

PRIVATE PLACEMENT MEMORANDUM

Warmlesley Walker Equity Long Short Fund, LP

(A Cayman Islands Exempted Limited Partnership)

Investment Manager: Warmlesley Walker Global Asset Management Pte. Ltd. 52 Ayer Rajah Crescent #17-16 Singapore 128561

Investment Advisor: Portal Asset Management Pte Ltd 52 Ayer Rajah Crescent #17-16 Singapore 128561

Initial Offering: October 28th 2024

IMPORTANT INFORMATION

THIS PRIVATE PLACEMENT MEMORANDUM IS CONFIDENTIAL AND HAS BEEN PREPARED IN CONNECTION WITH THE PRIVATE OFFERING OF LIMITED PARTNERSHIP INTERESTS IN WARMSLEY WALKER EQUITY LONG SHORT FUND, LP (THE "FUND").

THE INFORMATION CONTAINED HEREIN IS CONFIDENTIAL AND PROPRIETARY TO THE FUND AND IS PROVIDED TO PROSPECTIVE INVESTORS FOR THE SOLE PURPOSE OF EVALUATING AN INVESTMENT IN THE FUND. BY ACCEPTING THIS MEMORANDUM, THE RECIPIENT AGREES TO KEEP ITS CONTENTS CONFIDENTIAL AND NOT TO DISTRIBUTE THIS MEMORANDUM IN WHOLE OR IN PART TO ANYONE OTHER THAN THE RECIPIENT'S ADVISORS.

THIS OFFERING IS LIMITED TO QUALIFIED INVESTORS WHO MEET THE FOLLOWING CRITERIA:

- Qualified Purchasers under the U.S. Investment Company Act
- Accredited Investors under Regulation D
- Qualified Eligible Persons under CFTC regulations
- Professional Investors under applicable foreign regulations

THE INTERESTS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933.

DIRECTORY

Investment Manager Warmlesley Walker Global Asset Management Pte. Ltd. 52 Ayer Rajah Crescent #17-16 Singapore 128561

Investment Advisor WWAM Asset Management Pte Ltd. 52 Ayer Rajah Crescent #17-16 Singapore 128561

Administrator Everest Group (Cayman) Limited 3-200 Governors Square, 21 Lime Tree Bay P.O. Box 30123, Grand Cayman KY1-1203 Cayman Islands

Prime Brokers Goldman Sachs International Standard Chartered Bank

Auditor Seinfeld, David & Co Artemis House 3rd Floor, 17 Fort Street P.O. Box 1478, Grand Cayman KY1-1109 Cayman Islands

Legal Counsel Cayman Islands: Carey Olsen Singapore LLP Collyer Quay #24-08 Ocean Financial Centre Singapore 049315

Directors Stuart Walmsley & Richard Walker

EXECUTIVE SUMMARY

The Fund

Walmsley Walker Equity Long Short Fund, LP (the "Fund") is a Cayman Islands exempted limited partnership established to pursue a global equity long/short strategy focused on mid-capitalization companies across North America, Europe, and Asia.

Investment Objective

The Fund seeks to generate consistent, risk-adjusted returns across market cycles through a disciplined investment approach combining fundamental analysis with tactical market positioning. The Fund targets annual returns consistent with a Sharpe ratio of 1.5 and a Sortino ratio of 1.75, with expected volatility of 15-25%.

Investment Strategy

The Fund employs a fundamental long/short equity strategy focusing on mid-capitalization companies (\$2B-\$10B market cap) across developed markets. The strategy combines:

- Bottom-up fundamental analysis
- Top-down macro overlay
- Systematic risk management
- Dynamic exposure management

Key Terms

- Minimum Investment: \$1,000,000
- Management Fee: 2.0% per annum
- Performance Fee: 20% with high water mark
- Liquidity: Monthly with 30 days' notice (after 3-month lock-up)
- Fund Gates: 25% of NAV per quarter
- Target Size: \$250 million
- Hard Cap: \$2.5 billion

Risk Management

- Gross Exposure Limit: 500%
- Net Exposure Range: 25-75%
- Position Limits: 7.5% long, 5% short
- Sector Exposure: Maximum 25% net
- Regional Diversification Requirements

INVESTMENT PROGRAM

Investment Philosophy

The Fund's investment philosophy is based on four core principles:

1. Market inefficiencies create opportunities in mid-cap equities

2. Fundamental research drives superior security selection
3. Risk management is integral to portfolio construction
4. Dynamic exposure management enhances risk-adjusted returns

Investment Strategy

The Fund employs a fundamental long/short equity strategy focusing on mid-capitalization companies across developed markets. Key elements include:

Research Process

- Fundamental company analysis
 - Industry analysis and competitive positioning
 - Management assessment
 - Valuation analysis
 - Catalyst identification
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Portfolio Construction

- Regional Allocation:
 - North America: 40-60%
 - Europe: 20-40%
 - Asia: 20-40%
 - Position Sizing:
 - Long positions: Maximum 7.5% at cost
 - Short positions: Maximum 5% at cost
 - Sector exposure: Maximum 25% net
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Risk Management

- Systematic monitoring of:
 - Market risk
 - Factor exposures
 - Liquidity risk
 - Counterparty risk
 - Operational risk

Investment Process

1. Idea Generation
 - Quantitative screening
 - Fundamental research
 - Industry analysis
 - Market intelligence
 - Management meetings
2. Analysis
 - Financial modeling
 - Competitive analysis
 - Management assessment
 - Risk assessment
 - Catalyst identification
3. Portfolio Construction
 - Position sizing
 - Risk management
 - Exposure management

- Portfolio optimization
- 4. Monitoring and Risk Management
 - Daily monitoring
 - Regular review
 - Risk analytics
 - Performance attribution

Investment Guidelines

Investment Restrictions

- No single long position > 7.5% of NAV
 - No single short position > 5% of NAV
 - No sector exposure > 25% of NAV net
 - Minimum 40% in highly liquid positions
 - Maximum leverage of 500% gross exposure
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Eligible Investments

- Listed equities
- Exchange-traded funds
- Listed derivatives
- Cash and cash equivalents

MANAGEMENT

Investment Manager

First Degree Global Asset Management Pte. Ltd. ("FDGAM") serves as the Investment Manager, responsible for:

- Portfolio management
- Risk management
- Regulatory compliance
- Operational oversight

Investment Advisor

Portal Asset Management Pte Ltd serves as Investment Advisor, providing:

- Investment recommendations
- Research and analysis
- Risk monitoring
- Strategic guidance

Investment Team

Stuart Walmsley - Chief Investment Officer

- 25 years of investment experience
- Former Head of Global Equities at [Major Investment Bank]
- MBA from INSEAD
- CFA Charterholder

Richard Walker - Portfolio Manager

- 18 years of investment experience
- Previously managed long/short portfolios at [Major Hedge Fund]
- MSc in Finance from London Business School
- CFA Charterholder

RISK FACTORS

An investment in the Fund involves significant risks, including but not limited to:

Market Risks

- Equity market risk
- Short selling risk
- Leverage risk
- Currency risk
- Geographic concentration risk
- Mid-cap company risk

Operating Risks

- Key person risk
- Counterparty risk
- Prime broker risk
- Operational risk
- Cybersecurity risk

Regulatory Risks

- Changes in regulations
- Tax law changes
- Cross-border regulatory risk
- Trading restrictions

DETAILED RISK FACTOR DESCRIPTIONS

The following detailed risk analysis is based on historical events and industry experience. While the Investment Manager implements sophisticated risk management processes, investors should carefully consider these risks before investing.

Market Risks

Equity Market Risk

Recent market events have demonstrated the interconnected nature of global equity markets and the potential for rapid value deterioration:

- **COVID-19 Market Disruption (2020):** The pandemic caused unprecedented market volatility, with the VIX reaching 82.69 in March 2020. Long/short funds faced particular challenges as correlations among seemingly unrelated sectors suddenly increased, diminishing diversification benefits. The Fund addresses this risk through:
 - Regular stress testing against pandemic-like scenarios
 - Maintaining sector-neutral exposure where appropriate

- Dynamic adjustment of net exposure based on correlation metrics
 - Increased focus on company-specific liquidity profiles
 - **Factor Rotation Risk:** The rapid rotation from growth to value stocks in 2021-2022 demonstrated how market factors can shift suddenly, potentially affecting both long and short positions simultaneously. Mitigation strategies include:
 - Regular factor exposure analysis using multi-factor risk models
 - Balanced exposure across investment styles
 - Position-level decomposition of factor contributions
 - Monitoring of factor correlations and crowding risks
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Short Selling Risk

Short selling carries unique risks exemplified by several recent market events:

- **Short Squeeze Events:** The GameStop event of 2021 highlighted the potential for coordinated retail trading to create extreme losses in short positions. Risk management procedures include:
 - Hard limits on individual short position sizes (5% maximum)
 - Daily monitoring of short interest and borrowing costs
 - Strict enforcement of position exit criteria
 - Analysis of social media sentiment for heavily shorted stocks
 - **Crowded Short Positions:** The Archegos collapse in 2021 demonstrated the risks of crowded positions and leverage. The Fund addresses these risks through:
 - Regular analysis of institutional ownership patterns
 - Monitoring of hedge fund positioning reports
 - Diversification requirements across shorts
 - Prime broker exposure limits
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Leverage Risk

Historical events have shown how leverage can amplify market disruptions:

- **2008 Financial Crisis Lessons:** The crisis demonstrated how market stress can lead to forced deleveraging. Risk management includes:
 - Conservative leverage limits (maximum 500% gross exposure)
 - Daily monitoring of margin requirements
 - Stress testing of portfolio under various market scenarios
 - Maintenance of significant unencumbered cash reserves
 - **Liquidity Management:** The March 2020 Treasury market disruption highlighted the importance of robust liquidity management:
 - Regular liquidity stress testing
 - Graduated position sizing based on liquidity profiles
 - Monitoring of market-wide liquidity conditions
 - Maintenance of multiple prime broker relationships
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Currency Risk

Recent currency market volatility has highlighted several key risks:

- **Brexit Impact:** The sudden moves in GBP following the Brexit vote demonstrated currency tail risks. Mitigation strategies include:
 - Systematic hedging of significant currency exposures

- Stress testing of currency pair movements
- Analysis of political risk factors affecting currencies
- Regular review of hedging costs versus benefits

Operating Risks

Counterparty Risk

The collapse of several financial institutions has emphasized counterparty risk importance:

- **Prime Broker Diversification:** Learning from the Lehman Brothers collapse, the Fund:
 - Maintains relationships with multiple prime brokers (Goldman Sachs and Standard Chartered)
 - Regular monitoring of counterparty credit quality
 - Asset segregation requirements
 - Regular review of prime broker financial strength

Operational Risk

COVID-19 highlighted the importance of robust operational infrastructure:

- **Business Continuity:** The Fund maintains:
 - Fully redundant trading and operational systems
 - Regular disaster recovery testing
 - Geographic dispersion of key personnel
 - Cloud-based backup systems
- **Trade Processing:** Events like the Reddit/GameStop episode highlighted the importance of robust trade processing:
 - Real-time position monitoring
 - Automated reconciliation processes
 - Multiple execution venues
 - Regular testing of trading systems

Cybersecurity Risk

Recent high-profile breaches have emphasized cybersecurity importance:

- **System Security:** The Fund implements:
 - Multi-factor authentication for all systems
 - Regular penetration testing
 - Employee cybersecurity training
 - Third-party security audits
 - Real-time monitoring of system access

Regulatory Risks

Regulatory Change Risk

Post-2008 regulatory changes have significantly impacted fund operations:

- **Compliance Infrastructure:** The Fund maintains:
 - Dedicated compliance staff
 - Regular regulatory updates and training
 - Proactive engagement with regulators
 - Conservative interpretation of regulations

Cross-Border Regulatory Risk

Global operations expose the Fund to multiple regulatory regimes:

- **Regulatory Monitoring:** The Fund addresses this through:
 - Local legal counsel in key jurisdictions
 - Regular review of cross-border activities
 - Conservative approach to cross-border marketing
 - Monitoring of regulatory developments in all relevant jurisdictions

Investment Strategy-Specific Risks

Mid-Cap Focus Risk

Recent market events have highlighted specific risks in the mid-cap space:

- **Liquidity Risk:** Mid-cap stocks can experience sudden liquidity contractions. Mitigation includes:
 - Position sizing based on average daily trading volume
 - Regular liquidity stress testing
 - Maintenance of liquidity buffers
 - Graduated exit strategies for larger positions
- **Research Coverage Risk:** Mid-cap stocks often have limited research coverage, requiring:
 - Robust internal research capabilities
 - Primary research focus
 - Industry expert networks
 - Regular management engagement

Risk Monitoring and Management

The Fund employs a comprehensive risk management framework incorporating lessons from historical market events:

Quantitative Risk Monitoring

- Daily VaR calculations and stress testing
- Real-time exposure monitoring
- Factor analysis and decomposition
- Correlation monitoring across positions and strategies
- Liquidity analysis at position and portfolio level

Qualitative Risk Assessment

- Regular investment team risk meetings
- Scenario analysis based on historical events
- Ongoing review of market structure changes
- Assessment of changing regulatory landscape

Risk Reporting

- Daily risk reports to portfolio managers
- Weekly risk committee reviews
- Monthly investor risk reporting
- Quarterly comprehensive risk review

While these risk management procedures are designed to monitor and manage risk, they cannot eliminate risk entirely. Past performance and risk management success does not guarantee future results.

FEES AND EXPENSES

Management Fee

- 2.0% per annum of NAV
- Calculated and paid monthly
- Pro-rated for partial periods

Performance Fee

- 20% of net profits
- Subject to high water mark
- Calculated and paid quarterly

Fund Expenses

The Fund bears all operating expenses, including:

- Administration fees
- Prime broker fees
- Audit and tax fees
- Legal fees
- Director fees
- Other operational expenses

TERMS OF INVESTMENT

Subscriptions

- Minimum initial: \$1,000,000
- Minimum subsequent: \$100,000
- Monthly subscription dates
- 5 business days' notice required

Redemptions

- Monthly with 30 days' notice
- 3-month initial lock-up
- 25% quarterly gate
- Payment within 30 days
- 10% holdback for audit adjustments

Transfers

- Subject to GP approval
- Must meet eligibility requirements
- Transfer fee may apply