Where earnings are not distributed, these will be reinvested.

Changes in Applicable Law Risk

The Company must comply with various legal requirements, including requirements imposed by the securities laws, tax laws and pension laws in various jurisdictions. Should any of those laws change the

legal requirements to which the Company and the Shareholders may be subject could differ materially and adversely from current requirements.

Changes in Regulation Risk

The regulation of the global funds industry has undergone substantial change in recent years, a process which is expected to continue. It is impossible to predict what, if any, significant new regulations may be promulgated in the future. The effect of any regulatory change on the Company or any Segregated Portfolio, and on the value of any investor's investment, is impossible to predict but could be substantial and adverse.

Lack of Supervision Risk

The Company is an open-ended investment company and is a registered mutual fund under the Mutual Funds Act. Investors should only consider investing in a Segregated Portfolio if they are a sophisticated investor and their investment in the Segregated Portfolio does not constitute a material part of their total investments. The fact that the Company is registered should not, however, be taken to imply that the Cayman Islands Government or CIMA accepts any responsibility for overseeing or regulating the Company's investment activities.

Lack of Management Participation Risk

Shareholders will not participate in the management of any Segregated Portfolio or in the conduct of its business. In particular, the Shareholders are not able to remove or replace the Directors, any relevant Investment Manager, or any relevant relevant Investment Advisor (as the case may be) or any other agents of the Segregated Portfolio, a decision to do so being a matter entirely for the Directors or the holder of the Voting Shares (as the case may be).

Limited Voting Rights Risk

Except in relation to a proposed variation of the rights attaching to the Participating Shares, only Voting Shares have voting rights.

Taxation Risk

Although the Directors will attempt to structure the investments of the Company in a manner that is generally tax efficient for the Company and the Shareholders, there is no assurance that the structure of such investments will be tax efficient for any particular Shareholder or that any particular tax result will be achieved. Prospective investors must consult their own professional advisors with respect to the tax consequences to them of an investment in the Company under the laws of the jurisdictions in which they are subject to taxation.

Importance of the Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager Risk

The Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) make(s) decisions for the Company in investing each Segregated Portfolio's capital. Each Segregated Portfolio's success depends, to a large extent, upon the ability of the Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) to choose appropriate investments. In addition, if any of the Directors or any officers of any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) cease to participate in the operation of the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) to the extent they relate to the operations of a Segregated Portfolio for any reason, the operations, objectives and activities of the Segregated Portfolio may be adversely affected.

Early Termination Risk

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

Potential Conflicts of Interests Risk

Potential conflicts of interests exist in the structure and operation of the Company. See further under the section headed "Potential Conflicts of Interests".

Lack of Independent Legal Review Risk

Prospective investors should note that the Company is represented by BGA Law (Cayman) Limited, Attorneys-at-Law, Cayman Islands in respect of matters of Cayman Islands law. Prospective investors are encouraged to seek the advice of independent legal counsel in evaluating the terms and risks of investing in the Company and a Segregated Portfolio.

Rights of other Investors

The Company may create additional classes of Participating Shares in any Segregated Portfolio and/or may enter into agreements with certain prospective or existing Shareholders whereby certain Shareholders may be subject to terms and conditions that differ from those set out in the relevant Supplement.

The Directors, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may also establish and/or manage other investment funds or accounts (e.g. parallel funds or side-by-side funds), which may have the same or similar investment strategy as any Segregated Portfolio to which they are appointed, and the investors in such other investment funds or accounts may be subject to terms and conditions that differ from those set out in the relevant Supplement. For example, such terms and conditions may provide for different fees, a reduction or waiver of redemption or other fees, the right to receive additional reporting from the relevant Segregated Portfolio, the exclusion of the allocation of certain expenses or costs which may be shared, the right to more frequent or faster redemptions and/or such other rights as may be negotiated by the Company on behalf of the Segregated Portfolio, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) and such other shareholders and investors. These differences and modifications are discretionary and may, amongst others, be agreed after consideration of the size of the investment, a lock-up period, or other similar commitment by an investor. In addition, the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) may aggregate and allocate purchase or sale transactions for all and to each of such investment funds or accounts, and this may not be as advantageous to the Segregated Portfolio as would be the case if the Company, any relevant Investment Manager, any relevant Investment Advisor, or any relevant Portfolio Manager (as the case may be) did not manage other investment funds or accounts.

15.8 Indemnities and Costs Risks**Indemnities Risk**

The Directors, the Administrator, the Auditors, the AMLCO/MLRO, the DMLRO, any Investment Manager, any Investment Advisor, any Portfolio Manager, any Custodian, any Deposit Bank, any Broker, any Paying Agent, any Depository, any Distributor, and any other agents of the Company or any of their respective affiliates may be entitled to be indemnified in certain circumstances. As a result, there is a risk that a Segregated Portfolio's assets will be used to indemnify such persons, companies, or their employees or to satisfy their liabilities as a result of their activities in relation to the Segregated Portfolio.

Transaction Costs Risks

The investment approach in respect of a Segregated Portfolio may involve a high level of trading and turnover of the Segregated Portfolio's investments which may generate substantial transaction costs which will be borne by the Segregated Portfolio.

15.9 Counterparty Risks**Suspension of Trading Risk**

Securities and futures exchanges typically can suspend or limit trading in any instrument traded on the exchange. A suspension could render it impossible to liquidate positions and thereby expose a Segregated Portfolio to substantial losses.

Clearing House Risk

All standardized contracts (whether options or futures) are negotiated through a specific clearing house. The Company deals only with the clearing house (as any other counterparty does) and has therefore only an exposure to the clearing house. The dealing in these contracts is allowed through margin accounts that need to be maintained at a certain level depending on the market and the clearing house. The counterparty risk is therefore well managed and mitigated for all participants.

However, a non-negligible systemic risk remains that the clearing house may become insolvent or more exactly has to interrupt the trading on the exchange (as it has the right to do so) in order for all counterparties to pay their margin calls. Positions are automatically closed in the event margin calls are not met and in such an event a Segregated Portfolio could have some or all of these positions closed out without its consent.

Over-the-Counter Transactions Risk

A portion of the transactions effected by the Company in respect of a Segregated Portfolio may utilize the over-the-counter market for their execution. Trading instruments (options, forwards, swaps, CDS, etc.) in the over-the-counter market are subject to counterparty risk and are without the protections afforded by transactions effected through the clearing houses. Various agreements can help mitigate these risks such as the ISDA agreement, which allows netting of the exposures of multiple contracts between two given counterparties.

Failure of Custodians/Prime Brokers/Brokers Risk

Financial institutions such as broker-dealers and banks will have custody of the assets of each Segregated Portfolio, including their margin deposits. Financial difficulty, fraud, or misrepresentation at one of these institutions could impair the operational capabilities or capital position of a Segregated Portfolio.

15.10 Valuation Risks

The Net Asset Value and the Net Asset Value per Share of each Segregated Portfolio is expected to fluctuate over time with the performance of the Segregated Portfolio's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Participating Shares or upon compulsory redemption if the relevant Net Asset Value per Share at the time of such redemption is less than the subscription price paid by such Shareholder.

The Net Asset Value and Net Asset Value per Share of a Segregated Portfolio varies depending on the value of assets of the Segregated Portfolio and the value of the investments, whose values in turn depend on factors beyond the control of the Segregated Portfolio, such as interest rates, exchange rates, commodity prices, equity prices and investor demand. Some of the Segregated Portfolio's investments will tend to be more illiquid in nature than others. Illiquid assets are difficult to value and as a consequence the Net Asset Value and Net Asset Value per Share of a Segregated Portfolio may prove to be inaccurate. In addition, the calculation of the value of the Segregated Portfolio's investments may be based on values reported by third parties which generally will be unaudited. The Company is entitled to rely on reported values of the investments without independent verification. These reports may be subject to subsequent revision which may result in adjustments to the Net Asset Value and Net Asset Value per Share of a Segregated Portfolio. The Company may, but will not be required to, retroactively recalculate the Net Asset Value and Net Asset Value per Share of a Segregated Portfolio to reflect any later adjustment. Consequently, the Net Asset Value and Net Asset Value per Share of a Segregated Portfolio used to effect subscriptions and redemptions may prove to be inaccurate and accordingly adjustments may be made to subscriptions and redemptions.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE COMPANY. PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE PRIVATE PLACEMENT MEMORANDUM AND CONSULT THEIR OWN COUNSEL AND ADVISORS BEFORE DECIDING TO INVEST IN THE COMPANY AND A SEGREGATED PORTFOLIO.

