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CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

ALPSTONE GLOBAL MACRO FUND

a Cayman Islands exempted company registered as a regulated mutual fund with the Cayman Islands Monetary Authority

October 2016

Pursuant to an exemption from the US Commodity Futures Trading Commission (the "CFTC") in connection with pools whose participants are limited to qualified eligible persons, an offering memorandum for this pool is not required to be, and has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this offering or any offering memorandum for this pool.

You should also be aware that this commodity pool may trade foreign futures or options contracts. Transactions on markets located outside the United States, including markets formally linked to a United States market, may be subject to regulations which offer different or diminished protection to this pool and its participants. Further, United States regulatory authorities may be unable to compel the enforcement of the rules of regulatory authorities or markets in non-US jurisdictions where transactions for this pool may be effected.

ALPSTONE GLOBAL MACRO FUND

DIRECTORY

Fund
Alpstone Global Macro Fund
PO Box 309
Ugland House
Grand Cayman KY-1104
Cayman Islands

Manager
Alpstone Capital (Cayman) Limited
PO Box 309
Ugland House
Grand Cayman KY-1104
Cayman Islands

Master Fund
Alpstone Global Macro Master Fund
PO Box 309
Ugland House
Grand Cayman KY-1104
Cayman Islands

Investment Manager
Alpstone Capital (Suisse) SA
rue du Commerce 4
1204 Geneva
Switzerland

Directors of the Fund and the Master Fund
John Lewis
Claire Leroy Marie
Charles Woolnough

Auditors to the Fund and the Master Fund
PricewaterhouseCoopers
18 Forum Lane
Camana Bay
Grand Cayman KY1-1104
Cayman Islands

Administrator
GlobeOp Financial Services Limited
1 St. Martin's Le Grand
London EC1A 4AS
United Kingdom

Administrator
GlobeOp Financial Services (Ireland) Limited
1st Floor, La Touche House
IFSC, Dublin 1
Ireland

Counterparties to the Master Fund

Bank of America Merrill Lynch
2 King Edward Street
London EC2A 1HQ
United Kingdom

Credit Suisse Securities Europe Limited
One Cabot Square
London E14 4QJ
United Kingdom

Legal Counsel to the Fund and the Master Fund as to English and US Law
Schulte Roth & Zabel International LLP
One Eagle Place
London SW1Y 6AF
United Kingdom

Legal Counsel to the Fund and the Master Fund as to Cayman Islands Laws
Maples and Calder
200 Aldersgate Street
London EC1A 4HD
United Kingdom

Unless otherwise indicated, the relevant entity, person or address serves the same functions, in respect of, and applies to the Master Fund.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

ALPSTONE GLOBAL MACRO FUND

Capitalised terms and expressions have the meanings set forth herein and in the "Definitions" section.

Alpstone Global Macro Fund (the "**Fund**") is currently offering the Shares described in this Confidential Private Placement Memorandum (this "**Memorandum**") to certain qualified investors that, if accepted, will become shareholders of the Fund (the "**Shareholders**").

Prospective investors should carefully read this Memorandum in its entirety. However, the contents of this Memorandum should not be considered to be investment, legal or tax advice, and each prospective investor should consult with its own counsel and advisers as to all matters concerning an investment in the Fund.

There will be no public offering of the Shares. No offer to sell (or solicitation of an offer to buy) is being made in any jurisdiction in which such offer or solicitation would be unlawful.

This Memorandum has been prepared for the information of the person to whom it has been delivered (the "**Recipient**") by or on behalf of the Fund, and may not be reproduced or used for any other purpose. By accepting this Memorandum, the Recipient agrees (i) not to reproduce or distribute this Memorandum, in whole or in part, without the prior written consent of the Fund or its authorised representatives, (ii) to return this Memorandum to the Fund or its authorised representatives upon request and (iii) not to disclose any information contained in this Memorandum or any other information relating to the Fund, including, without limitation, Fund performance and financial statements, to any person who is not a trustee, director, officer, employee, auditor, agent, attorney, financial adviser or other professional adviser responsible for matters relating to the Fund or who otherwise has a need to know such information in connection with such person's responsibilities with respect to the Recipient and who is under an obligation to keep such information confidential, except to the extent such information is in the public domain (other than as a result of any action or omission of the Recipient or permitted person to whom the Recipient has disclosed such information). Notwithstanding anything in this Memorandum to the contrary, each investor (and each employee, representative or other agent of such investor) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Fund and the Master Fund and (ii) any of the Fund's or the Master Fund's transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to such investor relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or the identifying information of (i) the Fund or the Master Fund, or (ii) the parties to a transaction.

This Memorandum is accurate as of its date in all material respects, and no representation or warranty is made as to its continued accuracy after such date. None of the Fund or any of its authorised representatives has any obligation to update this Memorandum at any time in the future. Information contained in this Memorandum is subject to modification, supplementation and amendment at any time and from time to time. Each investor will be required to acknowledge that it made an independent decision to invest in the Fund and that it is not relying on the Fund, the Administrator, the Manager, the Investment Manager or any other person or entity (other than such investor's own advisers) with respect to the legal, tax, financial, risk or other considerations involved in an investment in the Fund. Past performance is no guarantee of future results.

Certain information contained in this Memorandum constitutes "forward-looking statements", which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe", or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results of the actual performance of any investment made by the Fund may differ materially from those reflected or contemplated in such forward-looking statements.

Each prospective or current investor, when making its decision to subscribe for Shares or making a subsequent investment decision with respect to the Fund, can rely only on information included in the Fund Documents, Investor Disclosures and any Additional Information (irrespective of any other information furnished to such investor). "**Additional Information**" means any information concerning the terms and conditions of the Shares or the status of the Fund communicated in a writing to a prospective or current investor by an authorised representative of the Fund or the Investment Manager that expressly modifies, supplements or amends the relevant Fund Document or Investor Disclosures, as applicable.

All references herein to "**US dollars**" or "**$**" are to the lawful currency of the United States.

The Shares are suitable only for sophisticated investors (i) that do not require immediate liquidity for their investments, (ii) for which an investment in the Fund does not constitute a complete investment program and (iii) that fully understand and are willing and able to assume the risks of an investment in the Fund. Each subscriber for Shares will be required to represent that it is acquiring the Shares for its own account, for investment purposes only and not with a view toward distributing or reselling the Shares in whole or in part. There is no established secondary market for the Shares, and none is expected to develop.

The Shares are subject to limited liquidity and significant restrictions on transferability and resale. Investors will be required to bear the financial risks of an investment in the Fund for an indefinite period of time. Investment in the Fund involves the risk of loss of the entire value of an investor's investment in the Fund.

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "Securities Act"), or any US state securities laws or the laws of any other jurisdiction and, therefore, cannot be resold, reoffered or otherwise transferred unless they are so registered or an exemption from registration is available. The Shares will be offered and sold under the exemption provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder and other exemptions of similar effect under US state laws and the laws of other jurisdictions where the offering will be made.

The Shares have not been filed with, registered, approved by or disapproved by the US Securities and Exchange Commission (the "SEC") or any other governmental agency, regulatory authority or national securities exchange of any country or jurisdiction, with the exception of filing this document with the Cayman Islands Monetary Authority ("CIMA"). No such agency, authority or exchange has passed upon the accuracy or adequacy of this Memorandum or the merits of an investment in the Shares offered hereby. Any representation to the contrary is a criminal offence.

Neither the Fund nor the Master Fund has been or will be registered as an investment company under the US Investment Company Act of 1940, as amended (the "Company Act"). Consequently, the Fund will not be required to adhere to certain restrictions and requirements under the Company Act, and investors will not be afforded the protections of the Company Act.

The Fund and the Master Fund are regulated as mutual funds for the purposes of the Mutual Funds Law (Revised) of the Cayman Islands (the "Mutual Funds Law"). The Fund and the Master Fund are registered with CIMA pursuant to section 4(3) of that law and the prescribed details in respect of this Memorandum, the Fund and the Master Fund have been filed with CIMA. Such registration does not imply that CIMA or any other governmental body has commented on or approved the terms or merits of this Memorandum or passed judgment on the offering of Shares hereunder. (See "Other Regulatory Matters — Cayman Islands – Cayman Islands Mutual Funds Law".)

This Memorandum is based on the law and practice currently in force in the Cayman Islands and is subject to changes therein. No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands and this Memorandum does not represent such an offer or invitation. Any attempted transfer or substitution not made in accordance with this Memorandum and the Amended and Restated Memorandum and Articles of Association of the Fund, as the same may be amended from time to time (the "Articles"), to the fullest extent permitted by applicable law, will be null and void ab initio.

The Master Fund is not hereby offering any securities and, accordingly, this Memorandum is not to be regarded as having been authorised or issued by the Master Fund. The Master Fund does not have an offering document or equivalent document. A copy of the Master Fund Articles is available on request from the Investment Manager.

Prospective investors should consult **Appendix C** hereto for a listing of restrictions on offerings and sales in certain jurisdictions. The information set forth in **Appendix C** was obtained from a third-party law firm that prepared such information in consultation with local counsel, where necessary. Neither Schulte Roth & Zabel International LLP ("**SRZ**") nor Maples and Calder ("**Maples**") prepared the information set forth in **Appendix C** (other than the information for (i) prospective Shareholders in the United Kingdom, which was prepared by SRZ and (ii) prospective Shareholders in the Cayman Islands, which was prepared by Maples). Neither of SRZ nor Maples has researched or verified the accuracy or completeness of the information. None of the Investment Manager, the Manager, the Fund or the Master Fund prepared, researched or verified the contents of such information.

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ALPSTONE GLOBAL MACRO FUND

SUMMARY OF TERMS

The following is a summary of the principal terms of the Fund. This summary is qualified in its entirety by the more detailed information set forth in this Memorandum, any supplement to this Memorandum, any Investor Disclosures, the Articles and the Master Fund Articles, each of which is available upon request, and each Shareholder's Subscription Agreement (collectively, the "**Fund Documents**"). This summary should be read in conjunction with such detailed information. In the event that any information in this Memorandum contradicts information set forth in any other Fund Document, the applicable Fund Document will control. Capitalised terms and expressions have the meanings set forth herein and in the "Definitions" section.

THE FUNDS:

The Fund

Alpstone Global Macro Fund (the "**Fund**") is an exempted company incorporated under the laws of the Cayman Islands on 26 September 2016 to operate as a private investment fund primarily for the benefit of non-US Persons and Permitted US Persons.

The Master Fund

To effect its investment objective, the Fund will invest all of its investable assets through a "master-feeder" fund structure in Alpstone Global Macro Master Fund (the "**Master Fund**"), an exempted company incorporated under the laws of the Cayman Islands on 26 September 2016.

The Partnership Fund

Alpstone Global Macro Fund LP (the "**Partnership**") is a Delaware limited partnership formed on 28 September 2016 to operate as a private investment fund primarily for the benefit of taxable US investors. The Partnership follows the same investment program to the Fund and will invest all of its investable assets in the Master Fund.

INVESTMENT OBJECTIVE AND PROGRAM:

The Investment Manager seeks to generate returns from implementing discretionary global macro and relative value trading strategies across a broad range of asset classes and markets.

The Fund will pursue its objective by investing all of its investable assets in the Master Fund.

MANAGEMENT:

The Manager

Alpstone Capital (Cayman) Limited (the "**Manager**"), an exempted company incorporated under the laws of the Cayman Islands on 9 May 2016, has been appointed as the manager of the Fund, the Master Fund and the Partnership and has responsibility for the investment and reinvestment of the assets of the Master Fund subject to the overall supervision, control and policies of the Master Fund Board of Directors.

The Manager is authorised to delegate its functions and has delegated its investment discretion with respect to the Master Fund and certain other responsibilities with respect to the Fund, the Master Fund and the Partnership to the Investment Manager.

The Investment Manager

Alpstone Capital (Suisse) SA (the "**Investment Manager**"), a société anonyme organised under the laws of Switzerland on 21 September 2016, has been appointed as the investment manager of the Fund, the Master Fund and the Partnership.

MANAGEMENT FEE:

The Fund will pay to the Manager a fee for its services (the "**Management Fee**") for each month equal to a twelfth of the result of the applicable Management Fee Rate multiplied by the net asset value of each series of Shares as of the end of such month (before taking into account the estimated accrued Incentive Fee, if any). The Fund will calculate and pay the Management Fee in arrears.

"**Management Fee Rate**" means 2% per annum of each series of A Shares.

INCENTIVE FEE:

Generally, at the end of each Fiscal Year, the Fund will pay to the Manager an amount (the "**Incentive Fee**") equal to the result of the applicable Incentive Fee Rate multiplied by the net realised and unrealised appreciation in the net asset value of each series of Shares, adjusted for any redemption of Shares in the series since the last calculation of the Prior High NAV of such series of Shares and for any accruals of the Incentive Fee during the relevant Fiscal Year (the "**Adjusted NAV**"); provided, however, that the Fund will pay an Incentive Fee only with respect to the excess of the Adjusted NAV of a series of Shares over its Prior High NAV. The Incentive Fee will also be paid with respect to amounts redeemed or transferred such that the transfer results in a change in the beneficial ownership of Shares and upon the dissolution of the Fund or the Master Fund.

"**Incentive Fee Rate**" means 20% of each series of A Shares.

EXPENSES:

The Fund will bear its own expenses and its pro rata share of the expenses of the Master Fund and any trading vehicle as more fully described herein.

THE SHARES AND THE MASTER FUND SHARES:

The Shares

The Fund may admit new Shareholders and accept subscriptions as of the first day of each month or such other day as the Board of Directors may determine in its sole discretion (each, a "**Subscription Date**").

The Fund is currently offering, pursuant to this Memorandum, redeemable, participating, voting A shares ("**A Shares**" and together with such other shares of the Fund as the Fund may issue from time to time,

the "**Shares**"), which are denominated in US Dollars.

The Master Fund Shares

The Master Fund will be issuing one class of shares with respect to subscriptions by the Fund and the Partnership (the "**Master Fund Shares**").

REDEMPTIONS:

Subject to the limitations on redemptions set forth herein, each Shareholder may as of the last day of each month (each such date, and any other day on which a redemption is permitted or required by the Board of Directors, a "**Redemption Date**"), upon at least 60 days' prior written notice to the Administrator, redeem all or a portion of its Shares; provided, however, that redemption proceeds from Shares redeemed prior to the last day of the applicable Lock-Up Period will be reduced by an amount equal to 3% of the amount requested to be redeemed (the amount of such reduction, the "**Early Redemption Amount**"). Early Redemption Amounts will be retained by the Master Fund for the benefit of the continuing investors in the Fund and the Master Fund. The Board of Directors may, in its sole discretion, reduce or waive the Early Redemption Amount with respect to any Shareholder or class.

"**Lock-Up Period**" means, with respect to any subscription, the period commencing on the Subscription Date of such subscription and ending on the last day of the twelfth full month following such Subscription Date.

A redemption notice will be irrevocable unless the Board of Directors, in its sole discretion, permits the redemption notice to be revoked.

Fund-Level Gate

In the event that the Master Fund receives redemption requests and the redemption amounts pursuant to such requests exceed, in the aggregate, an amount equal to 25% of the net asset value of the Master Fund as of the applicable Redemption Date, the Master Fund Board of Directors may, in its sole discretion, (i) satisfy all such redemption requests or (ii) reduce all such redemption requests so that only 25% (or more, in the sole discretion of the Master Fund Board of Directors) of the net asset value of the Master Fund is redeemed on any Redemption Date (the "**Fund-Level Gate**"). Shareholders whose redemption amounts are reduced pursuant to the Fund-Level Gate will participate in the aggregate amount available for redemption on a pro rata basis in accordance with the net asset value of their Shares.

VALUATION:

The Master Fund's assets and liabilities are valued in accordance with the Investment Manager's valuation policies and procedures, as the same may be amended from time to time (the "**Valuation Policy**"). In valuing the Fund's and the Master Fund's portfolio, the Investment Manager shall comply with the Valuation Policy.

SUITABILITY REQUIREMENTS:

Each prospective Shareholder generally must be either a non-US Person or a Permitted US Person that qualifies as an "accredited investor", as defined in Regulation D under the Securities Act, and either a "qualified purchaser", as defined in the Company Act, or a "knowledgeable employee", as defined under Rule 3c-5 of the Company Act, and must meet other suitability requirements described herein and in the Subscription Agreement.

THE BOARD OF DIRECTORS:

The members of the Board of Directors are John Lewis, Claire Leroy Marie and Charles Woolnough. The Directors also serve as directors of the Master Fund.

INDEPENDENT AUDITORS; REPORTS TO SHAREHOLDERS; FISCAL YEAR:

PricewaterhouseCoopers (the "**Auditors**") has been retained as the independent auditors of the Fund and the Master Fund to provide auditing and related services. The Fund is not obligated to retain the Auditors and the Board of Directors may, without prior notice to, or receiving consent from the Shareholders engage other persons, firms or entities to provide auditing and related services. An annual report and audited financial statements of the Fund will be sent to Shareholders within 90 days of the end of the Fund's Fiscal Year, or as soon as reasonably practicable thereafter, and quarterly statements will also be sent to Shareholders, in each case in compliance with CFTC rules. The Fund will also provide periodic unaudited performance information, no less frequently than quarterly, to the Shareholders.

The fiscal year of each of the Fund and the Master Fund (the "**Fiscal Year**") ends on 31 December of each year, or such other date as the Board of Directors may determine in its sole discretion. The first Fiscal Year of each of the Fund and the Master Fund will end on 31 December 2016.

THE FUNDS

The Fund

Alpstone Global Macro Fund (the "**Fund**"), is an exempted company incorporated under the laws of the Cayman Islands on 26 September 2016 to operate as a private investment fund primarily for the benefit of non-US Persons and Permitted US Persons.

The Master Fund

To effect its investment objective, the Fund will invest all of its investable assets through a "master-feeder" fund structure in Alpstone Global Macro Master Fund (the "**Master Fund**"), an exempted company incorporated under the laws of the Cayman Islands on 26 September 2016.

The Partnership Fund

Alpstone Global Macro Fund LP (the "**Partnership**") is a Delaware limited partnership formed on 28 September 2016 to operate as a private investment fund primarily for the benefit of taxable US investors. The Partnership follows the same investment program to the Fund and will invest all of its investable assets in the Master Fund.

General

As the Fund conducts all of its investing and trading activities through, and invests all of its investable assets in, the Master Fund, references to the term "Master Fund" as used in this Memorandum (in the context of the Master Fund's portfolio, investment program and related risks) should be understood to mean the Master Fund, any other trading vehicle through which the Master Fund makes investments or enters into transactions, and, indirectly through its investment in the Master Fund, the Fund.

The Investment Manager reserves the right to vary the structure of the aforementioned entities for tax, regulatory, operational and other similar reasons.

INVESTMENT OBJECTIVE AND PROGRAM

Investment Objective

The Investment Manager seeks to generate returns from implementing discretionary global macro and relative value trading strategies across a broad range of asset classes and markets.

The Fund will pursue its objective by investing all of its investable assets in the Master Fund.

Investment Program

In pursuing its strategy, the Investment Manager uses a discretionary investment process to seek directional and relative value trading opportunities from a highly liquid universe of developed fixed income, currency and equity index markets. The portfolio managers conduct research to form top down macro views on the economy and expected future direction of markets from proprietary qualitative analysis, supported by quantitative analysis of historical data. Positions are then sized in relation to their expected return and risk, determined by the Investment Manager's qualitative assessment of the trading environment and the risk constraints included in the portfolio optimisation process.

The Master Fund is expected to take positions across these markets through interest rate swaps, currency spot and forward contracts and equity index futures and other derivatives.

The Master Fund's portfolio is expected to be highly diversified, typically with over 60 positions. The Investment Manager currently anticipates holding periods for positions at the Master Fund level ranging from several days to three to six months or more, but averaging several weeks.

Risk Management

Risk management is based on a disciplined framework applied to the portfolio by the Investment Manager throughout the daily investment process, with exposures monitored to ensure the portfolio positioning is within target bounds.

The Investment Manager will maintain an adequate and documented risk management policy that seeks to identify all relevant risks to which the Master Fund is or may be exposed. The Investment Manager's risk management policy will include such procedures as are necessary to enable the Investment Manager to assess the Master Fund's exposure to market, liquidity, counterparty and operational risks as well as all other relevant material risks.

The risk profile of the Master Fund will be disclosed to Shareholders, including, (i) the measures taken to assess the sensitivity of the Master Fund's portfolio to the most relevant risks to which the Master Fund is or could be exposed, and (ii) a description of the circumstances where the risk limits, if any, set by the Investment Manager have been exceeded (or are likely to be exceeded) and the remedial measures taken. The Fund or the Investment Manager will make this information available to all Shareholders to the extent not already made through this Memorandum through appropriate Investor Disclosure at least annually or sooner if required by applicable law.

Portfolio Investments

The assets of the Master Fund may be invested, directly or indirectly, on margin or otherwise, in interests commonly referred to as securities, other financial instruments issued by, entered into by or referenced to entities and other assets (all such items being called herein "**Securities**"); in each case, of any person, whether or not publicly traded or readily marketable.

Leverage and Borrowing

Leverage for Investment Purposes

The Master Fund has the authority to borrow, trade on margin, utilise derivatives and otherwise obtain leverage from brokers, banks and others on a secured or unsecured basis. The Master Fund may utilise leverage to the extent deemed appropriate by the Investment Manager, and the amount of leverage utilised by the Master Fund may be significant.

The leverage limitation provisions of the AIFM Directive do not apply to the Master Fund. Accordingly, the Master Fund has no pre-determined limitations on the amount of leverage calculated in accordance with the AIFM Directive's gross and commitment methods. The overall leverage of the Master Fund will depend on the investment strategies employed by the Master Fund, specific market opportunities and the leverage available from the Master Fund's Counterparties.

Any determination to limit the amount of leverage which may be employed by the Master Fund and/or the level thereof may be changed by the Master Fund or the Investment Manager without the consent of Shareholders.

The Master Fund, and not the Fund, will employ leverage.

While leverage presents opportunities for increasing the total return on investments, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment could be magnified to the extent leverage is utilised and may result in a substantial loss to the Master Fund.

Borrowing for Cash Management Purposes

The Master Fund may borrow for cash management purposes, such as to satisfy redemption requests. To facilitate such borrowings, the Master Fund may, among other things, enter into a credit facility with a service provider to the Master Fund or a third-party credit institution.

Trading Vehicles

The Master Fund may effect one or more of the foregoing strategies either directly by purchasing Securities or indirectly, for tax, regulatory or other reasons, by investing through one or more trading vehicles organised by the Investment Manager.

Changes in the Investment Program

Subject to applicable law and any express restrictions set forth in this Memorandum and the Master Fund Articles, the Master Fund Board of Directors may authorise variations in the above investment program including, without limitation, any investment strategy or investment policy. In the event that the Master Fund Board of Directors considers that any such variations might reasonably in the aggregate be considered material, such variations will not be implemented without the approval of 66 2/3 per cent by value of holding of investors in the Fund and any other feeder fund to the Master Fund, or in the alternative, until after the expiry of not less than 30 days of notice being provided to investors. These provisions will not apply to any changes required by changes in applicable law or regulations, which may be implemented by the Master Fund Board of Directors as it determines. For the avoidance of doubt, notwithstanding the foregoing, the Master Fund Board of Directors will not be responsible for monitoring compliance by the Master Fund or the Investment Manager with the investment program other than periodic oversight consistent with the obligations of a non-executive director.

The descriptions set forth in this Memorandum of specific strategies in which the Master Fund may engage or specific investments the Master Fund may make should not be misunderstood to limit in any way the Master Fund's investment activities. The Master Fund may engage in any investment strategy and make any investment, including any not described in this Memorandum, that the Investment Manager considers appropriate to pursue the Master Fund's investment objective. The Master Fund's investment program is speculative and entails substantial risks. There can be no assurance that the investment objectives of the Master Fund will be achieved. (See "Certain Risk Factors".)

MANAGEMENT

The Manager

Alpstone Capital (Cayman) Limited (the "**Manager**"), an exempted company incorporated under the laws of the Cayman Islands on 9 May 2016, serves as the manager of the Fund, the Master Fund and the Partnership and has responsibility for the investment and reinvestment of the assets of the Master Fund subject to the overall supervision, control and policies of the Board of Directors. The Manager is authorised to delegate its functions and has delegated its investment discretion with respect to the Master Fund and certain other responsibilities with respect to the Fund, the Master Fund and the Partnership to the Investment Manager.

Regulatory Status of the Manager

The Manager is exempted from the requirement to obtain a licence under the Securities Investment Business Law (Revised) of the Cayman Islands and is not subject to regulation by CIMA.

The Manager is not registered with the SEC as an investment adviser under the Advisers Act, but may register in the future.

Additionally, the Manager is registered with the CFTC as a commodity pool operator ("**CPO**") and is a member of the National Futures Association. The Manager has claimed exemptions with respect to the Fund and the Master Fund from certain of the CFTC's disclosure, reporting and record-keeping requirements applicable to registered CPOs pursuant to Rule 4.7 under the United States Commodity Exchange Act, as amended.

Management Agreement

The Manager has been appointed pursuant to a management agreement with the Fund, the Master Fund and the Partnership (the "**Management Agreement**"), subject to the control of and review by the Board of Directors, the Master Fund Board of Directors and the general partner of the Partnership, *inter alia*, to invest the assets of the Fund, the Master Fund and the Partnership, respectively, in a manner consistent with the investment objective, approach and restrictions described in this Memorandum.

The Management Agreement will remain in effect until 31 December 2017, and will automatically renew from year to year, except that it may be terminated by any party upon at least 120 days' prior written notice by the terminating party to the other parties.

Exculpation

The Management Agreement provides that, subject to the exception described below, none of the Manager or any of its affiliates or the members, partners, directors, shareholders, officers, employees and legal representatives (e.g., executors, guardians and trustees) of any of them, including persons formerly serving in such capacities (each, a "**Manager Indemnified Person**") will be liable to any Shareholder or the Fund, the Master Fund or the Partnership for any costs, losses, claims, damages, liabilities, expenses (including, without limitation, reasonable legal and other professional fees and disbursements), judgments, fines or settlements (collectively, "**Manager Indemnified Losses**") arising out of, related to or in connection with any act or omission (including any act, omission or alleged act or omission constituting or alleged to constitute negligence) of such Manager Indemnified Person taken, or omitted to be taken, in connection with the Fund, the Master Fund, the Partnership or the Management Agreement, except for any Manager Indemnified Losses arising out of, related to or

in connection with any act or omission that is found by a court of competent jurisdiction upon entry of a final judgment rendered and unappealable or not timely appealed ("**Judicially Determined**") to be primarily attributable to the bad faith, gross negligence, wilful misconduct or actual fraud of such Manager Indemnified Person. In addition, subject to the exception described below, no Manager Indemnified Person will be liable to any Shareholder or the Fund, the Master Fund or the Partnership for any Indemnified Losses arising out of, related to or in connection with any act or omission taken, or omitted to be taken, by any broker of the Master Fund or agent of the Fund, the Master Fund or the Partnership if such broker or agent was not selected, engaged or retained by such Manager Indemnified Person directly or on behalf of the Fund, the Master Fund or the Partnership (as applicable) in violation of the standard of care set forth above. Any Manager Indemnified Person may consult with counsel, accountants, investment bankers, financial advisers, appraisers and other specialised, reputable, professional consultants in respect of affairs of the Fund, the Master Fund or the Partnership and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such persons; provided, however, that such persons were selected in accordance with the standard of care set forth above.

Indemnification

The Management Agreement provides that, subject to the exception described below, each of the Fund, the Master Fund and the Partnership will indemnify each Manager Indemnified Person from and against any and all Manager Indemnified Losses suffered or sustained by such Manager Indemnified Person by reason of any act, omission or alleged act or omission (including any act, omission or alleged act or omission constituting or alleged to constitute negligence) arising out of, related to or in connection with the Fund, the Master Fund, the Partnership or the Management Agreement, or any and all actual or threatened claims, demands, actions, suits or proceedings (whether civil, criminal, administrative or investigative), including any formal or informal inquiries and "sweep" examinations in connection with the Master Fund's investment activity ("**Proceedings**"), in which a Manager Indemnified Person may be involved, as a party or otherwise, arising out of, related to or in connection with such Manager Indemnified Person's service to or on behalf of, or management of the affairs or assets of, the Fund, the Master Fund or the Partnership or which relate to the Fund, the Master Fund or the Partnership except for any Manager Indemnified Losses that are Judicially Determined to be primarily attributable to the bad faith, gross negligence, wilful misconduct or actual fraud of such Manager Indemnified Person. Subject to the exception described below, the Fund, the Master Fund or the Partnership will also indemnify each Manager Indemnified Person from and against any and all Manager Indemnified Losses suffered or sustained by such Manager Indemnified Person by reason of any acts, omissions or alleged acts or omissions of any broker of the Master Fund or agent of the Fund, the Master Fund or the Partnership; provided, however, that such broker or agent was not selected, engaged or retained by such Manager Indemnified Person directly or on behalf of the Fund, the Master Fund or the Partnership (as applicable) in violation of the standard of care set forth above. The termination of a Proceeding by settlement or upon a plea of *nolo contendere*, or its equivalent, will not, of itself, create a presumption that such Manager Indemnified Person's acts, omissions or alleged acts or omissions were primarily attributable to the bad faith, gross negligence, wilful misconduct or actual fraud of such Manager Indemnified Person. Expenses (including, without limitation, legal and other professional fees and disbursements) incurred in any Proceeding will be paid by the Fund, the Master Fund or the Partnership as incurred in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of such Manager Indemnified Person to repay such amount if it will ultimately be determined that such Manager Indemnified Person is not entitled to be indemnified by the Fund, the Master Fund or the Partnership.

The Investment Manager

Alpstone Capital (Suisse) SA (the "**Investment Manager**"), a société anonyme organised under the laws of Switzerland on 21 September 2016, serves as the investment manager of the Fund, the Master Fund and the Partnership.

Regulatory Status of the Investment Manager

The Investment Manager is in the process of seeking a license from the Swiss Financial Market Supervisory Authority ("**FINMA**") to act as an asset manager of collective investment schemes pursuant to the Swiss Collective Investment Schemes Act of 23 June 2006, as amended from time to time (the "**CISA**").

For purposes of the AIFM Directive, the Investment Manager has been identified as the alternative investment fund manager or "**AIFM**" of the Fund, the Master Fund and the Partnership. The professional liability coverage provisions of the AIFM Directive do not apply to the Investment Manager because the Fund is a non-EU AIF and the Investment Manager is a non-EU AIFM for purposes of the AIFM Directive.

The Investment Manager is an "exempt reporting adviser" under the Advisers Act and may register as an investment adviser in the future.

Additionally, the Investment Manager is exempt from registration with the CFTC as a commodity trading advisor.

No management function has been delegated by the Investment Manager. In the event the Investment Manager delegates a management function, the Fund or the Investment Manager will inform all Shareholders through appropriate Investor Disclosure.

Key Personnel of The Investment Manager

Set forth below is biographical information of the key personnel of the Investment Manager:

Frederic Favre, Chief Investment Officer, Portfolio Manager

Prior to co-founding the Alpstone Group in 2016, between 2008 and 2016, Frederic was a Partner and Portfolio Manager of a successful discretionary global macro strategy at BlueCrest Capital Management ("**BlueCrest**"). Over this time, the strength of the results generated significant increases of capital under management, peaking in 2015 at $1.3 billion; one of the largest allocations within the BlueCrest Capital International Fund. Prior to BlueCrest, Frederic was a senior derivatives trader at Barclays Global Investors (BGI), predominantly responsible for establishing a Fixed Income derivatives capability, developing strategies to create hedge funds in Fixed Income and Credit. Prior to this he was a hedge fund strategies analyst at HDF Finance. Frederic started his career at Paribas (BNP Paribas) in 1998, with roles covering trading strategies and risk management, across a breadth of asset classes. He holds a post-graduate degree DESS 203 (1999) in Financial Markets from University Paris-Dauphine and the equivalent of a BSc. in Management Science (1996) and an MSc. in Finance (1997) from Institut National des Telecoms.

Alexandre Germak, Deputy CIO, Head of Research

Prior to co-founding the Alpstone Group in 2016, between 2008 and 2016, Alexandre was a Partner at BlueCrest, working alongside Frederic Favre. Over this time, he worked on the addition of numerous markets and trading signals to the Global Macro strategy. Prior to BlueCrest, Alexandre was a

research analyst at Barclays Global Investors (BGI), again working with Frederic on the development of hedge fund trading strategies in Fixed Income and currency markets. He holds the equivalent of a BSc. in Applied Mathematics from DEA EL-KAROUI (2001) and an MSc. in Computer Science from DEA EL-KAROUI (2003).

Investment Management Agreement

The Investment Manager has been appointed pursuant to an investment management agreement with the Fund, the Master Fund, the Partnership and the Manager (the "**Investment Management Agreement**"), subject to the control of and review by the Board of Directors, the Master Fund Board of Directors and the general partner of the Partnership, *inter alia*, to invest the assets of the Fund, the Master Fund and the Partnership, respectively, in a manner consistent with the investment objective, approach and restrictions described in this Memorandum.

The Investment Management Agreement will remain in effect until 31 December 2017, and will automatically renew from year to year, except that it may be terminated by any party upon at least 90 days' prior written notice by the terminating party to the other party.

Exculpation

The Investment Management Agreement provides that, subject to the exception described below, none of the Investment Manager or any of its affiliates or the members, partners, directors, shareholders, officers, employees and legal representatives (e.g., executors, guardians and trustees) of any of them, including persons formerly serving in such capacities (each, an "**IM Indemnified Person**") will be liable to any Shareholder or the Fund, the Master Fund or the Partnership for any costs, losses, claims, damages, liabilities, expenses (including, without limitation, reasonable legal and other professional fees and disbursements), judgments, fines or settlements (collectively, "**IM Indemnified Losses**") arising out of, related to or in connection with any act or omission (including any act, omission or alleged act or omission constituting or alleged to constitute negligence) of such IM Indemnified Person taken, or omitted to be taken, in connection with the Fund, the Master Fund, the Partnership or the Investment Management Agreement, except for any IM Indemnified Losses arising out of, related to or in connection with any act or omission that is Judicially Determined to be primarily attributable to the bad faith, gross negligence, wilful misconduct or actual fraud of such IM Indemnified Person. In addition, subject to the exception described below, no IM Indemnified Person will be liable to any Shareholder or the Fund, the Master Fund or the Partnership for any IM Indemnified Losses arising out of, related to or in connection with any act or omission taken, or omitted to be taken, by any broker of the Master Fund or agent of the Fund, the Master Fund or the Partnership if such broker or agent was not selected, engaged or retained by such IM Indemnified Person directly or on behalf of the Fund, the Master Fund or the Partnership (as applicable) in violation of the standard of care set forth above. Any IM Indemnified Person may consult with counsel, accountants, investment bankers, financial advisers, appraisers and other specialised, reputable, professional consultants in respect of affairs of the Fund, the Master Fund or the Partnership and be fully protected and justified in any action or inaction that is taken in accordance with the advice or opinion of such persons; provided, however, that such persons were selected in accordance with the standard of care set forth above.

Indemnification

The Investment Management Agreement provides that, subject to the exception described below, the Fund, the Master Fund or the Partnership will indemnify each IM Indemnified Person from and against any and all Indemnified Losses suffered or sustained by such IM Indemnified Person by

reason of any act, omission or alleged act or omission (including any act, omission or alleged act or omission constituting or alleged to constitute negligence) arising out of, related to or in connection with the Fund, the Master Fund, the Partnership or the Investment Management Agreement, or any Proceedings, in which an IM Indemnified Person may be involved, as a party or otherwise, arising out of, related to or in connection with such IM Indemnified Person's service to or on behalf of, or management of the affairs or assets of, the Fund, the Master Fund or the Partnership or which relate to the Fund, the Master Fund or the Partnership, except for any IM Indemnified Losses that are Judicially Determined to be primarily attributable to the bad faith, gross negligence, wilful misconduct or actual fraud of such IM Indemnified Person. Subject to the exception described below, the Fund, the Master Fund or the Partnership will also indemnify each IM Indemnified Person from and against any and all Indemnified Losses suffered or sustained by such IM Indemnified Person by reason of any acts, omissions or alleged acts or omissions of any broker or agent of the Fund, the Master Fund or the Partnership; provided, however, that such broker or agent was not selected, engaged or retained by such IM Indemnified Person directly or on behalf of the Fund, the Master Fund or the Partnership (as applicable) in violation of the standard of care set forth above. The termination of a Proceeding by settlement or upon a plea of nolo contendere, or its equivalent, will not, of itself, create a presumption that such IM Indemnified Person's acts, omissions or alleged acts or omissions were primarily attributable to the bad faith, gross negligence, wilful misconduct or actual fraud of such IM Indemnified Person. Expenses (including, without limitation, legal and other professional fees and disbursements) incurred in any Proceeding will be paid by the Fund, the Master Fund or the Partnership as incurred in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of such IM Indemnified Person to repay such amount if it will ultimately be determined that such IM Indemnified Person is not entitled to be indemnified by the Fund, the Master Fund or the Partnership.

MANAGEMENT FEE

The Fund will pay to the Manager a fee for its services (the "**Management Fee**") for each month equal to a twelfth of the result of the applicable Management Fee Rate multiplied by the net asset value of each series of Shares as of the end of such month (before taking into account the estimated accrued Incentive Fee, if any). The Fund will calculate and pay the Management Fee in arrears.

"**Management Fee Rate**" means 2% per annum of each series of A Shares.

The Fund will pay the Management Fee within 10 days of the last day of each month. The Board of Directors may, without the consent of the Shareholders, cause the Management Fee to be charged to and paid by the Master Fund instead of the Fund.

The Management Fee will be prorated for any redemption by a Shareholder that is effective other than as of the last day of a month.

In the sole discretion of the Manager, the Management Fee may be waived, reduced or calculated differently with respect to the series of Shares of any Shareholder, including, without limitation, any Investment Manager-Related Investor (as defined below).

"**Investment Manager-Related Investor**" means any member, director, shareholder, partner, affiliate or employee of the Manager or the Investment Manager or their affiliates, and any trust or other entity for the benefit of such a person that invests directly or indirectly in the Fund.

In consideration for the Management Fee, the Manager or the Investment Manager will provide office space and utilities; certain administrative services; and secretarial, clerical and other personnel to the Fund. The Manager or the Investment Manager will bear the costs of providing such goods and services, and all of their own overhead costs and expenses, except to the extent such goods, services, costs and expenses are permitted hereunder.

The Manager may, in its sole discretion, pay a portion of the Management Fee to intermediaries, placement agents or other third parties.

INCENTIVE FEE

Generally, at the end of each Fiscal Year, the Fund will pay to the Manager an amount (the "**Incentive Fee**") equal to the result of the applicable Incentive Fee Rate multiplied by the net realised and unrealised appreciation in the net asset value of each series of Shares, adjusted for any redemption of Shares in the series since the last calculation of the Prior High NAV of such series of Shares and for any accruals of the Incentive Fee during the relevant Fiscal Year (the "**Adjusted NAV**"); provided, however, that the Fund will pay an Incentive Fee only with respect to the excess of the Adjusted NAV of a series of Shares over its Prior High NAV. The Incentive Fee will also be paid with respect to amounts redeemed or transferred such that the transfer results in a change in the beneficial ownership of Shares and upon the dissolution of the Fund or the Master Fund.

"**Incentive Fee Rate**" means 20% of each series of A Shares.

The "**Prior High NAV**" of each series of Shares is the net asset value of that series immediately following the date as of which the last Incentive Fee earned with respect to such series was determined (or if no Incentive Fee has yet been determined with respect to such series, the net asset value of such series immediately following the initial issuance of such series) reduced by any Investor-Related Tax accrued or paid subsequent to either such date.

"**Investor-Related Tax**" means tax withheld, directly or indirectly, from the Fund or the Master Fund or paid over by the Fund or the Master Fund that is determined based on the status, action or inaction (including the failure of a Shareholder to provide information to eliminate or reduce withholding or other taxes) of a Shareholder.

If Shares of a particular series are redeemed other than at the end of a Fiscal Year as of which an Incentive Fee is payable with respect to such series, the Prior High NAV of such series will be reduced in the same proportion as the reduction in the net asset value of that series caused by such redemption. If the Management Agreement is terminated at any time other than at the end of a Fiscal Year of the Fund, the Manager will receive any Incentive Fee that has accrued in respect of the Shares through the date of termination.

The Incentive Fee will be paid separately with respect to each series of Shares issued to a Shareholder. Accordingly, it is possible that an Incentive Fee may be payable with respect to one series of Shares even though another series of Shares held by the same Shareholder has not appreciated, or has depreciated in value during the same period.

In the sole discretion of the Manager, the Incentive Fee may be waived, reduced or calculated differently with respect to the series of Shares of any Shareholder, including, without limitation, any Investment Manager-Related Investor. To facilitate any such waiver, reduction or different calculation, the Fund may issue Shares of a separate class, series or sub-series.

EXPENSES

Expenses of the Fund

The Fund will bear its own expenses and its pro rata share of the Master Fund's expenses and any trading vehicle's expenses, including, without limitation, the following: (i) the Management Fee; (ii) the Incentive Fee; (iii) expenses related to brokerage, prime brokerage and futures commission merchant fees, commissions and expenses; expenses relating to short sales; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and fees related to financings or refinancings; (iv) organisational and reorganisational expenses; and (v) operational expenses, including, without limitation, the following: fees and expenses to facilitate valuations, facilitate accounting functions, facilitate compliance with the rules of any self-regulatory organisation or applicable law (including, without limitation, reporting obligations); third-party administrative fees and expenses; fees and expenses of third-party professionals, including, without limitation, consultants, valuation service providers, attorneys and accountants; the Fund's costs of any litigation or investigation involving activities of the Fund, the Master Fund or any trading vehicle; third-party audit and tax preparation expenses; insurance expenses, including, without limitation, premiums for cybersecurity insurance and liability insurance; fees, expenses (including, without limitation, expenses related to the organisation and conduct of directors' and shareholders' meetings (including, without limitation, travel, lodging and meal expenses), and director registration fees) and salaries of the Fund's, the Master Fund's and any trading vehicle's directors and officers; costs of preparing and distributing reports and notices; entity-level taxes; expenses incurred in connection with negotiating and complying with provisions of any Other Agreement; fees and expenses related to compliance with the rules of any self-regulatory organisation or applicable law in connection with the activities of the Fund, the Master Fund or any trading vehicle, including, without limitation, any governmental, regulatory, licensing, filing or registration fees or taxes (including, without limitation, fees and expenses incurred in connection with the preparation and filing of Annex IV, Form CPO-PQR, and other similar regulatory filings); expenses incurred in connection with the offering and sale of the Shares and other similar expenses related to the Fund; extraordinary expenses, including, without limitation, the following: indemnification expenses; fees and expenses incurred in connection with any tax audit, including, without limitation, any related administrative settlement and judicial review; and fees and expenses incurred in connection with the reorganisation, dissolution, winding-up or termination of the Fund, the Master Fund or any trading vehicle.

Any expenses of the Fund and any other feeder fund(s) to the Master Fund (including, without limitation, organisational expenses of the Fund and such other feeder fund(s) but excluding the Management Fee, the Incentive Fee and Investor-Related Tax (if any) of the Fund and any equivalent fees or any taxes payable by any other feeder fund(s)) may be paid by the Master Fund and allocated to its feeder fund(s) pro rata based upon their relative ownership of the Master Fund. Accordingly, the Fund may indirectly bear a portion of the expenses of other feeder fund(s) to the Master Fund.

Generally, all expenses borne by the Fund, other than the Management Fee, the Incentive Fee and any expenses that the Board of Directors determines should be allocated to a particular Shareholder or Shareholders (e.g., Investor-Related Tax), will be charged against the Shares of all the Shareholders on a pro rata basis. Any expenses attributable to a particular series or sub-series will be allocated solely to such series or sub-series, including, without limitation, any costs of currency hedging. To the extent that expenses to be borne by the Fund are paid by the Manager or the Investment Manager, the Fund will reimburse such party for such expenses.

The Fund does not have a pre-determined limit on its ordinary or extraordinary operating expenses. The Fund's actual annual operating expenses are disclosed in the Fund's year-end audited financial statements, which are provided to each Shareholder.

If any of the expenses listed above are incurred jointly for the account of the Master Fund and any Other Accounts, such expenses will be allocated among the Master Fund and such Other Accounts in proportion to the size of the investment made by each to which such expense relates, or in such other manner as the Board of Directors considers fair and equitable.

Organisational and Offering Expenses

Certain of the Fund's and the Master Fund's organisational and initial offering expenses may, for accounting purposes, be amortised by the Fund and the Master Fund for up to a 60-month period. Amortisation of such expenses over a period that is up to 60 months is a divergence from US generally accepted accounting principles ("**GAAP**"), which might, in certain limited circumstances, result in a qualification of the Fund's and Master Fund's annual audited financial statements. If the Fund and the Master Fund amortise their expenses but terminate before such expenses are fully amortised, the unamortised portion of the organisational expenses will be debited against the Fund's and the Master Fund's assets at that time. If a Shareholder redeems all or any portion of its Shares prior to the end of the 60-month period during which the Fund is amortising expenses, the Board of Directors may, but is not required to, accelerate a proportionate share of the unamortised expenses based upon the amount being redeemed and reduce redemption proceeds by the amount of such accelerated expenses.

THE SHARES AND THE MASTER FUND SHARES

Offering of Shares

The Fund may admit new Shareholders and accept subscriptions as of the first day of each month or such other day as the Board of Directors may determine in its sole discretion (each, a "**Subscription Date**"). The proceeds from the sale of Shares will be available for the Fund's investment program, after the payment of the Fund's organisational, offering and operational expenses.

The Fund is currently offering, pursuant to this Memorandum, redeemable, participating, voting A shares ("**A Shares**" and together with such other shares of the Fund as the Fund may issue from time to time, the "**Shares**"), which are denominated in US Dollars.

The Fund, in the sole discretion of the Board of Directors, may establish additional classes of Shares, series or sub-series and enter into Other Agreements that provide for different or additional terms than those of the Shares described in this Memorandum, including by way of example different Management Fee Rate, Incentive Fee Rate, Early Redemption Amounts, functional currencies, information rights and redemption rights. The Board of Directors may establish new classes, series or sub-series of Shares and enter into Other Agreements without providing notice to, or receiving consent from, the Shareholders. The Board of Directors and the Investment Manager may, in their sole discretion, determine the terms of such classes, series, sub-series of Shares and any Other Agreements. (See "Other Activities of Management; Potential Conflicts of Interest — Other Agreements".)

General

The minimum initial subscription for each subscriber is US$1,000,000 for A Shares. A Shareholder may make additional subscriptions to the Fund in amounts of at least US$1,000,000. All subscriptions for Shares are irrevocable. The Board of Directors in its sole discretion may accept subscriptions of lesser amounts or establish different minimums or reject any subscription, in whole or in part, for any reason or no reason; provided that at no time will the Fund accept a minimum initial subscription of less than US$100,000 or such other minimum amount as specified under Cayman Islands law from time to time.

Each subscription by each Shareholder will be for a separate series (and, if applicable, sub-series) of Shares for purposes of determining the redemption rights and Incentive Fee terms applicable to such subscription. If a Shareholder makes multiple subscriptions and thus holds multiple series or sub-series of Shares, redemption rights and Incentive Fees will be determined independently with respect to each series or sub-series held by the Shareholder. Unless the context indicates otherwise, references to "Shares" and "series" in the context of redemption rights and Incentive Fees should be understood to refer to a particular series (or, if applicable, sub-series) and not the aggregate shareholdings of a Shareholder. Subscription monies will be invested and at risk from the applicable Subscription Date, irrespective of whether there is an administrative delay in updating the books and records of the Fund, including the register of Shareholders.

Sales Charge

There will be no sales charges payable to the Manager, the Investment Manager, their affiliates or the Fund in connection with the offering of Shares. However, the Manager, the Investment Manager, their affiliates and/or the Fund may enter into agreements with placement agents providing for one-time or ongoing payments from the Fund based upon the amount of a Shareholder's subscriptions or the

Management Fees and/or Incentive Fees borne by a Shareholder that was introduced to the Fund by the placement agent.

The Shares are issued in series in registered, book-entry form at a purchase price of US$1,000 per Share denominated in US Dollars, subject to the minimum subscription amount. A new series of Shares generally will be issued to each Shareholder on each date that Shares are purchased.

Series Roll-Up

At the end of each Fiscal Year, certain issued and outstanding series of Shares of a class held by each Shareholder, other than the first series of Shares of that class held by such Shareholder (the "**Roll-Up Series**"), may be redesignated and converted into Shares of the Roll-Up Series (after the payment of any Incentive Fee and the Management Fee) (such conversion of Shares being referred to as a "**Series Roll-Up**") at their respective net asset value per Share of the Roll-Up Series; provided, however, that no Series Roll-Up will occur with respect to a series of Shares if, at the end of a Fiscal Year, the net asset value of such series is below its Prior High NAV, the net asset value of the Roll-Up Series is below its Prior High NAV or the applicable Lock-Up Period, if any, has not expired.

Master Fund Shares

The Master Fund will be issuing one class of shares with respect to subscriptions by the Fund and the Partnership (the "**Master Fund Shares**").

REDEMPTIONS

Voluntary Redemptions

Subject to the limitations on redemptions set forth herein, each Shareholder may as of the last day of each month (each such date, and any other day on which a redemption is permitted or required by the Board of Directors, a "**Redemption Date**"), upon at least 60 days' prior written notice to the Administrator, redeem all or a portion of its Shares; provided, however, that redemption proceeds from Shares redeemed prior to the last day of the applicable Lock-Up Period will be reduced by an amount equal to 3% of the amount requested to be redeemed (the amount of such reduction, the "**Early Redemption Amount**"). Early Redemption Amounts will be retained by the Master Fund for the benefit of the continuing investors in the Fund and the Master Fund. The Board of Directors may, in its sole discretion, reduce or waive the Early Redemption Amount with respect to any Shareholder or class.

"**Lock-Up Period**" means, with respect to any subscription, the period commencing on the Subscription Date of such subscription and ending on the last day of the twelfth full month following such Subscription Date.

A redemption notice will be irrevocable unless the Board of Directors, in its sole discretion, permits the redemption notice to be revoked.

Fund-Level Gate

In the event that the Master Fund receives redemption requests and the redemption amounts pursuant to such requests exceed, in the aggregate, an amount equal to 25% of the net asset value of the Master Fund as of the applicable Redemption Date, the Master Fund Board of Directors may, in its sole discretion, (i) satisfy all such redemption requests or (ii) reduce all such redemption requests so that only 25% (or more, in the sole discretion of the Master Fund Board of Directors) of the net asset value of the Master Fund is redeemed on any Redemption Date (the "**Fund-Level Gate**"). Shareholders whose redemption amounts are reduced pursuant to the Fund-Level Gate will participate in the aggregate amount available for redemption on a pro rata basis in accordance with the net asset value of their Shares.

To the extent that a Shareholder's requested redemption amount has been reduced by restrictions imposed by the Fund-Level Gate, such Shareholder will have to submit an additional redemption request to the extent it desires to have the remaining balance of such amount redeemed; provided, that all redemption restrictions and requirements, including the Fund-Level Gate, will be applicable with respect to such requests; provided, further, however, that any redemption request that remains unsatisfied for more than twelve (12) consecutive Redemption Dates as a result of the Fund-Level Gate will be satisfied as of the next Redemption Date, provided that the Fund is not in liquidation or dissolution. For the avoidance of doubt, any such redemption request will not have priority over any later redemption requests received for the same Redemption Date.

Shares not redeemed from the Fund by virtue of restrictions imposed by the Fund-Level Gate will remain invested in the Fund and, therefore, will remain subject to the risks of the Fund and subject to the Management Fee, the Incentive Fee and the expenses of the Fund until such time as they are redeemed from the Fund.

Key Person Event

The Fund will notify all Shareholders within 30 days of the occurrence of any of the following events and circumstances: (i) the death of both Frederic Favre and Alexandre Germak(the "**Principals**"); (ii)

both Principals are unable, by reason of illness or injury, to substantially perform his functions for the Investment Manager and any of its affiliates for 90 consecutive days; and (iii) both Principals, for any reason other than death, illness or injury, cease to be actively involved in the day-to-day management of the Master Fund (a "**Key Person Event**"). During the period commencing upon the date that notice of the Key Person Event is provided to the Shareholders and ending on the 75th day following such date (the "**Key Person Suspension Period**"), redemptions may not be made so as to facilitate an orderly transition in the management of the Fund's affairs. Each Shareholder may on the next Redemption Date following such 75 day period, upon at least 60 days' prior written notice to the Administrator redeem all or a portion of its Shares without being subject to any Lock-Up Period or the Fund-Level Gate.

The Fund will distribute redemption proceeds payable in connection with a Key Person Event on the terms set forth in this Memorandum for regular redemptions.

Payment of Redemption Proceeds

Subject to the limitations on redemptions described herein, the Fund will pay redemption proceeds without interest and within 30 days after the applicable Redemption Date; except that if a Shareholder elects to redeem 95% or more of the net asset value of a particular series of Shares, the Fund may pay the Shareholder an amount equal to at least 95% of the estimated redemption proceeds (computed on the basis of unaudited data as of the Redemption Date) within 30 days after the Redemption Date. If a Shareholder elects to redeem 95% or more of the net asset value of a particular series of Shares in the aggregate during a Fiscal Year by means of more than one redemption, the "holdback" amount described above will be adjusted to reflect the aggregate redemption amounts made during such Fiscal Year. The Fund will pay the Shareholder's balance (subject to audit adjustments and without interest) as soon as practicable after the issuance of the audit of the Fund's books for the Fiscal Year in which such Redemption Date occurs. If a Shareholder holds more than one series of Shares, the Board of Directors may, in its sole discretion, pay such Shareholder more than 95% of the estimated redemption proceeds (computed on the basis of unaudited data as of the Redemption Date) attributable to the fully redeemed series of Shares, and in the event of an audit adjustment that exceeds the amount held back (or if no amount was held back), the Board of Directors may debit such Shareholder's remaining series of Shares with the amount of the audit adjustment to the extent the amount held back was less than the audit adjustment or no amount was held back. Redemption proceeds payable to a redeeming Shareholder will be reduced by any applicable Early Redemption Amount and any Incentive Fee payable with respect to the redeemed Shares. If a Shareholder has made more than one subscription to the Fund, redemptions proceeds will be accepted and processed on a "first-in, first-out" basis.

Although it is unlikely, the Fund may, in the sole discretion of the Board of Directors, make distributions in cash or in kind, or in a combination thereof, in connection with a voluntary or required redemption of Shares by a Shareholder. In each case, each asset selected by the Board of Directors, in consultation with the Master Fund Board of Directors, to be paid in kind to any redeeming Shareholder may be paid to such redeeming Shareholder in such amounts as determined by the Board of Directors, in consultation with the Master Fund Board of Directors. In-kind distributions may be comprised of, among other things, interests in special purpose vehicles holding the actual investment or participations in the actual investment or participation notes (or similar derivative instruments), which provide a return with respect to certain Securities of the Master Fund. Each special purpose vehicle will bear its own expenses. (See "Certain Risk Factors — Risks Relating to the Structure of the Fund — In-Kind Payments; Liquidating SPVs".) In the discretion of the Board of Directors, the Fund may make distributions in cash or in kind, or in a combination thereof, at any time to all of the

Shareholders. The Board of Directors may, in consultation with the Master Fund Board of Directors, choose which assets of the Master Fund to pay in kind.

In order to meet redemption requests made in connection with a Key Person Event, the Master Fund will liquidate portfolio positions in a commercially reasonable manner. To ensure that the liquidation of portfolio positions under such circumstances does not adversely affect non-redeeming Shareholders and non-withdrawing limited partners of the Partnership Fund, the Fund may suspend redemptions temporarily or wind down the Fund. Until such redemption requests are satisfied, the redeeming Shareholders will remain subject to the risks of the Master Fund's portfolio.

Suspension

The Master Fund Articles provide that the Master Fund Board of Directors may suspend the determination of the net asset value of the Master Fund and the net asset value of each Master Fund shareholder's shares and/ or redemption rights, in whole or in part:

(i) during any period when any stock exchange or over-the-counter market on which the Master Fund's investments are quoted, traded or dealt in is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended;

(ii) during the existence of any state of affairs as a result of which, in the opinion of the Master Fund Board of Directors, disposal of the Master Fund's assets, or the determination of the net asset value of each Master Fund shareholder's shares, is not reasonably practicable or is reasonably expected to be prejudicial to the non-redeeming shareholders or the Master Fund as a whole;

(iii) during the existence of any state of affairs as a result of which disposal of a portion of the Master Fund's assets deemed significant by the Master Fund Board of Directors is restricted under applicable securities laws or regulations;

(iv) during any breakdown in the means of communication normally employed in determining the price or value of the Master Fund's assets or liabilities, or of current prices in any financial market as aforesaid, or when for any other reason the prices or values of any assets or liabilities of the Master Fund cannot reasonably be promptly and accurately ascertained;

(v) during any period when redemptions would cause a material breach or default under any covenant in any agreement entered into by the Master Fund, including, without limitation, an agreement for borrowing or other financing agreement;

(vi) during any period when the transfer of funds involved in the realisation or acquisition of any investments cannot, in the opinion of the Master Fund Board of Directors, be effected at normal rates of exchange; or

(vii) during the period in which the Fund and/or the Master Fund is winding down its business.

The Board of Directors may suspend the determination of the net asset value of the Fund and the net asset value of any series or sub-series of Shares and/or redemption rights, in whole or in part, in circumstances and on terms similar to those set out above, with respect to the Master Fund and in addition during any period when the Master Fund suspends the determination of its net asset value, redemption rights, in whole or in part.

The Board of Directors will provide written notice to each affected Shareholder of a suspension of the determination of the net asset value of the Fund or any series or sub-series of Shares and/or redemption rights. Upon the determination by the Board of Directors that the condition giving rise to a suspension has ceased to exist and no other condition under which suspension is authorised exists, such suspension will be lifted and written notice will be sent to the affected Shareholders regarding the lifting of such suspension and the next date as of which Shareholders may redeem all or a portion of their Shares.

Upon a suspension of redemption rights, all pending redemption requests will be automatically revoked, and no requests subsequently received will be accepted until such time as the Board of Directors permits Shareholders to submit redemption requests in anticipation of lifting the suspension.

Soft Wind Down

If the Master Fund Board of Directors, in consultation with the Investment Manager, decides that the investment program of the Master Fund is no longer viable, it may resolve that the Fund be managed with the objective of realising assets in an orderly manner and distributing the proceeds to its shareholders in such manner as they determine to be in the best interests of the Fund, in accordance with the terms of the Master Fund Articles and this Memorandum, including, without limitation, by compulsorily redeeming Master Fund Shares, paying any dividend proceeds in specie and/or declaring a suspension while assets are realised. This process is integral to the business of the Master Fund and may be carried out without recourse to a formal liquidation under the Companies Law or any other applicable bankruptcy or insolvency regime, but will be without prejudice to the right of the shareholder(s) to place the Master Fund into liquidation. The Management Fee and Incentive Fee will be payable during such orderly realisation on the same basis as described herein.

Required Redemptions

The Board of Directors may, in its sole discretion, require any Shareholder to redeem all or a portion of its Shares at any time without prior notice, for any reason or no reason. A Shareholder that is required to redeem all or a portion of its Shares will be treated for all purposes and in all respects as a Shareholder that has given notice to voluntarily redeem such Shares, except that no Early Redemption Amount will be imposed and neither the Fund-Level Gate nor any Lock-Up Period will apply with respect to such redemption.

The Board of Directors may, in its sole discretion, modify or waive any or all of the redemption terms with respect to any Shareholder, class, series or sub-series, including, without limitation, a Shareholder that is, or a class, series or sub-series held by, an Investment Manager-Related Investor.

Liquidity Management

The liquidity risk management provisions of the AIFM Directive do not apply to the Fund because the Fund is a non-EU AIF and the Investment Manager is a non-EU AIFM for purposes of the AIFM Directive.

Notwithstanding the foregoing, the Investment Manager will maintain liquidity management systems and procedures that are intended to allow the Investment Manager to manage the Master Fund's illiquid assets and address any related valuation issues in an effort to satisfy regular redemption requests.

The Investment Manager will notify Shareholders of any material changes to the liquidity management systems and procedures applicable to the Fund. The Fund or the Investment Manager will make this information available to all Shareholders through appropriate Investor Disclosure at least annually or sooner if required by applicable law.

Except as disclosed herein, none of the Fund's assets is subject to special arrangements arising from its illiquid nature. In the event this changes, the Fund or the Investment Manager will inform all Shareholders of the percentage of the Fund's assets that are subject to special arrangements including, without limitation, the Fund-Level Gate through appropriate Investor Disclosure at least annually or sooner if required by applicable law.

CERTAIN RISK FACTORS

Prospective Shareholders should carefully consider the risks involved in an investment in the Fund, including, without limitation, those discussed below. Additional or new risks not addressed below may affect the Fund. The following list of risk factors cannot be and is not intended to be exhaustive. Prospective Shareholders should consult their own legal, tax and financial advisers about the risks of an investment in the Fund. The following risk factors and other relevant risks could have a material adverse effect on the Fund and the Shareholders' investments therein.

Risks Relating to Private Investment Funds Generally

Legal and Regulatory Environment for Private Investment Funds and their Managers

The legal, tax and regulatory environment worldwide for private investment funds (such as the Fund and the Master Fund) and their managers is evolving. Changes in the regulation of private investment funds, their managers, and their trading and investing activities may have a material adverse effect on the ability of the Master Fund to pursue its investment program and the value of investments held by the Master Fund. There has been an increase in scrutiny of the private investment fund industry by governmental agencies and self-regulatory organisations. New laws and regulations or actions taken by regulators that restrict the ability of the Master Fund to pursue its investment program or employ brokers and other counterparties could have a material adverse effect on the Fund and the Shareholders' investments therein. In addition, the Manager and/or the Investment Manager may, in its sole discretion, cause the Fund or the Master Fund to be subject to certain laws and regulations if it believes that an investment or business activity is in the Master Fund's interest, even if such laws and regulations may have a detrimental effect on one or more Shareholders.

Dodd-Frank Act

The US Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was enacted in July 2010. The Dodd-Frank Act has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Under the Dodd-Frank Act, the CFTC and the SEC have mandated (and will mandate) new record-keeping, reporting, central clearing and mandatory trading on electronic facilities requirements for investment advisers, which add costs to the legal, operational and compliance obligations of the Investment Manager and the Fund and increase the amount of time that the Investment Manager spends on non-investment-related activities. The Dodd-Frank Act affects a broad range of market participants with whom the Fund interacts or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker-dealers, and may change the way in which the Investment Manager conducts business with its counterparties. It may take years to understand the impact of the Dodd-Frank Act on the financial industry as a whole, and therefore, the continued uncertainty may make markets more volatile and make it difficult for the Investment Manager to execute the investment strategy of the Master Fund.

Alternative Investment Fund Managers Directive

The AIFM Directive regulates (i) AIFMs based in the EU, (ii) the management of any AIF established in the EU (irrespective of where an AIF's AIFM is based), and (iii) the marketing in the EU of the securities of any AIF, whether conducted by an EU AIFM, a non-EU AIFM or a third-party. As an AIFM authorised to manage the Fund in the EU, the Investment Manager is required to comply with numerous obligations in relation to its own operations and in relation to the AIFs that it manages, which may create significant compliance costs and burdens.

Pursuant to the AIFM Directive, the Investment Manager, as a non-EU AIFM marketing a non-EU AIF (i.e., the Fund) to persons within the EU, is required to, among other things: (i) confirm that the regulatory authorities of Switzerland and the Cayman Islands have entered into a cooperation-and-information-sharing agreement with the regulator of each EU country into which the Fund is to be marketed; (ii) confirm that the Cayman Islands is not listed as a non-cooperative country for the purposes of the Financial Action Task Force; and (iii) provide EU investors and the regulators of such investors' EU countries with the Fund's annual financial report[**] and certain additional information about the Fund.[***]

In addition, the Fund as a non-EU AIF managed by a non-EU AIFM may only be marketed to investors in the EU in accordance with applicable national private placement rules. Each EU country has discretion over its own national private placement rules and has the authority to remove these rules or enact new rules that may require AIFs to become registered with the local regulator before securities can be offered in that country. "Reverse solicitation", where an EU investor approaches a non-EU AIFM regarding shares in a non-EU AIF, is outside the scope of the AIFM Directive and remains permissible in EU jurisdictions as it is at present. The Fund, the Master Fund, the Manager or the Investment Manager may be required to take significant measures to comply with national rules implementing the AIFM Directive in those countries of the EU where the Fund is to be marketed. Compliance with the requirements of the AIFM Directive and marketing rules in the EU may be costly (e.g., if numerous EU registrations are required) or could require significant amendments to be made to the structure of the Fund (such as redomiciling the Fund, if EU investors were to become the principal target for fund-raising).

Any regulatory changes arising from implementation of the AIFM Directive may increase the expenses of the Fund, the Master Fund, the Manager or the Investment Manager related to compliance therewith and may impair the ability of the Investment Manager to market Shares in the EU in the future. As a result, such regulatory changes may have a material adverse effect on the Master Fund's ability to achieve its investment objective.

Systemic Risk

Systemic risk is the risk of broad financial system stress or collapse triggered by the default of one or more financial institutions, which results in a series of defaults by other interdependent financial

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[**] Pursuant to Article 22 of the AIFM Directive, the annual financial report must at least contain the following: (i) a balance sheet or a statement of assets and liabilities; (ii) an income and expenditure account for the financial year; (iii) a report on the activities of the financial year; (iv) any material changes in the information listed in the AIF's required disclosure to investors during the financial year covered by the report; (v) the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the AIF; and (vi) the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF.

[***] Pursuant to Article 23 of the AIFM Directive, AIFMs must ensure that any AIFs that they are marketing into the EU make available to AIF investors certain disclosures, including the disclosure of certain information that has historically been disclosed to investors as a matter of industry best practice, as well as certain information that may increase the compliance burden for certain AIFs, including, without limitation: (i) a description of how the AIFM covers potential professional liability risks; (ii) a description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors; and (iii) a description of how the AIFM ensures the fair treatment of investors and when, how and who may obtain preferential treatment.

institutions. Financial intermediaries, such as clearinghouses, banks, securities firms and exchanges with which the Master Fund interacts, as well as the Master Fund, are all subject to systemic risk. A systemic failure could have material adverse consequences on the Master Fund and on the markets for the Securities in which the Master Fund seeks to invest.

Assumption of Business, Terrorism and Catastrophe Risks

The Master Fund may be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including, without limitation, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events. These risks of loss can be substantial and could have a material adverse effect on the Master Fund, the Fund and the Shareholders' investments therein.

Requests for Information

The Fund, the Master Fund or any of its or their directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law (e.g., by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (Revised), or by the Tax Information Authority, under the Tax Information Authority Law (Revised) and associated regulations, agreements, arrangements and memoranda of understanding). Disclosure of confidential information under such laws will not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, the Master Fund and any of its or their directors or agents may be prohibited from disclosing that the request has been made.

Handling of Mail

Mail addressed to the Fund or the Master Fund and received at their registered office will be forwarded unopened to the forwarding address supplied by the Administrator to be dealt with. None of the Fund, the Master Fund, their respective directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, the Directors and the Master Fund Board of Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund or the Master Fund).

Restriction on Auditors' Liability

Cayman Islands law does not restrict the ability of auditors to limit their liability. Consequently, the engagement letter entered into between the Fund and the Auditors may contain such a limitation on liability provision as well as provisions indemnifying the Auditors in certain circumstances. An engagement letter containing similar terms may be entered into between the Master Fund and the auditor to the Master Fund.

Risks Relating to Management

No Operating History

Each of the Fund, the Master Fund, the Manager and the Investment Manager is a newly formed entity and does not have any operating history upon which prospective Shareholders can evaluate their anticipated performance. The investment professionals of the Investment Manager have been using investment strategies similar to the investment strategies described herein for several years.

However, there can be no assurance that the Fund, the Master Fund, the Manager or the Investment Manager will achieve results comparable to those that the investment professionals have achieved in the past.

Dependence on the Investment Manager

The success of the Fund is dependent upon the ability of the Investment Manager to manage the Master Fund and effectively implement the Master Fund's investment program. The Fund's governing documents do not permit the Shareholders to participate in the management and affairs of the Fund. If the Fund or any of the Other Accounts managed by the Investment Manager were to incur substantial losses or were subject to an unusually high level of redemptions or withdrawals, the revenues of the Investment Manager may decline substantially. Such losses and/or redemptions may impair the Investment Manager's ability to provide the same level of service to the Fund as it has in the past and continue operations. The loss of the services of the Investment Manager could have a material adverse effect on the Fund and the Shareholders' investments therein.

Dependence on Service Providers

The Fund is also dependent upon its counterparties and the businesses that are not controlled by the Investment Manager that provide services to the Fund or the Master Fund (the "**Service Providers**"). Examples of Service Providers include the Administrator, a Counterparty, Legal Counsel and the Auditors. Errors are inherent in the business and operations of any business, and although the Investment Manager will adopt measures to prevent and detect errors by, and misconduct of, counterparties and Service Providers, and transact with counterparties and Service Providers it believes to be reliable, such measures may not be effective in all cases. Errors or misconduct could have a material adverse effect on the Fund and the Shareholders' investments therein.

As the Fund and the Master Fund have no employees and the majority of the members of the Board of Directors have been appointed on a non-executive basis, the Fund and the Master Fund are reliant on the performance of the Service Providers. Each Shareholder's relationship in respect of its Shares is with the Fund only. Accordingly, absent a direct contractual relationship between the investor and the relevant Service Provider, no Shareholder will have any contractual claim against any Service Provider for any reason related to its services to the Fund or the Master Fund. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Fund or the Master Fund, as the case may be, by the relevant Service Provider is, prima facie, the Fund or the Master Fund, as the case may be.

Retention and Motivation of Employees

The success of the Fund is dependent upon the talents and efforts of highly skilled individuals employed by the Investment Manager and the Investment Manager's ability to identify and willingness to provide acceptable compensation to attract, retain and motivate talented investment professionals and other employees. There can be no assurance that the Investment Manager's investment professionals will continue to be associated with the Investment Manager throughout the life of the Fund, and the failure to attract or retain such investment professionals could have a material adverse effect on the Fund and the Shareholders' investments therein. Competition in the financial services industry for qualified employees is intense and there is no guarantee that, if lost, the talents of the Investment Manager's investment professionals could be replaced.

Investment and Due Diligence Process

Before making investments, the Investment Manager will conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, the Investment Manager may be required to evaluate important and complex business, financial, tax, accounting and legal issues. When conducting due diligence and making an assessment regarding an investment, the Investment Manager will rely on the resources reasonably available to it, which in some circumstances, whether or not known to the Investment Manager at the time, may not be sufficient, accurate, complete or reliable. Due diligence may not reveal or highlight matters that could have a material adverse effect on the value of an investment.

Increased Regulatory Oversight

Increased regulation and regulatory oversight of private investment funds and their managers may impose administrative burdens on the Investment Manager, including, without limitation, responding to examinations and other regulatory inquiries and implementing policies and procedures. Such administrative burdens may divert the Investment Manager's time, attention and resources from portfolio management activities to responding to inquiries, examinations and enforcement actions (or threats thereof). Regulatory inquiries often are confidential in nature, may involve a review of an individual's or a firm's activities or may involve studies of the industry or industry practices, as well as the practices of a particular institution.

Effect of Substantial Losses or Redemptions

If, due to extraordinary market conditions or other reasons, the Fund and other private investment funds managed by the Investment Manager were to incur substantial losses or were subject to an unusually high level of redemptions, the revenues of the Investment Manager may decline substantially. Such losses and/or redemptions may hamper the Investment Manager's ability to (i) retain employees, (ii) provide the same level of service to the Fund as it has in the past, and (iii) continue operations.

Increasing Assets Under Management

The rates of return achieved by trading advisers or managers often diminish as the assets under their management increases. The Investment Manager has not agreed to limit the amount of capital it will manage.

Possibility of Different Information Rights

Certain Shareholders may invest on different terms that, among other things, provide access to information that may not be available to other Shareholders and, as a result, may be able to act on such additional information (i.e., redeem their Shares) that other Shareholders do not receive.

Different Terms of Shareholders; Other Agreements

The Fund, and in certain cases the Manager or the Investment Manager, will have the discretion to waive or modify the application of, or grant special or more favourable rights with respect to, any provision of this Memorandum or the Fund Documents to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favourable rights, the Fund may create additional classes or series of Shares for certain Shareholders that provide for, among other things, (i) greater transparency into the Fund's portfolio, (ii) different or more favourable redemption rights, such as more frequent redemptions or shorter redemption notice periods,

(iii) greater information than may be provided to other Shareholders, (iv) different fee or incentive compensation terms, (v) more favourable transfer rights and (vi) key-person notifications. Certain such waivers, modifications or grants of special or more favourable rights may also be effected by the Fund, and, in certain cases, the Manager or the Investment Manager, through Other Agreements. Although certain Shareholders may invest in the Fund with different material terms, the Fund and the Manager or the Investment Manager generally will only offer such terms if they believe other Shareholders in the Fund will not be materially disadvantaged.

Risks Relating to the Structure of the Fund

Significant Fees and Expenses

The fees and expenses of the Fund may be significant. The Fund must generate sufficient income to offset such fees and expenses to avoid a decrease in the net asset value of the Fund.

Absence of Regulatory Oversight Over the Fund and the Master Fund

The Fund and the Shares are not expected to be registered under the securities laws of the United States or any other jurisdiction other than the Cayman Islands. In particular, the Fund will not be registered as an investment company under the Company Act, and, therefore, will not be required to adhere to the restrictions and requirements under the Company Act. Accordingly, the provisions of the Company Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities to be held in custody by a bank or broker in accordance with rules requiring the segregation of securities, prohibit the investment companies from engaging in certain transactions with its affiliates and regulate the relationship between advisers and investment companies) are not applicable.

The Fund and the Master Fund are each regulated as a mutual fund under the Mutual Funds Law. However, registration under the Mutual Funds Law does not involve an examination of the merits of the Fund or the Master Fund or supervision of the investment performance of the Fund or the Master Fund by the Cayman Islands government or CIMA. There is no financial obligation or compensation scheme imposed on or by the government of the Cayman Islands in favour of or available to the investors in the Fund.

Payment of Redemption Proceeds to Shareholders Based on Unaudited Data

The calculation and payment of a Shareholder's redemption proceeds may be based on estimated and unaudited data. Accordingly, adjustments and revisions may be made to the Fund's net asset value following the year-end audit of the Fund. Once paid, no revision to a Shareholder's redemption proceeds will be made based upon audit adjustments. Thus, the Fund will not seek reimbursement in the event of any overpayment and will not pay additional amounts in the event of an underpayment. As a result, a redeeming Shareholder may be positively or negatively affected by a revision to the Fund's net asset value. To the extent that such revisions to net asset value decrease the net asset value of the Fund, the outstanding Shares will be adversely affected by redemptions. Conversely, any increases in the net asset value of the Fund resulting from such adjustments will be entirely for the benefit of the outstanding Shares.

Liability of the Fund, the Master Fund and Separate Classes

The Fund has the power to issue Shares in classes, series or sub-series. The Articles provide for the manner in which the liabilities are to be attributed across the various classes, series or sub-series (liabilities are to be attributed to the specific classes, series or sub-series in respect of which the

liability was incurred). However, each of the Fund and the Master Fund is a single legal entity and there is no limited recourse protection for any class, series or sub-series of Shares or Master Fund Shares, as applicable. Generally, creditors of the Fund may enforce claims against all assets of the Fund, but not against assets of the Master Fund, and creditors of the Master Fund may enforce claims against all assets of the Master Fund but not against assets of the Fund. However, all assets of the Fund, including its shares in the Master Fund, may be available to meet all liabilities of the Fund, and all assets of the Master Fund may be available to meet all liabilities of the Master Fund, even if, in either case, the liability relates to a particular class, series or sub-series of Shares of the Fund or class, series or sub-series of shares of the Master Fund, as the case may be (e.g., new issues and any corresponding hedge positions). Thus, for example, in the event that the assets attributable to Shares participating in a Security were completely depleted by losses or liabilities, a creditor could enforce a claim against the assets of the Master Fund which would be borne by the other Shares that did not participate in the investment or transaction. In addition, in order to facilitate investments or financing, the Fund may guarantee certain obligations of the Master Fund or one or more of its affiliates. In such circumstances all of the assets of the guarantor generally will be available to satisfy the guaranty obligation. Such arrangements may expose the Fund to an increased risk of loss.

Fee Structure

Shareholders will directly and indirectly bear both asset-based fees (fees that compensate an investment adviser on the basis of a share of net assets under management) and performance-based fees or allocations (fees or allocations that compensate an investment adviser on the basis of a share of capital gains upon or capital appreciation of the assets under management).

Effect of Substantial Redemptions

Substantial redemptions could be triggered by a number of events, including, without limitation, unsatisfactory performance, events in the markets, a significant change in personnel or management of the Investment Manager, removal or replacement of the Investment Manager as the investment manager of the Fund, legal or regulatory issues that investors perceive to have a bearing on the Fund or the Investment Manager, or other events. Actions taken to meet substantial redemption requests from the Fund (as well as similar actions taken simultaneously by investors of the Partnership and any Other Accounts) could result in prices of Securities held by the Fund decreasing and in Fund expenses increasing (e.g., transaction costs and the costs of terminating agreements). The overall value of the Fund also may decrease because the liquidation value of certain assets may be materially less than their cost or mark-to-market value. The Master Fund may be forced to sell its more liquid positions, which may cause an imbalance in the portfolio that could have a material adverse effect on the remaining Shareholders. Substantial redemptions could also significantly restrict the Master Fund's ability to obtain financing or transact with derivatives counterparties needed for its investment strategies, which would have a further material adverse effect on the Fund's performance. The Fund and the Investment Manager generally will not disclose to Shareholders the amount of pending redemptions or redemption requests and are under no obligation to make any such disclosure.

Limited Liquidity

An investment in the Fund has limited liquidity because Shareholders will generally have only limited rights to redeem Shares from the Fund or transfer their Shares, and the Fund has the right to suspend redemptions, as described herein. Shareholders must be prepared to bear the financial risks of an investment in the Fund for an indefinite period of time.

Access to Information and Effect on Redemptions

Because of the wide range of potential investments, potentially rapid shifts in the concentration of investments among types of Securities or strategies, the inherent complexity of many of the Master Fund's investment strategies and other factors, prospective Shareholders and Shareholders will not have sufficient information to analyse or evaluate in detail the specific risks and potential returns of the Master Fund's investment program prospectively. The Investment Manager generally will not provide detailed information about the Master Fund's portfolio or any advance notice of anticipated changes in the composition of the Master Fund's portfolio, nor will the Investment Manager provide information to prospective Shareholders as to how the Master Fund voted proxies. Furthermore, in response to questions and requests and in connection with due diligence meetings and other communications, the Fund and the Investment Manager may provide additional information to certain Shareholders and prospective Shareholders that is not distributed to other Shareholders and prospective Shareholders. Such information may affect a prospective Shareholder's decision to invest in the Fund, and Shareholders (which may include personnel and affiliates of the Investment Manager) may be able to act on such additional information and redeem their Shares potentially at higher values than other investors. Any such redemptions may result in reduced liquidity for other investors and, in order to meet larger or more frequent redemptions, the Fund may need to maintain a greater amount of cash and cash-equivalent investments than it would otherwise maintain, which may reduce the overall performance of the Fund. Each Shareholder is responsible for asking such questions as it believes are necessary in order to make its own investment decisions, must decide for itself whether the limited information provided by the Investment Manager and the Fund is sufficient for its needs and must accept the foregoing risks.

In-Kind Payments; Liquidating SPVs

Under certain circumstances a redeeming Shareholder may receive Securities in lieu of, or in combination with, cash, to the extent that such Securities are received from the Master Fund. Such distributions may include interests in one or more special purpose vehicles holding Securities owned by the Master Fund, or participations therein. To the extent a redeeming Shareholder receives interests in special purpose vehicles, such redeeming Shareholder will continue to be at risk with respect to the Fund's business. The value of the Securities paid in kind may increase or decrease before they are sold either by the redeeming Shareholder, if received directly, or by the Investment Manager or its affiliates, if held through a special purpose vehicle. In either case, the redeeming Shareholder will incur transaction costs in connection with the sale of any such Securities and, in the case of interests in a special purpose vehicle, will bear a proportionate share of the operating and other expenses borne by such vehicle. Securities distributed in kind may not be readily marketable. The risk of loss and delay in liquidating these Securities will be borne by the Shareholder, with the result that such Shareholder may ultimately receive less cash than it would have received on the date of redemption if it had been paid in cash. Furthermore, to the extent that a redeeming Shareholder receives interests in special purpose vehicles, such redeeming Shareholder will generally have no voting rights or any control over when and at what price the Securities in which such vehicles have an interest are sold.

Risks Relating to the Operations and Investment Activities of the Master Fund

Systems and Operational Risks Generally

The Master Fund depends on the Investment Manager to develop and implement appropriate systems for the Master Fund's activities. The Master Fund relies heavily and on a daily basis on financial, accounting and other data processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain Securities, to monitor its portfolio and capital,

and to generate risk management and other reports that are critical to oversight of the Master Fund's activities. In addition, the Master Fund relies on information systems to store sensitive information about the Master Fund, the Investment Manager, their affiliates and the Shareholders. Certain of the Master Fund's and the Investment Manager's activities will be dependent upon systems operated by third parties, including prime brokers, the Administrator, market counterparties and other service providers, and the Investment Manager may not be in a position to verify the risks or reliability of such third-party systems. Failures in the systems employed by the Investment Manager, prime brokers, the Administrator, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Disruptions in the Master Fund's operations may cause the Master Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Fund and the Shareholders' investments therein.

Cybersecurity Risk

As part of its business, the Investment Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Master Fund and personally identifiable information of the Shareholders. Similarly, service providers of the Manager, the Investment Manager, the Fund or the Master Fund, especially the Administrator, may process, store and transmit such information. The Investment Manager has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Investment Manager may be susceptible to compromise, leading to a breach of the Investment Manager's network. The Investment Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Investment Manager to the Shareholders may also be susceptible to compromise. Breach of the Investment Manager's information systems may cause information relating to the transactions of the Master Fund and personally identifiable information of the Shareholders to be lost or improperly accessed, used or disclosed.

The service providers of the Manager, the Investment Manager, the Fund and the Master Fund are subject to the same electronic information security threats as the Investment Manager. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Master Fund and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of the Investment Manager's, the Master Fund's or the Fund's proprietary information may cause the Investment Manager, the Master Fund or the Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Fund and the Shareholders' investments therein.

Valuation of Assets and Liabilities

The Master Fund's assets and liabilities are valued in accordance with the Valuation Policy. The valuation of any asset or liability involves inherent uncertainty. The value of a Security determined in accordance with the Valuation Policy may differ materially from the value that could have been realised in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the market. Uncertainties as to the valuation of portfolio positions could have an impact on the net asset value of the Fund if the judgments of the Master Fund Board of Directors regarding the appropriate valuation should prove to be incorrect.

Amortisation of Organisational Costs

Certain of the Fund's organisational, reorganisational and offering expenses may be, for accounting purposes, amortised by the Fund for up to a 60-month period from commencement of the Fund. Amortisation of such expenses over a period that is up to 60 months is a divergence from GAAP, which may, in certain circumstances, result in a qualification of the Fund's and/or Master Fund's annual audited financial statements.

Counterparty Risk

The Master Fund expects to establish relationships to obtain financing, derivative intermediation and prime brokerage services. However, there can be no assurance that the Master Fund will be able to establish or maintain such relationships. An inability to establish or maintain such relationships could limit the Master Fund's trading activities, create losses, preclude the Master Fund from engaging in certain transactions or prevent the Master Fund from trading at optimal rates and terms. Moreover, a disruption in the financing, derivative intermediation and prime brokerage services provided by any such relationships could have a significant impact on the Master Fund's business due to the Master Fund's reliance on such counterparties.

The Master Fund may effect transactions in the "over-the-counter" or "OTC" derivatives markets. The stability and liquidity of OTC derivatives transactions depends in large part on the creditworthiness of the parties to the transactions. In the OTC markets, the Master Fund enters into a contract directly with dealer counterparties which may expose the Master Fund to the risk that a counterparty will not settle a transaction in accordance with its terms because of a solvency or liquidity problem with the counterparty. Delays in settlement may also result from disputes over the terms of the contract (whether or not bona fide). In addition, the Master Fund may have a concentrated risk in a particular counterparty, which may mean that if such counterparty were to become insolvent or have a liquidity problem, losses would be greater than if the Master Fund had entered into contracts with multiple counterparties. Certain OTC derivative contracts require that the Master Fund post collateral.

If there is a default by a counterparty, the Master Fund under most normal circumstances will have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Master Fund being less than if the Master Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. In such case, the recovery of the Master Fund's Securities from such counterparty or the payment of claims therefor may be significantly delayed and the Master Fund may recover substantially less than the full value of the Securities entrusted to such counterparty. In addition, there are a number of proposed rules that, if they were to go into effect, may impact the laws that apply to insolvency proceedings and may impact whether the Master Fund may terminate its agreement with an insolvent counterparty.

Collateral that the Master Fund posts to its counterparties that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such funds. In the event that a counterparty were to become insolvent, the Master Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return.

Counterparty Default

The stability and liquidity of over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. It is expected that the Master Fund will monitor on an ongoing basis the creditworthiness of firms with which it will enter into over-the-counter derivative transactions. If there is a default by the counterparty to such a transaction, the Master Fund will under most normal circumstances have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Master Fund being less than if the Master Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent and/or the subject of insolvency proceedings. If one or more of the Master Fund's counterparties were to become insolvent or the subject of insolvency proceedings, there exists the risk that the recovery of the Master Fund's securities and other assets from such prime broker or broker-dealer will be delayed or be of a value less than the value of the securities or assets originally entrusted to such prime broker or broker-dealer. Investors should assume that the insolvency of any counterparty would result in a loss to the Master Fund, which could be material.

Volatility Risk

The Master Fund's investment program may involve the purchase and sale of relatively volatile Securities and/or investments in volatile markets. Fluctuations or prolonged changes in the volatility of such Securities and/or markets can adversely affect the value of investments held by the Master Fund.

Credit Ratings

In general, the credit rating assigned by a nationally recognised rating agency to a Security represents such rating agency's opinion of the safety of the principal and interest payments of the rated instrument based on available information. Such ratings are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of such Securities. Such ratings also do not reflect macroeconomic or systemic risk, including the risk of increased illiquidity in the credit markets. Further, credit ratings may change over time due to various factors, including changes in the creditworthiness of the issuer and/or changes in the rating agency's analytics and processes. It is possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events and, as a result, outstanding ratings may not reflect the issuer's current credit standing. The Master Fund may incur losses if it makes investments based on credit ratings that subsequently change in a way not favourable to the Master Fund's investment objective.

Significant Positions in Securities; Regulatory Requirements

"Position limits" may be imposed by various regulators that may limit the Master Fund's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular security. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. To the extent that the Master Fund's position limits were aggregated with an affiliate's position limits, the effect on the

Master Fund and resulting restriction on its investment activities may be significant. If at any time positions managed by the Investment Manager were to exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of the Master Fund, to the extent necessary to come within those limits. Further, to avoid exceeding any position limits, the Master Fund might have to forego or modify certain of its contemplated trades.

Exposure to Material Non-Public Information

From time to time, the Investment Manager may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, the Master Fund may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Currency Exchange Exposure

The Master Fund may invest in Securities denominated in currencies other than the US Dollar. The Master Fund, however, values its Securities in US Dollars. The Master Fund may or may not seek to hedge its non-US currency exposure by entering into currency hedging transactions. There can be no guarantee that Securities suitable for hedging currency or market shifts will be available at the time when the Master Fund wishes to use them, or that hedging techniques employed by the Master Fund will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent unhedged, the value of the Master Fund's positions denominated in currencies other than the US Dollar will fluctuate with US Dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies.

Identity of Beneficial Ownership and Withholding on Certain Payments

In order to avoid a US withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed US investments, the Fund and the Master Fund generally will be required to timely register with the US Internal Revenue Service (the "**Service**"), and agree and generally will be required to identify, and report information with respect to, certain direct and indirect US account holders (including debtholders and equity holders). The Cayman Islands has signed a Model 1B (non-reciprocal) inter-governmental agreement with the United States (the "**US IGA**") to give effect to the foregoing withholding and reporting rules. So long as the Fund and the Master Fund comply with the US IGA and the Cayman Islands enabling legislation, they will not be subject to the related US withholding tax.

A non-US investor in the Fund will generally be required to provide to the Fund information that identifies its direct and indirect US ownership. Under the US IGA, any such information provided to the Fund and certain financial information related to such investor's investment in the Fund will be shared with the Cayman Islands Tax Information Authority or its delegate (the "**Cayman TIA**"). The Cayman TIA will exchange the information reported to it with the Service annually on an automatic basis. A non-US investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the US Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**") will generally be required to timely register with the Service and agree to identify, and report information with respect to, certain of its own direct and indirect US account holders (including debtholders and equityholders). A non-US investor who fails to provide such information to the Fund or timely register and agree to identify, and report information with respect to, such account holders (as applicable) may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of the Fund, and the Board of Directors

may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in the Fund.

Subscription Monies

Where a subscription for Shares is accepted, the Shares will be treated as having been issued with effect from the relevant Subscription Date notwithstanding that the subscriber for those Shares may not be entered in the Fund's register of members until after the relevant Subscription Date. The subscription monies paid by a subscriber for Shares will accordingly be subject to investment risk in the Fund from the relevant Subscription Date.

Risks Relating to Investment Strategies

Risk of Loss

No guarantee or representation is made that the Master Fund's investment program, including, without limitation, the Master Fund's investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time.

No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of the Investment Manager (or investments otherwise made by the investment professionals of the Investment Manager) are not necessarily indicative of their future performance.

Highly Volatile Markets

Price movements of forwards, futures, derivative contracts and other financial instruments in which the Master Fund's assets may be invested can be highly volatile and are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene in certain markets, directly and by regulation, particularly in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert. The Master Fund may make certain speculative investments in currencies which the Investment Manager believes to be undervalued; however, there are no assurances that the currencies purchased will in fact be undervalued. In addition, the Master Fund may be required to hold such currencies for a substantial period of time before realising their anticipated value. During this period, a portion of the Master Fund's assets will be committed to the currencies purchased, thus possibly preventing the Master Fund from investing in other opportunities.

Discretion of the Investment Manager; New Strategies and Techniques

While the Investment Manager will generally seek to employ the representative investment strategies and techniques discussed herein, the Investment Manager (subject to the policies and control of the Master Fund Board of Directors) has considerable discretion in the types of Securities the Master Fund may trade and has the right to modify the investment strategies and techniques of the Master Fund without the consent of the Shareholders. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical

shortcomings which could result in unsuccessful trades and, ultimately, losses to the Master Fund. In addition, any new investment strategy or technique developed by the Master Fund may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Master Fund.

Long/Short

The success of the Master Fund's long/short investment strategy depends upon the Investment Manager's ability to identify and purchase Securities that are undervalued and identify and sell short Securities that are overvalued. The identification of investment opportunities in the implementation of the Master Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. In the event that the perceived opportunities underlying the Master Fund's positions were to fail to converge toward, or were to diverge further from values expected by the Investment Manager, the Master Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Master Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with the Investment Manager's long/short strategies may become outdated and inaccurate as market conditions change.

Short Selling

The success of the Master Fund's short selling investment strategy depends upon the Investment Manager's ability to identify and sell short Securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying Security could theoretically increase without limit, thus increasing the cost to the Master Fund of buying those Securities to cover the short position. There can be no assurance that the Master Fund will be able to maintain the ability to borrow Securities sold short. In such cases, the Master Fund can be "bought in" (i.e., forced to repurchase Securities in the open market to return to the lender). There also can be no assurance that the Securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing Securities to close out a short position can itself cause the price of the Securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and the Master Fund may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though the Master Fund secures a "good borrow" of the Security sold short at the time of execution, the lending institution may recall the lent Security at any time, thereby forcing the Master Fund to purchase the Security at the then-prevailing market price, which may be higher than the price at which such Security was originally sold short by the Master Fund.

Long-Term

The success of the Master Fund's long-term investment strategy depends upon the Investment Manager's ability to identify and purchase Securities that are undervalued and hold such investments so as to maximise value on a long-term basis. In pursuing any long-term strategy, the Master Fund may forego value in the short-term or temporary investments in order to be able to avail the Master Fund of additional and/or longer-term opportunities in the future. Consequently, the Master Fund may not capture maximum available value in the short-term, which may be disadvantageous, for example,

for Shareholders who redeem all or a portion of their Shares before such long-term value may be realised by the Master Fund.

Short-Term Market Considerations

The Investment Manager's trading decisions may be made on the basis of short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

Leverage and Borrowing

Leverage for Investment Purposes

Leverage may take the form of, among other things, derivative instruments which are inherently leveraged and trading in products with embedded leverage such as options, short sales, swaps and forwards. The use of leverage will allow the Master Fund to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital, however, leverage will also magnify the volatility of changes in the value of the Master Fund's portfolio. The effect of the use of leverage by the Master Fund in a market that moves adversely to its investments could result in substantial losses to the Master Fund, which would be greater than if the Master Fund were not leveraged. In addition, the Master Fund will have the authority to borrow money for cash management purposes and to meet redemptions that would otherwise result in the premature liquidation of its investments. The level of interest rates generally, and the rates at which the Master Fund can borrow particularly will affect the operating results of the Master Fund. The amount of borrowings and leverage which the Master Fund may have outstanding at any time may be substantial in relation to its capital.

The instruments and borrowings utilised by the Master Fund to leverage investments may be collateralised by the Master Fund's portfolio. Accordingly, the Master Fund may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should such pledged securities decline in value, the Master Fund could be subject to a "margin call" pursuant to which the Master Fund must either deposit additional funds or securities with the relevant counterparty or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, haircut, financing and collateral valuation policies. Changes by banks and dealers in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing.

Market Value Borrowings and Derivatives; Financing Arrangements; Availability of Credit

In general, the anticipated use of margin borrowings and other borrowings based on the market value of the portfolio and derivatives which require the Master Fund to post margin add certain additional risks to the Master Fund. For example, should the assets pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call," pursuant to which the Master Fund must either deposit additional funds or assets with the broker or suffer mandatory liquidation of the pledged assets to compensate for the decline in value. In the event of a sudden drop in the value of the Master Fund's portfolio, the Master Fund might not be able to liquidate investments quickly enough to satisfy their margin requirements or may be required to close out positions at losses, which if the Master Fund had continued to hold would have been profitable.

As a general matter, the banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, "haircut" financing as well as security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants. The imposition of any such limitations or restrictions could compel the Master Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of the Master Fund's equity.

Borrowing for Cash Management Purposes

The Master Fund has the authority to borrow for cash management purposes, such as to satisfy redemption requests. The rates at and terms on which the Master Fund can borrow will affect the operating results of the Master Fund.

Collateral

The instruments and borrowings utilised by the Master Fund to leverage investments may be collateralised by all or a portion of the Master Fund's portfolio. Accordingly, the Master Fund may pledge its Securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the Securities pledged to brokers to secure the Master Fund's margin accounts decline in value, the Master Fund could be subject to a "margin call", pursuant to which the Master Fund must either deposit additional funds or Securities with the broker or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value. The banks and dealers that provide financing to the Master Fund can apply essentially discretionary margin, "haircut", financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to the Master Fund may have similar rights. There can be no assurance that the Master Fund will be able to secure or maintain adequate financing.

Costs

Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on the Master Fund's portfolio.

Diversification and Concentration

The Investment Manager may select investments that are concentrated in a limited number or types of Securities. In addition, the Master Fund's portfolio may become significantly concentrated in Securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the Master Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such Securities.

Hedging Transactions

The Master Fund may utilise Securities for risk management purposes in order to: (i) protect against possible changes in the market value of the Master Fund's investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect the Master Fund's unrealised gains in the value of its investment portfolio; (iii) facilitate the sale of any Securities; (iv) enhance or preserve returns, spreads or gains on any Security in the Master Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of the Master Fund's Securities; (vii) protect against any increase in the price of any Securities the Master Fund anticipates purchasing at a later date; or (viii) act for any other reason that the Investment Manager deems appropriate. The Master Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. The Investment Manager may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While the Master Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Master Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

Risks Relating to Market Conditions Generally

General Economic and Market Conditions

The success of the Master Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Master Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of the prices and the liquidity of the Master Fund's investments. Volatility or illiquidity could impair the Master Fund's profitability or result in losses. The Master Fund may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets.

Governmental Interventions

Extreme volatility and illiquidity in markets has in the past led to, and may in the future lead to, extensive governmental interventions in equity, credit and currency markets. Generally, such interventions are intended to reduce volatility and precipitous drops in value. In certain cases, governments have intervened on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in uncertainty. It is impossible to predict when these restrictions will be imposed, what the interim or permanent restrictions will be and/or the effect of such restrictions on the Master Fund's strategies.

Current Economic Conditions in European Countries

Certain European countries, including Greece, Ireland, Italy, Portugal and Spain, are currently experiencing varying degrees of financial distress. Risks from the debt crisis in Europe could result in a disruption of the financial markets, which could have a detrimental impact on global economic conditions. Recently, contagion fears have expanded to Spain and Italy, and credit spreads widened further in European peripheral countries and European banks. There remains considerable uncertainty as to future developments in the European debt crisis and the impact on global financial markets. A significant deterioration of the European debt crisis could result in material reductions in the value of sovereign debt and other asset classes, disruptions in capital markets, widening of credit spreads, loss

of investor confidence in the financial services industry, a slowdown in global economic activity, and other adverse developments that could negatively impact the performance of the Master Fund.

Emerging Market Investments

The Master Fund may invest in securities of companies located in emerging countries or issued by the governments of such countries. Investing in such securities involves certain considerations not usually associated with investing in securities of companies located in developed countries or issued by the government of such countries, including security and economic considerations, such as greater risks of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of funds, nationalisation and general social, political and economic instability; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; certain government policies that may restrict the Master Fund's investment opportunities; and problems that may arise in connection with the clearance and settlement of trades. In addition, accounting and financial reporting standards that prevail in certain of such countries generally are not equivalent to standards in more developed countries and, consequently, less information is available to investors in companies located in these countries than is available to investors in companies located in more developed countries. There is also less regulation generally, of the securities markets in emerging countries than there is in more developed countries. Placing securities with a custodian in an emerging country may also present considerable risks.

Brexit

In June 2016, the United Kingdom voted to leave the European Union. If, as expected, the United Kingdom triggers the withdrawal procedures in Article 50 of the Treaty of Lisbon, there will be a two-year period (or longer) during which the arrangements for exit will be negotiated. This vote and the withdrawal process could cause an extended period of uncertainty and market volatility, not just in the United Kingdom but throughout the European Union, the European Economic Area and globally. The longer term impact of the decision to leave the EU on the UK regulatory framework will depend, in part, on the relationship that the UK will seek to establish with the EU in the future. In particular, it is uncertain whether and how UK laws that incorporate EU directives may be modified in the future and whether UK firms will continue to have the benefit of certain rights to conduct cross border business within the EU. It is not possible to ascertain the precise impact the United Kingdom's departure from the EU may have on the Master Fund from an economic, financial or regulatory perspective but any such impact could have material consequences for the Master Fund.

Risks Relating to Specific Investments

Derivative Instruments

Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity risk, credit risk, legal risk and operations risk. The regulatory and tax environment for derivative instruments in which the Master Fund may participate is evolving, and changes in the regulation or taxation of such Securities may have a material adverse effect on the Master Fund. In addition, the Master Fund may, in the future, take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available. Special risks may apply in the future that cannot be determined at this time. The regulatory and tax environment for derivative instruments in which the Master Fund may participate is evolving, and changes in the regulation or taxation of such financial instruments may have a material adverse effect on the Master Fund.

The Master Fund may incur risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of an uncovered call option, if applicable, may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

The Master Fund may incur risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Swap Agreements Generally

The Master Fund may enter into swap agreements and options on swap agreements ("swaptions"). These agreements can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes or market factors. The Master Fund, for instance, may enter into total return swaps, correlation swaps, variance swaps, volatility swaps or other swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease the Master Fund's exposure to, for example, equity securities, long-term or short-term interest rates, foreign currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of names. The Master Fund is not limited to any particular form of swap agreement.

Whether the Master Fund's use of swap agreements or swaptions will be successful will depend on the Investment Manager's ability to select appropriate transactions for the Master Fund. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Master Fund's portfolio. Moreover, the Master Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Master Fund will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Master Fund to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Master Fund's ability to terminate swap transactions or to realise the amounts to be received under such transactions.

Currencies

A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded by the Master Fund are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, fiscal policy, and political

and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Index Futures

The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by the Master Fund also is subject to the Investment Manager's ability to correctly predict movements in the direction of the market.

Futures Contracts

The value of futures contracts depends upon the price of the Securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the Master Fund's positions trade or of its clearinghouses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Master Fund from promptly liquidating unfavourable positions and subject the Master Fund to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

Forward Contracts

The Master Fund may enter into forward contracts and options thereon, including non-deliverable forwards, which are currently not traded through clearinghouses, although this is expected to change. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of the Master Fund. In its forward trading, the Master Fund will be subject to the

risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which the Master Fund trades. Master Fund assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. The Investment Manager may order trades for the Master Fund in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject the Master Fund to the risk of loss.

Contracts for Differences

Contracts for differences ("**CFDs**") are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument's value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. A CFD is usually terminated at the buyer's initiative. As is the case with owning any financial instrument, there is the risk of loss associated with buying a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the buyer to post additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honour its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require the buyer to make additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on the Master Fund's obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase the Master Fund's financial risk.

Credit Default Swaps

Credit default swaps can be used to implement the Investment Manager's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected credit improvement, the Master Fund may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the Master Fund to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. The Master Fund may also buy credit default protection with respect to a referenced entity if, in the Investment Manager's judgment, there is a high likelihood of credit deterioration. In such instance, the Master Fund will pay a premium regardless of whether there is a credit event.

Swap Agreements and Synthetic Assets

The Master Fund may acquire exposure to indices, debt securities, structured finance securities, loans and other types of assets synthetically through derivative products such as credit default swaps (including CDS and CDX contracts), total return swaps, credit linked notes, structured notes, trust certificates and other derivative instruments (each, a "**Synthetic Asset**").

A Synthetic Asset could take many forms, including a credit derivative transaction that references a structured finance security, debt security or loan, a credit derivative transaction that references a portfolio or index of corporate reference entities or a portfolio or index of reference obligations

consisting of structured finance securities, total return swap transaction that references both income and any capital gains of an underlying asset, debt securities, bonds, or other financial instruments (each, a "**Reference Obligation**").

Exposure to such Reference Obligations through Synthetic Assets presents risks in addition to those resulting from direct purchases of the assets referenced. The Master Fund will have a contractual relationship only with the Synthetic Asset counterparty, and not with the issuer(s) (the "**Reference Entity**") of the Reference Obligations unless a credit event occurs with respect to any such Reference Obligation, physical settlement applies and the Synthetic Asset counterparty delivers the Reference Obligation to the Master Fund. Other than in the event of such delivery, the Master Fund generally will have no right directly to enforce compliance by the Reference Entity with the terms of any such Reference Obligation and the Master Fund will not have any rights of set-off against the Reference Entity. In addition, the Master Fund generally will not have any voting or other consensual rights of ownership with respect to the Reference Obligation. The Master Fund also will not directly benefit from any collateral supporting the Reference Obligation and will not have the benefit of the remedies that would normally be available to a holder of such Reference Obligation. The Master Fund will be subject to the credit risk of the Synthetic Asset counterparty, as well as that of the Reference Entity, as well as the documentation risk associated with these instruments.

In the event of the insolvency of the Synthetic Asset counterparty, the Master Fund will be treated as a general creditor of such counterparty, and will not have any claim of title with respect to the Reference Obligation. Consequently, the Master Fund will be subject to the credit risk of the Synthetic Asset counterparty, as well as that of the Reference Entity. As a result, concentrations of Synthetic Assets entered into with any one Synthetic Asset counterparty will subject such Synthetic Assets to an additional degree of risk with respect to defaults by such Synthetic Asset counterparty as well as by the respective Reference Entities.

While the Master Fund expects that returns on a Synthetic Asset may reflect those of each related Reference Obligation, as a result of the terms of the Synthetic Asset and the assumption of the credit risk of the Synthetic Asset counterparty, a Synthetic Asset may have a different expected return, a different (and potentially greater) probability of default and different expected loss and recovery characteristics following a default.

Call Options

The seller (writer) of a call option which is covered (i.e., the writer holds the underlying Security) assumes the risk of a decline in the market price of the underlying Security below the purchase price of the underlying Security less the premium received, and gives up the opportunity for gain on the underlying Security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying Security above the exercise price of the option. The Securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing Securities to cover the exercise of an uncovered call option can cause the price of the Securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options

The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying Security) assumes the risk of an increase in the market price of the underlying Security above the sales price (in establishing the short position) of the underlying Security plus the premium

received, and gives up the opportunity for gain on the underlying Security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying Security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index or Index Options

The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether the Master Fund will realise appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

Dealer Market Making

The value of the Master Fund's fixed-income derivatives will be affected by general fixed income market conditions, such as the volatility and liquidity of the fixed income market, which are affected by the ability of dealers to "make a market" in fixed-income investments. In recent years, the market for bonds has significantly increased while dealer inventories have significantly decreased, relative to market size. This reduction in dealer inventories may be attributable to regulatory changes, such as capital requirements, and is expected to continue. As dealers' inventories decrease, so does their ability to make a market (and, therefore, create liquidity) in the fixed income market. Especially during periods of rising interest rates, this could result in greater volatility and illiquidity in the fixed income market, which could impair the Master Fund's profitability or result in losses.

Sovereign Debt

Several factors may affect (i) the ability of a government, its agencies, instrumentalities or its central bank to make payments on the debt it has issued ("**Sovereign Debt**"), including securities that the Investment Manager believes are likely to be included in restructurings of the external debt obligations of the issuer in question, (ii) the market value of such debt and (iii) the inclusion of Sovereign Debt in future restructurings, including such issuer's (x) balance of trade and access to international financing, (y) cost of servicing such obligations, which may be affected by changes in international interest rates, and (z) level of international currency reserves, which may affect the amount of exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt all of which may impact the Investment Manager's trading in fixed income derivatives.

Repurchase or Reverse Repurchase Transactions, Buy-Sell Back or Sell-Buy Back Transactions

The Master Fund may enter into repurchase and reverse repurchase transactions or buy-sell back or sell-buy back transactions. When the Master Fund enters into a repurchase agreement or a sell-buy back transaction, it effectively "sells" the securities or commodities to a counterparty (such as a financial institution), and agrees to repurchase such securities or commodities on a mutually agreed date for the price paid by the counterparty, plus interest at a negotiated rate. In a reverse repurchase or a buy-sell back transaction, the Master Fund "buys" securities from a counterparty, subject to the obligation of the counterparty to repurchase such securities at the price paid by the Master Fund, plus interest at a negotiated rate. Repurchase, reverse repurchase and sell-buy back or buy-sell back transactions by the Master Fund involve certain risks. For example, if the seller of securities to the

Master Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Master Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Master Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Master Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Master Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

Equity Securities Generally

The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, the Master Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from the Investment Manager's expectations or if equity markets generally move in a single direction and the Master Fund has not hedged against such a general move.

VALUATION

General

The Master Fund's assets and liabilities are valued in accordance with the Investment Manager's valuation policies and procedures, as the same may be amended from time to time (the "**Valuation Policy**"). In valuing the Fund's and the Master Fund's portfolio, the Investment Manager shall comply with the Valuation Policy.

The Valuation Policy is available on request from the Investment Manager.

All values assigned to such assets and liabilities are final and conclusive as to all of the Shareholders.

The net asset value of a class, series or sub-series of Shares will be equal to the excess of the value of the assets over the value of the liabilities attributable to such class, series or sub-series, as the case may be, as of any date of determination. Because all of the investable assets of the Fund will be invested in the Master Fund, appreciation and depreciation of the Fund's net asset value will be primarily based on appreciation and depreciation of the Master Fund's net assets. The net asset value per Share of a series or sub-series is determined by dividing the net asset value of each series or sub-series by the number of Shares thereof. The net asset value of the Fund, a class, series or sub-series of Shares will generally be determined upon the date of determination of the Management Fee and redemptions and at such other times as determined by the Board of Directors.

The net asset value per Share of different series and sub-series of Shares is expected to differ. However, Shares within a series or sub-series will have the same net asset value per Share. The Management Fee and Incentive Fee determined with respect to a particular series or sub-series will be charged against such series or sub-series. The net asset value per Share of the various series or sub-series of Shares may differ, in part, because of differences in timing of issuance, because any other item of income or expense attributable to a particular series or sub-series is charged only against such series or sub-series.

The Fund and the Master Fund will prepare their financial statements in accordance with GAAP. Liabilities will be determined using GAAP, applied on a consistent basis; except that the Board of Directors may, in its sole discretion, establish reserves and holdbacks for estimated accrued expenses, liabilities or contingencies, including, without limitation, general reserves and holdbacks for unspecified contingencies (even if such reserves or holdbacks are not required by GAAP).

The following valuation principles will be followed when valuing the Master Fund's assets and liabilities:

(A) any Security which is quoted or listed on any securities exchange or similar electronic system and regularly traded thereon, such Security will be valued at its last traded price on the relevant Valuation Day or, if no trades occurred on such day, at the closing bid price if held long by the Master Fund and at the closing offer price if sold short by the Master Fund, as of the relevant Valuation Day, and where prices are available on more than one exchange or system for a particular Security, the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the principal market, or, in the absence of a principal market, the market deemed most advantageous for such Security or the one deemed to provide a reasonable criteria for ascribing a value to such Security;

(B) any Security which is not listed on an exchange but for which external pricing sources (such as dealer quotes or independent pricing services) may be available, such Securities will be

valued after considering, among other factors, other external pricing sources, recent trading activity or other information that may not have been reflected in pricing obtained from external sources. Long positions generally will be marked to mid-market or lower while short positions generally will be marked to mid-market or higher;

(C) Securities that are not listed on an exchange, are not traded over-the-counter and for which external pricing sources are not readily available will be valued at fair value based on a relative value assessment process that incorporates current market conditions and prices of Securities of other relevant issuers where data are more readily available, adjusting for relative differences in terms and capital structures or other information deemed relevant;

(D) where Securities are not quoted in an active market, a valuation technique such as a valuation model or comparison to recent transaction prices may be employed to establish the transaction price that would be applicable in an arm's length exchange. Valuation techniques used are those commonly used by market participants to price similar instruments where applicable, and make use of market input, rather than specific inputs;

(E) over-the-counter derivatives will be valued after considering, among other factors, the mark-to-market provided by the dealer with whom the Master Fund establishes the position, the mark-to-market and market price history, historic and implied volatilities and correlations, valuations obtained from reputable dealers in similar derivatives where available, and any underlying reference security, among other factors, may be considered when practical to determine fair value;

(F) money market loans, deposits, repurchase and reverse repurchase agreements and other financing arrangements entered into for financing purposes may be approximated by cost plus accrued interest;

(G) any value (whether of a security or cash) denominated other than in US Dollars will be converted into US Dollars as of the close of business on the relevant Valuation Day; and

(H) Securities for which no market prices are readily available generally will be carried on the books of the Master Fund at fair value (which may be approximated by cost, unless it is believed that there is reliable, relevant information available on which fair value can be determined).

The Investment Manager, with the approval of the Master Fund Board of Directors, may use methods of valuing Securities other than those set forth herein if it believes the alternate method is preferable in determining the fair value of such Securities. In particular, account may be taken of significant events and/or after hours trading activities, if, in the judgment of the Investment Manager with the approval of the Master Fund Board of Directors, they have materially altered such valuation.

The accounts of the Master Fund are maintained in US Dollars. Assets and liabilities denominated in other currencies are translated at the rates of exchange in effect at the relevant date of determination and translation adjustments are reflected in the results of operations. Portfolio transactions and income and expenses are translated at the rates of exchange in effect at the time of each transaction.

Notwithstanding anything to the contrary herein, the valuation policies and procedures are subject to change and may be revised from time-to-time. The Fund will provide notice to all Shareholders of any material changes to the Valuation Policy.

The Administrator is responsible for the calculation and publication of the net asset value of the Fund and the Master Fund, and the net asset value per Share.

The valuation provisions and Article 19 of the AIFM Directive do not apply to the Fund because the Fund is a non-EU AIF and the Investment Manager is a non-EU AIFM for the purposes of the AIFM Directive.

OTHER ACTIVITIES OF MANAGEMENT; POTENTIAL CONFLICTS OF INTEREST

The Manager, the Investment Manager and their respective affiliates (together, the "**Alpstone Group**") will be subject, and the Fund will be exposed, to a number of actual and potential conflicts of interest. Any such conflict of interest could have a material adverse effect on the Fund and the Shareholders' investments therein. However, the existence of an actual or potential conflict of interest does not mean that it will be acted upon to the detriment of the Fund. When a conflict of interest arises, the Alpstone Group will endeavour to ensure that the Alpstone Group has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest.

Prospective Shareholders should understand that (i) the relationships among the Fund, the Other Accounts, the Alpstone Group are complex and dynamic and (ii) as the Investment Manager's and the Fund's businesses change over time, the Alpstone Group may be subject, and the Fund may be exposed, to new or additional conflicts of interest. There can be no assurance that this Memorandum addresses or anticipates every possible current or future conflict of interest that may arise or that is or may be detrimental to the Fund or the Shareholders. *Prospective Shareholders should consult with their own advisers regarding the possible implications on their investment in the Fund of the conflicts of interest described in this Memorandum.*

Other Activities of the Alpstone Group

Conflicts of interest may arise from the fact that the Alpstone Group may provide investment management services to clients other than the Master Fund, including, without limitation, investment funds, managed accounts, proprietary accounts and other investment vehicles (collectively, "**Other Accounts**", and together with the Fund, the "**Accounts**" and each, an "**Account**"). The Master Fund will not typically have an interest in any Other Accounts.

Other Accounts may have investment objectives, programs, strategies and positions that are similar to or may conflict with those of the Master Fund, or may compete with or have interests adverse to the Master Fund. Such conflicts could affect the prices and availability of Securities in which the Master Fund invests. Even if an Other Account has investment objectives, programs or strategies that are similar to those of the Master Fund, the Alpstone Group may give advice or take action with respect to the investments held by, and transactions of, the Other Accounts that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, the Master Fund for a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment and tax treatment of the Other Accounts and the Master Fund. As a result, the Master Fund and an Other Account may have substantially different portfolios and investment returns. Conflicts of interest may also arise when the Alpstone Group makes decisions on behalf of the Master Fund with respect to matters where the interests of the Alpstone Group or one or more Other Accounts differs from the interests of the Master Fund.

Lack of Exclusivity

The Alpstone Group will devote as much of their time to the activities of the Master Fund as they deem necessary and appropriate. The Alpstone Group will not be restricted from forming Other Accounts, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities may be in competition with the Master Fund and/or may involve substantial time and resources of the Alpstone Group. These activities could be viewed as creating a conflict of interest in that the time and effort of the Alpstone Group will not be devoted

exclusively to the business of the Master Fund but will be allocated between the business of the Master Fund and the management of Other Accounts and businesses.

Investments by the Principal and Employees of the Alpstone Group in the Fund and Other Accounts

The Principal and employees of the Alpstone Group may choose to personally invest, directly and/or indirectly, in the Fund, the Partnership or the Master Fund. Such investors may be in possession of information relating to the Fund that is not available to other Shareholders and prospective Shareholders. The Principal and employees of the Alpstone Group are not required to keep any minimum investment in the Fund and may invest in Other Accounts. It is expected that, if such investments are made, the size and nature of these investments will change over time without notice to the Shareholders. Investments by the Principal and employees of the Alpstone Group in the Fund and/or Other Accounts (including the Partnership and the Master Fund) could incentivise the Principal and employees of the Alpstone Group to increase or decrease the risk profile of the Fund.

Investments in Securities by Alpstone Group Personnel

Subject to internal compliance policies and approval procedures, partners and employees of the Alpstone Group may engage, from time to time, in personal trading of Securities, including Securities in which the Master Fund may invest.

The Alpstone Group and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for the Master Fund. These activities may adversely affect the prices and availability of other Securities held by or potentially considered for purchase by the Master Fund.

Allocations of Trades and Investment Opportunities

It will be the policy of the Alpstone Group to allocate investment opportunities to the Master Fund and to any Other Accounts on a fair and equitable basis, to the extent practical and in accordance with the Master Fund's or Other Accounts' applicable investment strategies, over a period of time. Investment opportunities will generally be allocated among those Accounts for which participation in the respective opportunity is considered appropriate, taking into account, among other considerations: (i) whether the risk-return profile of the proposed investment is consistent with an Account's objectives; (ii) the potential for the proposed investment to create an imbalance in an Account's portfolio; (iii) the liquidity requirements of an Account; (iv) potentially adverse tax consequences; (v) regulatory restrictions that would or could limit an Account's ability to participate in a proposed investment; and (vi) the need to re-size risk in an Account's portfolio.

The Alpstone Group will have no obligation to purchase or sell a Security for, enter into a transaction on behalf of, or provide an investment opportunity to, the Master Fund or Other Accounts solely because the Investment Manager purchases or sells the same Security for, enters into a transaction on behalf of, or provides an opportunity to, an Other Account or the Master Fund if, in its reasonable opinion, such Security, transaction or investment opportunity does not appear to be suitable, practicable or desirable for the Master Fund or the Other Account.

In particular, when the Master Fund is ramping up its investment or trading strategies, it may receive larger allocations of certain Securities than the Other Accounts in order to obtain its desired risk and portfolio size. Conversely, when Other Accounts ramp up their investment and trading strategies, the Master Fund may receive reduced or no allocations of certain Securities.

Allocation of Expenses Among Accounts and Co-Investors

The Investment Manager seeks to fairly allocate expenses among the Accounts, including the Master Fund. Generally, Accounts that own an investment will share in expenses related to such investment, including expenses originally charged solely to any Account. However, it is not always possible or reasonable to allocate or re-allocate expenses to a particular Account, depending upon the circumstances surrounding the applicable investment (including the timing of the investment) and the financial and other terms governing the relationship of such Account to the other Accounts with respect to the investment, and, as a result, there may be occasions where co-investors do not bear a proportionate share of such expenses.

Order Aggregation and Average Pricing

If the Investment Manager determines that the purchase or sale of a Security is appropriate with regard to the Master Fund and any Other Accounts, the Investment Manager may, but is not obligated to, purchase or sell such a Security on behalf of such Accounts with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Account will receive the average price, with transaction costs generally allocated pro rata based on the size of each Account's participation in the order (or allocation in the event of a partial fill) as determined by the Investment Manager. In the event of a partial fill, allocations may be modified on a basis that the Investment Manager deems to be appropriate, including, for example, in order to avoid odd lots or de minimis allocations. When orders are not aggregated, trades generally will be processed in the order that they are placed with the broker or counterparty selected by the Investment Manager. As a result, certain trades in the same Security for one Account (including an Account in which the Investment Manager and its personnel may have a direct or indirect interest) may receive more or less favourable prices or terms than another Account, and orders placed later may not be filled entirely or at all, based upon the prevailing market prices at the time of the order or trade. In addition, some opportunities for reduced transaction costs and economies of scale may not be achieved.

Cross Trades

The Investment Manager may determine that it would be in the best interests of the Master Fund and one or more Other Accounts to transfer a Security from one Account to another (each such transfer, a "**Cross Trade**") for a variety of reasons, including, without limitation, tax purposes, liquidity purposes, to rebalance the portfolios of the Accounts, or to reduce transaction costs that may arise in an open market transaction. If the Investment Manager decides to engage in a Cross Trade, the Investment Manager will determine that the trade is in the best interests of both of the Accounts involved and take steps to ensure that the transaction is consistent with the duty to obtain best execution for each of those Accounts. The Investment Manager generally intends to execute Cross Trades, if at all, with the assistance of a broker-dealer that executes and books the transaction at the close of the market on the day of the transaction. Alternatively, a cross transaction between two fund clients may occur as an "internal cross", where the Investment Manager instructs the custodian for the Accounts to book the transaction at the price determined in accordance with the Valuation Policy. If the Investment Manager effects an internal cross, the Investment Manager will not receive any fee in connection with the completion of the transaction.

Trade Errors

The Investment Manager will seek to detect Trade Errors prior to settlement and promptly correct and mitigate any Trade Error Losses. If an IM Indemnified Person (or broker or agent of the Master Fund selected, engaged or retained by such IM Indemnified Person) is entitled to exculpation pursuant to the Investment Management Agreement in connection with the acts or omissions that result in any Trade Error Loss, such Trade Error Loss will be borne directly out of the assets of the Master Fund.

The Investment Manager will evaluate each Trade Error to determine whether a particular Trade Error Loss must be paid for by the Master Fund. To the extent that a Trade Error is caused by a counterparty of the Master Fund, such as a broker or agent, the Investment Manager will seek to recover any related Trade Error Losses from such counterparty. The Investment Manager in its sole discretion may offset any Trade Error Income with Trade Error Losses. As a result of the exculpation and indemnification provided by the Fund and the Master Fund to the Investment Manager and its affiliates and personnel, the Fund and the Master Fund (and not the Investment Manager) will be responsible for any losses (including additional trading costs) resulting from Trade Errors, absent bad faith, gross negligence, willful misconduct or actual fraud.

Strategy Exceptions and Hardware Failures

The development of trading systems is complex and involves financial, economic, econometric and statistical theories, research, and modelling, which are then translated into computer code. In the Investment Manager's automated trading environment, the Master Fund is at risk of errors of implementation (*e.g.*, "bugs" and classic coding errors), errors of design, and errors resulting from the unexpected interaction of various code modules or systems. These kinds of problems are collectively termed "Strategy Exceptions". As part of its fiduciary duty, the Investment Manager tests and evaluates new trading models prior to final production and implementation. Notwithstanding testing, there is always the chance that production models may contain code bugs or incorrect design, which could result in losses for the Master Fund. Coding errors and systemic risks from quantitative and algorithmic trading are inherent to the Investment Manager's strategies.

Similarly, with regard to trading, communication, development, programming, and other systems or equipment that the Investment Manager operates, utilises or relies upon, any or all of the following events may occur, even where the Investment Manager, acting as a fiduciary, takes steps to select secure and satisfactory equipment and service providers: (i) failures of such systems or equipment, (ii) interruptions in access to or the operations of such systems or equipment; (iii) loss of functionality of such systems or equipment; (iv) degradation or corruption of such systems or equipment; (v) compromises in the security or integrity of such systems or equipment; (vi) loss of power to such systems or equipment; and (vii) other situations that adversely affect such systems or equipment, however caused or occurring. These sorts of problems can result in losses for the Master Fund and are collectively termed "Hardware Failures".

Neither Strategy Exceptions nor Hardware Failures are deemed to be "trade errors". As a result of the exculpation and indemnification provided by the Fund and the Master Fund to the Investment Manager and its affiliates and personnel, the Fund and the Master Fund (and not the Investment Manager) will be responsible for any losses (including additional trading costs) resulting from Strategy Exceptions or Hardware Failures, absent bad faith, gross negligence, willful misconduct or actual fraud.

Master-Feeder Structure

The use of a "master-feeder" structure presents certain conflicts of interest. For example, different tax considerations applicable to the Fund and other feeder funds that invest in the Master Fund may result in the Master Fund structuring or disposing of an investment in a manner or at a time that is more advantageous (or disadvantageous) for tax purposes to one feeder fund or its investors. In selecting and structuring investments appropriate for the Master Fund, the Alpstone Group will consider the investment and tax objectives of the Fund and its Shareholders as a whole, not the investment, tax or other objectives of any Shareholder individually.

Other Agreements

The Fund, and in certain cases the Manager or the Investment Manager, will have the discretion to waive or modify the application of, or grant special or more favourable rights with respect to, any provision of this Memorandum or the Fund Documents to the extent permitted by applicable law. To effect such waivers or modifications or the grant of any special or more favourable rights, the Fund may create additional classes or series of Shares for certain Shareholders that provide for, among other things, (i) greater transparency into the Fund's portfolio, (ii) different or more favourable redemption rights, such as more frequent redemptions or shorter redemption notice periods, (iii) greater information than may be provided to other Shareholders, (iv) different fee or incentive compensation terms, (v) more favourable transfer rights and (vi) key-person notifications. Certain such waivers, modifications or grants of special or more favourable rights may also be effected by the Fund, and, in certain cases, the Manager or the Investment Manager, through agreements ("**Other Agreements**"). Although certain Shareholders may invest in the Fund with different material terms, the Fund and the Manager or the Investment Manager generally will only offer such terms if they believe other Shareholders in the Fund will not be materially disadvantaged.

The Fund, the Master Fund, the Manager and/or the Investment Manager may enter into Other Agreements with certain investors that provide such investors with special terms relating to their investment in the Fund.

The Investment Manager Could Have Different Compensation Arrangements with Other Accounts

The Manager or the Investment Manager could be subject to a conflict of interest because varying compensation arrangements among the Fund and Other Accounts could incentivise the Investment Manager to manage the Fund and such Other Accounts differently. These and other differences could make the Fund less profitable to the Manager or the Investment Manager than certain Other Accounts.

Valuation

The Master Fund's assets and liabilities are valued in accordance with the Valuation Policy. In making valuation determinations, the Investment Manager may be deemed subject to a conflict of interest, as the valuation of such assets and liabilities affects its compensation. There is no guarantee that the value determined with respect to a particular asset or liability by the Investment Manager will represent the value that will be realised by the Master Fund on the eventual disposition of the related investment or that would, in fact, be realised upon an immediate disposition of the investment.

The Investment Manager may manage this conflict of interest by (i) appointing a Valuation Committee comprised of a majority of individuals who are not involved in trading and investment decisions for the Fund, and (ii) having the day-to-day work of valuing assets and liabilities performed by employees who do not make trading and investment decisions for the Fund. In addition, with respect to unresolved valuation differences between the Administrator and the Investment Manager, either the Administrator will make the final decision or the Investment Manager will accept the prices of another third-party valuation service. Annual audits by the independent auditor also act as a check on the risk of inflated or inaccurate values. Further, the Administrator independently reviews net asset value calculations on a monthly basis, and may verify the valuation of investments by consulting with third-party sources of pricing information. Nevertheless, given the corporate and compensation structure of the Manager and the Investment Manager, this conflict of interest cannot be entirely eliminated.

Incentive Fee

The Manager will receive the performance-based Incentive Fee in connection with the management of the Fund. The Incentive Fee is not the product of an arm's-length negotiation with any third-party, and, because the Incentive Fee is calculated on a basis which includes unrealised appreciation of the Master Fund's assets, it may be greater than if such compensation were based solely on realised gains.

The Incentive Fee may give rise to potential conflicts of interest, including, without limitation, the following:

Allocation of Investment Opportunities

The Incentive Fee may create an incentive for the Manager or the Investment Manager (who may receive a portion of the Incentive Fee) to direct the best investment ideas to, or to allocate or sequence trades in favour of, (i) Accounts with performance compensation arrangements over Accounts that are not charged, or from which the Manager or the Investment Manager will not receive (e.g., because the Account is below its high water mark), performance compensation, and (ii) Accounts from which the Manager or the Investment Manager will receive a greater performance compensation over Accounts from which the Manager or the Investment Manager will receive lesser performance compensation.

Valuation

The Incentive Fee may create an incentive for the Manager or the Investment Manager (who may receive a portion of the Incentive Fee) to provide biased valuations.

Risk

The Incentive Fee may create an incentive for the Manager or the Investment Manager (who may receive a portion of the Incentive Fee) to make investments that are riskier or more speculative than would be the case if a performance-based compensation arrangement were not in effect.

Timing and Realisation of Investments

The Incentive Fee may create an incentive for the Manager or the Investment Manager (who may receive a portion of the Incentive Fee) to time investments, and the realisation of investments, so as to maximise the Incentive Fee rather than the return of the Master Fund.

Ancillary Fees Earned by the Alpstone Group

The Alpstone Group may earn fees and other income ("**Ancillary Fees**") from services provided or related to portfolio investments or in connection with portfolio investments or prospective portfolio investments, such as, without limitation, advisory fees, due diligence fees, structuring fees, servicing fees, directors' fees, break-up fees or any similar fees. The Alpstone Group will keep any profits, commissions, fees or other income earned by them in connection with any such activities. Neither Ancillary Fees nor other types of income earned by the Alpstone Group, including all income unrelated to the Fund's activities, will reduce the Incentive Fee or Management Fee, and the Fund will not participate in any such income.

Selection of Broker-Dealers and Counterparties

The Investment Manager may be subject to conflicts relating to its selection of brokers, dealers and counterparties on behalf of the Master Fund. Portfolio transactions for the Master Fund will be allocated to brokers, dealers and counterparties on the basis of numerous factors and not necessarily lowest pricing. Brokers, dealers and counterparties may provide other services that are beneficial to the Investment Manager or Other Accounts, but not necessarily beneficial to the Master Fund.

Service Providers

Conflicts of interest may arise from the fact that any Service Provider or any affiliate of a Service Provider may provide services to, or have business, financial, personal or other relations with (i) other private funds with investment programs similar to that of the Master Fund or (ii) the Alpstone Group. Any Service Provider or any affiliate of a Service Provider may be an investor in the Fund, a source of investment opportunities or a co-investor or commercial counterparty or entity in which the Investment Manager has an investment.

It is customary for a Service Provider to charge different rates or have different terms for different types of services. Based on the types of services used by the Alpstone Group as compared to the types of services used by the Fund or the Master Fund and the terms of such services, a Service Provider may enter into an arrangement with the Alpstone Group that provides for more favourable rates or terms than an arrangement with the Fund or the Master Fund.

Conflicts Relating to the Directors of the Fund and the Master Fund

As a general matter, the Directors owe certain fiduciary duties to the Fund, which require them to, among other things, act in good faith and in what they consider to be in the best interests of the Fund and in doing so, the Directors will act in a manner that ensures the fair treatment of Shareholders. In exercising their discretions (including in determining to cause the Fund to enter into any Other Agreement), the Directors will act in accordance with such fiduciary duties. This requires them to ensure that their actions (including, without limitation, in entering into any Other Agreement) do not result in the unfair treatment of Shareholders.

The directors of the Fund and the Master Fund are not required to devote their full time and attention to the business of the Fund and the Master Fund and may serve as directors of other investment vehicles. Accordingly, to the extent that the interests of the Fund, the Master Fund and such other investment vehicles are inconsistent, such directors may have a conflict of interest.

THE ADMINISTRATOR

The Fund, the Master Fund and the Partnership have entered into an agreement (the "**Administration Agreement**") with GlobeOp Financial Services Limited and GlobeOp Financial Services (Ireland) Limited (collectively, the "**Administrator**") pursuant to which the Fund, the Master Fund and the Partnership have engaged the Administrator to perform certain administrative services on their behalf.

Pursuant to the Administration Agreement, the Administrator is responsible for: (i) processing subscriptions and redemptions of Shares and other investor transactions; (ii) maintaining the register of Shareholders; (iii) performing certain anti-money laundering procedures on behalf of the Fund; (iv) calculating the net asset value of the Fund and per Share; (v) distributing or making available the net asset value of the Shares and account statements to Shareholders; (vi) maintaining the financial books and records of the Fund; and (vii) such other services as may be specified in the Administration Agreement.

The Administrator may appoint affiliates to perform certain services. The Administrator receives fees from the Master Fund based upon the nature and extent of the services performed by the Administrator for the Fund, the Master Fund and the Partnership. In connection with the provision of services, the Administrator is entitled to rely upon information provided by various third parties, including pricing vendors, the Investment Manager, custodians, brokers and other financial intermediaries. To the extent that the Administrator relies on information in good faith, its liability is limited to the accuracy of its own calculations (subject to the provisions of the Administration Agreement) and it is not liable for the accuracy of the underlying information provided to it.

The Administration Agreement may generally be terminated by either party without penalty upon 90 days prior written notice and may be terminated at other times in the case of a material breach that is not cured and other specified circumstances.

The Administration Agreement contains provisions limiting the liability of the Administrator, including that the Administrator and its affiliates, members, shareholders, directors, officers, partners, employees, agents, successors and assigns (collectively "**SS&C Associates**") will not be liable to the Fund for any action or inaction of any SS&C Associate except that the Administrator will be liable for direct losses resulting solely from the gross negligence, wilful misconduct, bad faith or fraud of SS&C Associates in the performance of the Administrator's duties or obligations under the Administration Agreement. In addition, the Fund has agreed to indemnify and hold harmless SS&C Associates from and against losses that SS&C Associates suffer, incur, or pay as a result of certain claims save where such claim is in respect of such damages or losses finally determined by a court of competent jurisdiction to have resulted from the gross negligence, wilful misconduct, bad faith or fraud of SS&C Associates.

The Administrator does not act as an offeror or a guarantor of the Shares. The Administrator shall have no obligation to review, monitor or otherwise ensure compliance by the Fund with the investment objectives, policies, guidelines or restrictions applicable to the Fund and therefore will not be liable for any breach thereof. The Administrator is not responsible for any of the trading or investment decisions of the Fund and therefore will not be responsible for the Fund's performance. The Administrator is not responsible for safekeeping the Fund's assets and therefore will not be responsible for any loss of such assets or ensuring their existence. The Administrator is a service provider to the Fund and is not responsible for the preparation of this Memorandum or the activities of the Fund and therefore accepts no responsibility for any information contained in this Memorandum.

COUNTERPARTIES TO THE MASTER FUND

Bank of America Merrill Lynch ("**BAML**") and Credit Suisse Securities (Europe) Limited ("**Credit Suisse**", and together with BAML, the "**Counterparties**") will clear (generally on the basis of payment against delivery) the securities transactions for the Master Fund which are effected through other brokerage firms.

The Investment Manager may, without prior notice to, or receiving consent from, the Shareholders, select additional or different counterparties in the future to act as counterparties to the Master Fund and have no obligation to continue to use BAML or Credit Suisse.

General

The depositary provisions of the AIFM Directive do not apply to the Fund and accordingly the Fund does not have a depositary within the meaning of the AIFM Directive because the Fund is a non-EU AIF and the Investment Manager is a non-EU AIFM for purposes of the AIFM Directive.

TAX ASPECTS

Cayman Islands

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund, the Master Fund or their respective shareholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund or the Master Fund.

Each of the Fund and the Master Fund has applied for and expects to receive an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (Revised) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations will apply to the Fund or the Master Fund or their respective operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax will be payable (i) on or in respect of the shares, debentures or other obligations of the Fund or the Master Fund or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Fund or the Master Fund to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund or the Master Fund.

The Cayman Islands Financial Institution Reporting Regime: US FATCA, UK FATCA and the OECD Common Reporting Standard

The Cayman Islands has signed two inter-governmental agreements to improve international tax compliance and the exchange of information – one with the United States and one with the United Kingdom (the "**US IGA**" and the "**UK IGA**", respectively). The Cayman Islands has also signed along with over 80 countries a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**" and together with the US IGA and the UK IGA, "**AEOI**").

Cayman Islands regulations were issued on 4 July 2014 to give effect to the US IGA, the UK IGA and on 16 October 2015 to give effect to the CRS (collectively, the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**Cayman TIA**") has published guidance note on the application of the US and UK IGAs and the CRS.

All Cayman Islands "Financial Institutions" will be required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, except to the extent that they can rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes. The Fund and the Master Fund do not propose to rely on any reporting exemption and therefore intend to comply with the requirements of the AEOI Regulations.

The AEOI Regulations require each of the Fund and the Master Fund to, amongst other things; (i) register with the Service (in the context of the US IGA only); (ii) register with the Cayman TIA, and thereby notify the Cayman TIA of its status as a "Reporting Financial Institution;" (iii) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts"; and (iv) report information on such Reportable Accounts to the Cayman TIA. The Cayman TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (i.e., the Service in the case of a US Reportable Account, Her Majesty's Revenue & Customs in the case of a UK Reportable Account, etc.) annually on an automatic basis.

For details on the US FATCA withholding tax regime see "Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments" below.

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that further information may need to be provided to the Fund, the Fund's compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with the overseas foreign fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Fund may take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned.

Switzerland

The Board of Directors and the Master Fund Board of Directors will use its best efforts to operate in a manner that neither the Fund nor the Master Fund is resident in Switzerland for Swiss tax purposes. In these circumstances, neither the Fund nor the Master Fund should be assessable to Swiss tax on income and gains of the Fund and the Master Fund.

The Fund and the Master Fund are considered as a foreign collective investment scheme in terms of the Swiss Federal Collective Investment Act (CISA). Therefore neither the Fund nor the Master Fund would be subject to Swiss stamp duty.

The Board of Directors and the Master Fund Board of Directors intend to manage the affairs of the Fund and the Master Fund in such a way that neither the Fund nor the Master Fund has its actual administration in Switzerland. In these circumstances neither the Fund nor the Master Fund would be subject to Swiss withholding tax.

United Kingdom

The Board of Directors and the Master Fund Board of Directors intend to manage the affairs of the Fund and the Master Fund in such a way that neither the Fund nor the Master Fund is resident in the United Kingdom for United Kingdom tax purposes. In these circumstances, neither the Fund, the Master Fund nor the Investment Manager, as agent of the Fund and the Master Fund, should be assessable to United Kingdom tax on income and gains of the Fund and the Master Fund; provided that neither the Fund nor the Master Fund is treated as carrying on a trade in the United Kingdom through a fixed place of business or an agent situated therein which constitutes its United Kingdom "permanent establishment" or "UK Representative" (although interest and certain other kinds of income which have a United Kingdom source may be received after deduction of United Kingdom income tax).

Since it is intended that the Fund will invest its assets in the Master Fund, the Board of Directors does not believe that the Fund will, in the normal course of its activities, be carrying on a trade for United Kingdom taxation purposes. Although the Master Fund should not be regarded for these purposes as carrying on a trade in the United Kingdom through the agency of the Investment Manager, the Master Fund Board of Directors, the Manager and the Investment Manager each intend to organise their affairs in such a way that, if the Master Fund is regarded as carrying on a trade, the Investment Manager does not constitute a United Kingdom "permanent establishment" or "UK Representative" of the Master Fund, by reason of an exemption (the "investment manager exemption"). It cannot, however, be guaranteed that the conditions of this exemption will at all times be met.

United States

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF CERTAIN US TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS PROFESSIONAL TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN THE FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN THE FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES, AS WELL AS TO SHAREHOLDERS WHO ARE NOT TAX-EXEMPT US PERSONS..

Neither the Fund nor the Master Fund has sought a ruling from the Service or any other US federal, state or local agency with respect to any of the tax issues affecting the Fund or the Master Fund, nor has either obtained an opinion of counsel with respect to any tax issues.

The following is a summary of certain potential US federal tax consequences which may be relevant to prospective Shareholders. The discussion contained herein is not a full description of the complex tax rules involved and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change, retroactively as well as prospectively. A decision to invest in the Fund should be based upon an evaluation of the merits of the trading program, and not upon any anticipated US tax benefits.

US Partnership Tax Audit Risk

Under current law, the Master Fund, which intends to be treated as a partnership for US tax purposes in the event it has two or more members, may be required to file a tax return with the Service. If the tax returns of the Master Fund are audited by the Service, the US tax treatment of the Master Fund's income and deductions generally is determined at the Master Fund level and US tax deficiencies arising from the audit, if any, are paid by the Fund (to the extent of any income that is, or is treated as, effectively connected with a trade or business in the United States or otherwise subject to withholding or other tax in the United States) and the other members of the Master Fund who were partners for US tax purposes in the year subject to the audit.

Under the general rule imposed under new legislation, an audit adjustment of the Master Fund's US tax return filed or required to be filed for any tax year beginning after 2017 (a "**Prior Year**") could result in a tax liability (including interest and penalties) imposed on the Master Fund for the year during which the adjustment is determined (the "**Current Year**"). The tax liability generally is determined by using the highest tax rates under the Internal Revenue Code applicable to US taxpayers, in which case the Fund and any other Current Year partners of the Master Fund would bear the audit tax liability at significantly higher rates (including interest and penalties) arising from audit adjustments and in amounts that are unrelated to their Prior Year economic interests in the Master Fund partnership items that were adjusted. Under the new legislation, the Master Fund may be able to use a lower tax rate to compute the tax liability by taking into account the fact that the Fund is generally not expected to be subject to US tax on most, if not all, of its share of the Master Fund's income. However, the details of how this rule will be implemented are not yet known, and there can be no guarantee that the Master Fund would be able to use a lower tax rate to calculate the tax liability for any particular Prior Year under audit.

To mitigate the potential adverse consequences of the general rule, the Master Fund may be able to elect with the Service to pass through such audit adjustments for any year to its members who participated in the Master Fund for the Prior Year, in which case the Fund and each Prior Year participating member (and not the Master Fund) generally would be responsible for the payment of any tax deficiency, determined after including their share of the adjustments on their tax returns for the Current Year and calculated, in the case of the Fund, using the tax rates generally applicable to non-US entities such as the Fund.[1] The Fund may also be able to mitigate such adverse consequences by, after the audit adjustments are made, filing an amended US tax return for the Prior Year and paying tax, if any, on its share of the items adjusted on audit. However, the extent to which the Fund and/or the Master Fund will be able to mitigate the operation of the general rule under either of these alternatives is highly uncertain and may depend upon future regulatory guidance and amendments to the legislation.

Tax-Exempt US Persons

Generally, a Tax-Exempt US Person is exempt from federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realised from securities investment or trading activity. This type of income is exempt even if it is realised from securities trading activity which constitutes a trade or business. This general exemption from tax does not apply to the "unrelated business taxable income" ("**UBTI**") of a Tax-Exempt US Person. Generally, except as noted above, with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the Tax-Exempt US Person's exempt purpose or function. UBTI also includes (i) income derived by a Tax-Exempt US Person from debt-financed property and (ii) gains derived by a Tax-Exempt US Person from the disposition of debt-financed property.

In 1996, Congress considered whether, under certain circumstances, income derived from the ownership of the shares of a non-US corporation should be treated as UBTI to the extent that it would be so treated if earned directly by the shareholder. Subject to a narrow exception for certain insurance company income, Congress declined to amend the Internal Revenue Code to require such treatment. Accordingly, based on the principles of that legislation, a Tax-Exempt US Person investing in a non-US corporation such as the Fund is not expected to realise UBTI with respect to an unleveraged investment in Shares. Tax-Exempt US Persons are urged to consult their own tax advisors concerning the US tax consequences of an investment in the Fund.

There are special considerations which should be taken into account by certain beneficiaries of charitable remainder trusts that invest in the Fund. Charitable remainder trusts should consult their own tax advisors concerning the tax consequences of such an investment on their beneficiaries.

Reporting Requirements for Tax-Exempt US Persons

The Fund is considered a passive foreign investment company ("**PFIC**") within the meaning of the Internal Revenue Code. Any United States person within the meaning of the Internal Revenue Code who holds shares in a PFIC such as the Fund (other than certain Tax-Exempt US Persons for whom an investment in such PFIC does not generate UBTI) is generally required to report its investment in the PFIC on an annual basis.

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[1] If such an election is made by the Master Fund, interest on any deficiency will be at a rate that is 2 percentage points higher than the otherwise applicable interest rate on tax underpayments.

Any US person within the meaning of the Internal Revenue Code owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares (the "**10% Amount**") of a non-US corporation such as the Fund will likely be required to file an information return with the Service containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. Any US person within the meaning of the Internal Revenue Code who within such US person's tax year (A) acquires shares in a non-US corporation such as the Fund, so that either (i) without regard to shares already owned, such US person acquires the 10% Amount or (ii) when added to shares already owned by the US person, such US person's total holdings in the non-US corporation reaches the 10% Amount or (B) disposes of shares in a non-US corporation so that such US person's total holdings in the non-US corporation falls below the 10% Amount (in each such case, taking certain attribution rules into account), will likely be required to file an information return with the Service containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. The Fund has not committed to provide all of the information about the Fund or its shareholders needed to complete these returns. In addition, a US person within the meaning of the Internal Revenue Code that transfers cash to a non-US corporation such as the Fund will likely be required to report the transfer to the Service if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds $100,000.

Certain US persons ("potential filers") who have an interest in a foreign financial account during a calendar year are generally required to file FinCEN Form 114 (an "**FBAR**") with respect to such account. Failure to file a required FBAR may result in civil and criminal penalties. Under existing regulatory guidance, potential filers who do not own (directly or indirectly) more than 50% of the voting power or total value of the shares of the Fund, generally are not obligated to file an FBAR with respect to an investment in the Fund. However, potential filers should consult their own advisors regarding the current status of this guidance.

Furthermore, certain US persons within the meaning of the Internal Revenue Code may have to file Form 8886 ("**Reportable Transaction Disclosure Statement**") with their US tax return, and submit a copy of Form 8886 with the Office of Tax Shelter Analysis of the Service if the Fund engages in certain "reportable transactions" within the meaning of US Treasury Regulations. If the Service designates a transaction as a reportable transaction after the filing of a reporting shareholder's tax return for the year in which the Fund or such reporting shareholder participated in the transaction, the reporting shareholder may have to file Form 8886 with respect to that transaction within 90 days after the Service makes the designation. Shareholders required to file this report include a US person within the meaning of the Internal Revenue Code if the Fund is treated as a "controlled foreign corporation" and such US person owns a 10% voting interest. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the Service at its request. Moreover, if a US person within the meaning of the Internal Revenue Code recognises a loss upon a disposition of Shares, such loss could constitute a "reportable transaction" for such shareholder, and such shareholder would be required to file Form 8886. A significant penalty is imposed on taxpayers who fail to make the required disclosure. The maximum penalty is $10,000 for natural persons and $50,000 for other persons (increased to $100,000 and $200,000, respectively, if the reportable transaction is a "listed" transaction). Shareholders who are US persons within the meaning of the Internal Revenue Code (including Tax-Exempt US Persons) are urged to consult their own tax advisors concerning the application of these reporting obligations to their specific situations and the penalty discussed above.

Other Jurisdictions

Interest, dividend and other income realised by the Fund or the Master Fund sources, and capital gains realised, or gross sale or disposition proceeds received, on the sale of securities of issuers, may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. It is impossible to predict the rate of foreign tax the Fund or the Master Fund will pay since the amount of the assets to be invested in various countries and the ability of the Fund or the Master Fund to reduce such taxes, are not known.

The tax and other matters described in this Memorandum do not constitute, and should not be considered as, legal or tax advice to prospective Shareholders.

General

The receipt of dividends (if any) by Shareholders, the redemption or transfer of Shares and any distribution on a winding-up of the Fund or the Master Fund 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 Fund or the Master Fund. The Board of Directors, the Fund and each of the Fund's agents have no liability in respect of the individual tax affairs of Shareholders.

Future Changes in Applicable Law

The foregoing description of Cayman Islands Swiss, United Kingdom and US income tax consequences of an investment in and the operations of the Fund and the Master Fund is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Fund or the Master Fund to income taxes or subject shareholders to increased income taxes.

Other Taxes

Prospective Shareholders should consult their own counsel regarding tax laws and regulations of any other jurisdiction which may be applicable to them.

ERISA CONSIDERATIONS

The following summary of certain aspects of ERISA is based upon ERISA, judicial decisions, US Department of Labor ("**DOL**") regulations and rulings in existence on the date hereof. This summary is general in nature and does not address every ERISA issue that may be applicable to the Fund, the Master Fund or a particular investor. Accordingly, each prospective investor should consult with its own counsel in order to understand the ERISA issues affecting the Fund, the Master Fund and the investor.

General

Persons who are fiduciaries with respect to a US employee benefit plan or trust within the meaning of and subject to the provisions of ERISA (an "**ERISA Plan**"), an individual retirement account or a Keogh plan subject solely to the provisions of the Internal Revenue Code* (an "**Individual Retirement Fund**") should consider, among other things, the matters described below before determining whether to invest in the Fund (and thus the Master Fund).

ERISA imposes certain general and specific responsibilities on persons who are fiduciaries with respect to an ERISA Plan, including prudence, diversification, avoidance of prohibited transactions and compliance with other standards. In determining whether a particular investment is appropriate for an ERISA Plan, DOL regulations provide that a fiduciary of an ERISA Plan must give appropriate consideration to, among other things, the role that the investment plays in the ERISA Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the ERISA Plan's purposes, the risk and return factors of the potential investment, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the ERISA Plan, the projected return of the total portfolio relative to the ERISA Plan's funding objectives, and the limitation on the rights of Shareholders to redeem all or a portion of their Shares or to transfer their Shares. Before investing the assets of an ERISA Plan in the Fund (and thus the Master Fund), a fiduciary should determine whether such an investment is consistent with its fiduciary responsibilities and the foregoing regulations. For example, a fiduciary should consider whether an investment in the Fund (and thus the Master Fund) may be too illiquid or too speculative for a particular ERISA Plan and whether the assets of the ERISA Plan would be sufficiently diversified. If a fiduciary with respect to any such ERISA Plan breaches its responsibilities with regard to selecting an investment or an investment course of action for such ERISA Plan, the fiduciary may be held personally liable for losses incurred by the ERISA Plan as a result of such breach.

Plan Assets Defined

ERISA and applicable DOL regulations describe when the underlying assets of an entity in which "benefit plan investors", as defined in Section 3(42) of ERISA and any regulations promulgated thereunder ("**Benefit Plan Investors**"), invest are treated as "plan assets" for purposes of ERISA. Under ERISA, the term Benefit Plan Investors is defined to include an "employee benefit plan" that is subject to the provisions of Title I of ERISA, a "plan" that is subject to the prohibited transaction provisions of Section 4975 of the Internal Revenue Code, and entities the assets of which are treated as "plan assets" by reason of investment therein by Benefit Plan Investors.

Under ERISA, as a general rule, when an ERISA Plan invests assets in another entity, the ERISA Plan's assets include its investment, but do not, solely by reason of such investment, include any of the underlying assets of the entity. However, when an ERISA Plan acquires an "equity interest" in an

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* References hereinafter made to ERISA include parallel references to the Internal Revenue Code.

entity that is neither: (a) a "publicly offered security"; nor (b) a security issued by an investment fund registered under the Company Act, then the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that: (i) the entity is an "operating company"; or (ii) the equity participation in the entity by Benefit Plan Investors is limited.

Under ERISA, the assets of an entity will not be treated as "plan assets" if Benefit Plan Investors hold less than 25% (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of each class of equity interests in the entity. Equity interests held by a person with discretionary authority or control with respect to the assets of the entity and equity interests held by a person who provides investment advice for a fee (direct or indirect) with respect to such assets or any affiliate of any such person (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of an entity will be treated as "plan assets" for purposes of ERISA. The Benefit Plan Investor percentage of ownership test applies at the time of an acquisition by any person of the equity interests. In addition, an advisory opinion of the DOL takes the position that a redemption of an equity interest by an investor constitutes the acquisition of an equity interest by the remaining investors (through an increase in their percentage ownership of the remaining equity interests), thus triggering an application of the Benefit Plan Investor percentage of ownership test at the time of the redemption.

Plan Asset Consequences

The Investment Manager anticipates that the aggregate investment in the Fund by Benefit Plan Investors may, from time to time, equal or exceed 25% (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of any class of equity interests in the Fund. In such circumstances, the assets of the Fund would be treated as "plan assets" for purposes of ERISA. Equity interests held by the Investment Manager or its affiliates (other than a Benefit Plan Investor) are not considered for purposes of determining the level of equity participation by Benefit Plan Investors in the Fund. As a general rule, if the assets of the Fund were treated as "plan assets" of a Benefit Plan Investor, the Investment Manager would be deemed a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to each ERISA Plan and Individual Retirement Fund investing in the Fund. However, the Investment Manager believes that, given the limited purpose and role of the Fund and given the requirement that the Investment Manager implement the direction of the investors in the Fund to invest the assets of the Fund in the Master Fund, as set forth in this Memorandum, neither the Investment Manager nor any other entity providing services to the Fund is exercising any discretionary authority or control with respect to the investment of the assets of the Fund in the Master Fund. Accordingly, the Investment Manager believes that neither the Investment Manager nor any other entity providing services to the Fund acts as a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to the assets of the Fund or any ERISA Plan or Individual Retirement Fund investor in connection with the investment by the Fund in the Master Fund. Further, by investing in the Fund, each of the Shareholders of the Fund that is a Benefit Plan Investor will represent and warrant that it does not intend its investment in the Fund to establish any relationship which would cause the Investment Manager or any other person to be a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to such Benefit Plan Investor in connection with the investment by the Fund in the Master Fund, and each such Benefit Plan Investor will further represent and warrant that it will not take any position to the contrary.

Limitation on Investments by Benefit Plan Investors

It is the current intent of the Investment Manager to monitor the investments in the Master Fund to ensure that the aggregate investment by Benefit Plan Investors does not equal or exceed 25% (or such greater percentage as may be specified in regulations promulgated by the DOL) of the value of any

class of equity interests in the Master Fund so that assets of the Master Fund will not be treated as "plan assets" under ERISA. Equity interests held by the Investment Manager or its affiliates (other than a Benefit Plan Investor) are not considered for purposes of determining whether the assets of the Master Fund will be treated as "plan assets" for the purpose of ERISA. If the assets of the Master Fund were treated as "plan assets" of a Benefit Plan Investor, the Investment Manager would be a "fiduciary" (as defined in ERISA and the Internal Revenue Code) with respect to each such Benefit Plan Investor and would be subject to the obligations and liabilities imposed on fiduciaries by ERISA. In such circumstances, the Master Fund would be subject to various other requirements of ERISA and the Internal Revenue Code. In particular, the Master Fund would be subject to rules restricting transactions with "parties in interest" and prohibiting transactions involving conflicts of interest on the part of fiduciaries which might result in a violation of ERISA and the Internal Revenue Code unless the Master Fund obtained appropriate exemptions from the DOL allowing the Master Fund to conduct its operations as described herein. The Master Fund Board of Directors may, in its sole discretion, compulsorily redeem all or any portion of the shares held by any shareholder, including, without limitation, to ensure compliance with the percentage limitation on investment in the Master Fund by Benefit Plan Investors as set forth above. As described above under "Redemptions–Required Redemptions", similar compulsory redemption terms apply to investors in the Fund. The Investment Manager reserves the right, however, to waive the percentage limitation on investment indirectly in the Master Fund by Benefit Plan Investors and thereafter to comply with ERISA.

If the assets of the Fund are treated as "plan assets" for purposes of ERISA, the Investment Manager will not purchase a fidelity bond satisfying the requirements of Section 412 of ERISA with respect to the assets of the Fund owned by ERISA Plans. If an investor is an ERISA Plan, it must cause the Investment Manager to be covered under its bond with respect to the assets invested by such investor in the Fund.

Representations by Plans

An ERISA Plan proposing to invest in the Fund (and thus the Master Fund) will be required to represent that it is, and any fiduciaries responsible for the ERISA Plan's investments are, aware of and understand the Fund's and the Master Fund's investment objectives, policies and strategies, and that the decision to invest plan assets in the Fund (and thus the Master Fund) was made with appropriate consideration of relevant investment factors with regard to the ERISA Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA.

Whether or not the assets of the Fund or the Master Fund are treated as "plan assets" for purposes of ERISA, an investment in the Fund (and thus the Master Fund) by an ERISA Plan is subject to ERISA. Accordingly, fiduciaries of ERISA Plans should consult with their own counsel as to the consequences under ERISA of an investment in the Fund (and thus the Master Fund).

ERISA Plans and Individual Retirement Funds Having Prior Relationships with the Investment Manager or its Affiliates

Certain prospective ERISA Plan and Individual Retirement Fund investors may currently maintain relationships with the Investment Manager or other entities that are affiliated with the Investment Manager. Each of such entities may be deemed to be a party in interest to, and/or a fiduciary of, any ERISA Plan or Individual Retirement Fund to which any of the Investment Manager or its affiliates provides investment management, investment advisory or other services. ERISA prohibits ERISA Plan assets to be used for the benefit of a party in interest and also prohibits an ERISA Plan fiduciary from using its position to cause the ERISA Plan to make an investment from which it or certain third parties in which such fiduciary has an interest would receive a fee or other consideration. Similar

provisions are imposed by the Internal Revenue Code with respect to Individual Retirement Funds. ERISA Plan and Individual Retirement Fund investors should consult with counsel to determine if participation in the Fund (and thus the Master Fund) is a transaction that is prohibited by ERISA or the Internal Revenue Code.

Eligible Indirect Compensation

The disclosures set forth in this Memorandum constitute the Investment Manager's good faith efforts to comply with the disclosure requirements of Form 5500, Schedule C and allow for the treatment of its compensation as eligible indirect compensation.

Future Regulations and Rulings

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisers regarding the consequences under ERISA of the acquisition and ownership of Shares.

OTHER REGULATORY MATTERS

Cayman Islands

Cayman Islands Mutual Funds Law

The Fund and the Master Fund are each regulated as a mutual fund under the Mutual Funds Law. CIMA has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with CIMA. CIMA may at any time instruct each of the Fund and the Master Fund to have their accounts audited and to submit them to CIMA within such time as CIMA specifies. Failure to comply with these requests by CIMA may result in substantial fines on the part of the Board of Directors and may result in CIMA applying to the court to have the Fund and the Master Fund wound up.

Neither the Fund nor the Master Fund will, however, be subject to supervision in respect of its investment activities or the constitution of the Fund's or the Master Fund's portfolio by CIMA or any other governmental authority in the Cayman Islands, although CIMA does have the power to investigate the activities of the Fund and the Master Fund in certain circumstances. Neither CIMA nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands.

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

The Fund and the Master Fund and any of its or their directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g., by CIMA, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (Revised), or by the Tax Information Authority, under the Tax Information Authority Law (Revised) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws will not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, the Master Fund and any of its or their directors or agents, may be prohibited from disclosing that the request has been made.

Switzerland

The Investment Manager is in the process of seeking a license from the Swiss Financial Market Supervisory Authority ("**FINMA**") to act as an asset manager of collective investment schemes pursuant to the Swiss Collective Investment Schemes Act of 23 June 2006, as amended from time to time (the "**CISA**"). As such, the Investment Manager is subject to the CISA and its implementing regulations, as well as the supervision of the FINMA, which is also the competent supervisory authority for purposes of Swiss anti-money laundering laws and regulations.

United States

Company Act Regulation

Neither the Fund nor the Master Fund is registered as an investment company under the Company Act. The Fund complies with Section 3(c)(7) of the Company Act, which permits private investment companies (such as the Fund) to sell their interests, on a private placement basis, to an unlimited number of investors that are "qualified purchasers", as defined under the Company Act.

Anti-Money Laundering Regulations

As part of the Fund's responsibility to comply with regulations aimed at the prevention of money laundering and terrorist financing, the Fund or the Administrator may require a detailed verification of any subscriber's or Shareholder's identity, any beneficial owner of a subscriber or Shareholder, and the source of any Shareholder's subscription payment.

In order to comply with Cayman Islands and United States law, the Administrator will require verification of identity and the source of funds from all prospective shareholders. Depending on the circumstances of each subscription, it may not be necessary under the Money Laundering Regulations (Revised) of the Cayman Islands to obtain full documentary evidence of identity where the shareholder:

i. makes the payment from an account held in the shareholder's name at a recognised financial institution;

ii. is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction; or

iii. is made by an intermediary acting on behalf of the shareholder and such intermediary is regulated by a recognised regulatory authority and is based or incorporated in, or formed under the law of, a recognised jurisdiction.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised as having sufficient anti-money laundering regulations as determined by the Administrator, having considered the applicable laws.

The Fund and the Administrator each reserves the right to request such information as is necessary to verify the identity and source of funds of any subscriber and any underlying beneficial owner of a subscriber. Each of the Fund and the Administrator also reserves the right to request such identification evidence in respect of a transferee of Shares. In the event of delay or failure by a subscriber or transferee to produce any information required for verification purposes, the Fund or the Administrator may (i) refuse to process or delay the acceptance of the application, (ii) in the case of a transfer of Shares, refuse to register the relevant transfer of Shares, (iii) in the case of a subscription for Shares, refuse to allot the Shares subscribed for, in which event subscription moneys will be returned without interest to the account from which such moneys were originally debited, or (iv) cause the redemption of any such Shareholder from the Fund.

Each of the Fund and the Administrator also reserves the right to refuse to make any redemption payment or distribution to a Shareholder, if any of the Directors or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering laws or the laws, regulations, and Executive Orders administered by the US Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), or other laws or regulations by any person in any relevant jurisdiction (collectively, "**AML/OFAC Obligations**").

Each subscriber and Shareholder will be required to make such representations to the Fund as the Fund, the Investment Manager or the Administrator will require in connection with applicable AML/OFAC Obligations, including, without limitation, representations to the Fund that such subscriber or Shareholder (or any person controlling or controlled by the subscriber or Shareholder; if

the subscriber or Shareholder is a privately held entity, any person having a beneficial interest in the subscriber or Shareholder; or any person for whom the subscriber or Shareholder is acting as agent or nominee in connection with the investment) is not (i) an individual or entity named on any available lists of known or suspected terrorists, terrorist organisations or of other sanctioned persons issued by the United States government, under the European Union and United Kingdom Regulations (as extended by the Cayman Islands by statutory instrument) or issued by the government(s) of any jurisdiction(s) in which the Fund is doing business, including the List of Specially Designated Nationals and Blocked Persons administered by OFAC, as such list may be amended from time to time; (ii) an individual or entity otherwise prohibited by the OFAC sanctions programs; or (iii) a current or former senior foreign political figure* or politically exposed person**, or an immediate family member or close associate of such an individual. Further, such subscriber or Shareholder must represent to the Fund that it is not a prohibited foreign shell bank***.

Such subscriber or Shareholder will also be required to represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene US federal, state or international laws and regulations, including, without limitation, any applicable anti-money laundering laws and regulations.

Each subscriber and Shareholder must notify the Fund promptly in writing should it become aware of any change in the information set forth in its representations. Each subscriber and Shareholder is advised that, by law, the Fund may be obligated to "freeze the account" of such subscriber or Shareholder, either by prohibiting additional investments from the subscriber or Shareholder, declining any redemption requests from the subscriber or Shareholder, suspending the payment of redemption proceeds payable to the subscriber or Shareholder, and/or segregating the assets in the account in compliance with governmental regulations. The Fund may also be required to report such action and to disclose the subscriber's or Shareholder's identity to OFAC or other applicable governmental and regulatory authorities.

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 their attention in the course of business in the regulated sector, or other trade, profession, business or

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* A "senior foreign political figure" is defined as (i) a current or former senior official in the executive, legislative, administrative, military or judicial branches of a non-US government (whether elected or not), a current or former senior official of a major non-US political party, or a current or former senior executive of a non-US government-owned commercial enterprise; (ii) a corporation, business, or other entity that has been formed by, or for the benefit of, any such individual; (iii) an immediate family member of any such individual; and (iv) a person who is widely and publicly known (or is actually known) to be a close associate of such individual. For purposes of this definition, a "senior official" or "senior executive" means an individual with substantial authority over policy, operations, or the use of government-owned resources; and "immediate family member" means spouses, parents, siblings, children and a spouse's parents and siblings.

** A "politically exposed person" means means an individual who is, or has at any time in the preceding 12 months been, entrusted with a prominent public function, including either of the following individuals (but not including any middle ranking or more junior official): (a) a specified official; (b) a member of the administrative, management or supervisory body of a state-owned enterprise; "specified official" means any of the following officials (including any such officials in an institution of the European Communities or an international body): (i) a head of state, head of government, government minister or deputy or assistant government minister; (ii) a member of a parliament; (c) 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; (d) a member of a court of auditors or of the board of a central bank; (e) an ambassador, chargé d'affairs or high-ranking officer in the armed forces.

*** A "prohibited foreign shell bank" is a foreign bank that does not have a physical presence in any country, and is not a "regulated affiliate," i.e., an affiliate of a depository institution, credit union, or foreign bank that (i) maintains a physical presence in the US or a foreign country, as applicable, and (ii) is subject to supervision by a banking authority in the country regulating the affiliated depository institution, credit union, or foreign bank.

employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law (2016 Revision) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Law (2015 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a 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.

As a regulated mutual fund in the Cayman Islands, the Master Fund is also subject to the same legislation and regulations aimed at the prevention of money laundering that are applicable to the Fund. The Master Fund will discharge its obligations by implementing procedures substantially similar to the Fund.

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity and source of funds. Where permitted, and subject to certain conditions, the Fund may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Fund, and the Administrator on the Fund's behalf, reserve the right to request such information as is necessary to verify the identity of a Shareholder (i.e. a subscriber or a transferee). Where the circumstances permit, the Fund, or the Administrator on the Fund's behalf, may be satisfied that full due diligence may not be required where an exemption applies under the Money Laundering Regulations (2015 Revision) of the Cayman Islands, as amended and revised from time to time or any other applicable law.

CAPITAL STRUCTURE OF THE FUND; LEGAL IMPLICATIONS

Authorised Capital and Division of Shares

The Fund has an authorised share capital of US$50,000 divided into 10 Founder Shares with a par value of US$0.001 per share and 49,999,990 ordinary shares with a par value of US$0.001 per share, which may be allocated by the Board of Directors, in its discretion, among various classes, series and sub-series of Shares. No capital of the Fund is under option or agreed, conditionally or unconditionally, to be put under option to any person.

The base currency of the Fund and the Master Fund is the US Dollar. The Investment Manager may, where practicable, seek to hedge at the Master Fund level the exposure of any series or class of Shares denominated in a currency other than the base currency of the Fund. The costs and fiscal results of any such hedging for a particular series or class of Shares will be solely for the account of such Shares. There can be no assurance that such hedging will be effective.

The Fund may, from time to time, by an ordinary resolution, increase the Fund's authorised share capital, consolidate and divide all or any of the Shares into a smaller number of Shares, sub-divide the Shares into a larger number of shares, or cancel any Shares not taken or agreed to be taken by any person. The Fund may, from time to time, by a special resolution, reduce its share capital in any way permitted by the laws of the Cayman Islands.

Shares will be registered in the name of the Shareholder and held in book-entry form.

Except as specifically described in this Memorandum, the Shares have no conversion or pre-emptive rights. All Shares, when duly issued, will be fully paid and non-assessable.

Participation and Voting

Shareholders that participate in the profits of the Fund generally do so in proportion to the net asset value per Share of the various classes, series and sub-series of Shares they hold. In the event of the liquidation or dissolution of the Fund, the net assets of the Fund remaining after the satisfaction of the rights of creditors will also be distributed to the Shareholders in proportion to the net asset value per Share of the various classes, series and sub-series of Shares.

The Articles provide that, subject to any special terms as to voting for the time being attached to any Shares, at any general meeting on a show of hands every Shareholder who is present in person will have one vote and on a poll the voting rights attributable to each Share carrying the right to vote on the matter in question will be calculated by reference to the net asset value per Share and not on the basis of one Share, one vote. An ordinary resolution is 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, and a special resolution is a resolution passed by a majority of not less than two-thirds 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.

At meetings of the voting Shareholders of the Fund, one or more Shareholder(s) representing not less than 20% by net asset value of all of the Shares in issue that carry the right to vote will constitute a quorum for the conduct of business and, except where a special resolution is required by law, the Shareholders are authorised to act by a vote of the holders of a majority of the voting Shares voting in person or by proxy at the meeting. The Shares are entitled to receive any dividends that may be declared by the Board of Directors or any committee of the Board of Directors.

Founder Shares

The Founder Shares are held by the Manager. They confer no economic benefit other than the right to a return of paid-up capital on a winding-up subject to the prior return of paid-up capital on the Shares. The Founder Shares do not generally have the right to vote except that they have the exclusive right to vote in relation to (i) a change of name for the Fund, (ii) any proposal to transfer the Fund by way of continuation to another country, at the direction of the Directors, and any amendments to the Articles as may be required to facilitate such continuation at the discretion of the Directors, (iii) subject to the approval of the Directors, all matters in relation or incidental to the creation of one or more additional classes, series or sub-series of shares of such number, par value and denomination, and with such rights and privileges and subject to such terms as the holders of the Founder Shares may determine; provided, that the rights attaching to shares already in issue by the Fund are not thereby adversely affected, (iv) the winding-up of the Fund, (v) increasing and decreasing the authorised capital of the Fund, including by the addition of other currencies, (vi) any amendments to the Articles which do not adversely affect the Shareholders in any material respect and/or affecting the foregoing matters, (vii) the variation of rights attaching to the Founder Shares, and (ix) the appointment or removal of any Director.

Rights of Shareholders

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of, the Articles. Under the terms of the Articles, the liability of the Shareholders is limited to any amount unpaid on their Shares save as otherwise provided therein. As the Shares can only be issued if they are fully paid, the Shareholders will not be liable for any debt, obligation or default of the Fund beyond their interest in the Fund save as otherwise provided therein.

The Articles have been drafted in broad and flexible terms to allow the Directors the authority, in its discretion, to determine a number of issues, including, without limitation, the period of notice to be given for redemptions and whether or not to charge subscription fees or retain the Early Redemption Amount, generally or in any particular case. In approving the offering of Shares on the terms set out in this Memorandum, the Directors have exercised a number of these discretions in accordance with the Articles.

Variation of Share Rights

The Articles provide that, subject to the Companies Law (2016 Revision) of the Cayman Islands (the "**Companies Law**"), the other provisions of the Articles and any applicable Subscription Agreement, all or any of the class rights or other terms of offer, whether set out in this Memorandum, any Subscription Agreement or otherwise (including any representations, warranties, covenants or disclosure relating to the offer or holding of Shares) (collectively referred to as "**Share Rights**") for the time being applicable to any class or series of Shares in issue (unless otherwise provided by the terms of issue of those Shares) may (whether or not the Fund is being wound up) be varied without the consent of the holders of the issued Shares of that class or series where such variation is considered by the Directors, not to have a material adverse effect upon such holders' Share Rights; otherwise, any such variation may be made with the prior consent in writing of the holders of not less than two-thirds by net asset value of such Shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such Shares. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may not have a material adverse effect, to obtain consent from the holders of such Shares. Each subscriber for Shares will be required to acknowledge and agree that the terms of this offering of Shares and the rights attaching to the Shares, as set forth in this Memorandum and in the applicable Subscription Agreement, can be varied in accordance with the provisions of the Articles.

Dividends

Dividends may be paid in the sole discretion of the Board of Directors. To the extent that a dividend may be declared, it will be paid in compliance with any applicable laws. It is not anticipated that the Fund will pay dividends.

LEGAL IMPLICATIONS

The Fund was incorporated in the Cayman Islands as an exempted company under the Companies Law. By submitting the relevant Subscription Agreement to the Administrator, the investor makes an offer to subscribe for Shares which, once it is accepted by the Fund, has the effect of a binding contract. Upon the issue of Shares, a prospective investor will become a Shareholder in the Fund and will be bound by the terms of the Articles pursuant to the Companies Law. The Articles may only be amended by way of a special resolution in accordance with the Companies Law. The Articles are governed by, and construed in accordance with, the laws of the Cayman Islands. Pursuant to its terms, the Subscription Agreement of the Fund is governed by, and construed in accordance with, the laws of the Cayman Islands. The Fund has separate legal personality and is a discrete legal entity which is the sole owner of the investments in the Fund's portfolio. Consequently, Shareholders have no direct legal or beneficial interest in those investments. Subject to the Articles and any separate contractual arrangements agreed by a Shareholder with the Fund such as the Subscription Agreement, a Shareholder's liability to the Fund will generally be limited to the amount, if any, unpaid on the Shares held by such Shareholder. A Shareholder's rights in respect of its investment in the Fund are governed by the Articles, the Companies Law, the terms set out in this Memorandum, the Subscription Agreement and any Other Agreements in relation to such Shareholder's investment in the Fund. In addition, the rights and restrictions that apply to a Shareholder's Shares may be modified and/or additional terms agreed by way of Other Agreements (subject to such terms being consistent with the Articles). In certain cases these Other Agreements may be governed by the laws of a different jurisdiction. However the provisions of Other Agreements that contravene the terms of the Articles or the law of the Cayman Islands are generally not enforceable. (See also "Certain Risk Factors—Reliance on Service Providers".)

Although there is no statutory enforcement in the Cayman Islands of judgments obtained in foreign jurisdictions (other than judgments rendered by certain Australian superior courts, which may be enforced by registration under the Foreign Judgments Reciprocal Enforcement Law (Revised)), a judgment obtained in such jurisdiction will be recognised and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment satisfies certain criteria.

THE BOARD OF DIRECTORS

The Board of Directors has overall responsibility for the management, operation and administration of the Fund. The Board of Directors has delegated responsibility for the management of the Fund and certain other responsibilities to the Manager and the Investment Manager. The Board of Directors has delegated responsibility for the administration of the Fund to the Administrator. The members of the Board of Directors are John Lewis, Claire Leroy Marie and Charles Woolnough. The Directors also serve as directors of the Master Fund and the general partner of the Partnership.

The Board of Directors anticipate holding meetings periodically to review and assess the investment policies and performance of the Master Fund and generally to supervise the conduct of their affairs.

The Fund has agreed to indemnify each Director and officer of the Fund out of the assets of the Fund against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own bad faith, gross negligence, wilful misconduct or actual fraud (as found by a court of competent jurisdiction). The Fund has also agreed that no Director or officer of the Fund will be liable to the Fund for any loss or damage incurred by the Fund as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the bad faith, gross negligence, wilful misconduct or actual fraud of such person (as found by a court of competent jurisdiction). The directors and officers of the Master Fund have the benefit of a similar indemnity from the Master Fund.

Set forth below is the biographical information of the members of the Board of Directors:

John Lewis
John joined HighWater Limited ("**HighWater**") as a partner in July 2008. HighWater was established in January 2007 and is currently licensed by the Cayman Islands Monetary Authority to carry on the business of company management. HighWater's core business is the provision of independent directors and related services to the alternative investment industry.

John joined HighWater after six years with Butterfield Fund Services where he held the role of Managing Director in Cayman and Regional Head of the Americas. Previously he spent two years as Vice President of Fund Accounting with the Bank of New York in Manhattan and eight years with Ethical Funds Administration in Vancouver, Canada where he departed with the title of General Manager and Assistant Vice President. Prior to moving into industry, John spent six years as an auditor with Price Waterhouse and Deloitte & Touche in Johannesburg, London and Vancouver.

John holds a BSc (Econ)(Hons) in Accounting from the London School of Economics and an MBA from Simon Fraser University in Canada. In addition to holding the Chartered Accountant designation in Canada, he is a Fellow of the Institute of Chartered Accountants in England and Wales. He is the former Chairman of the Cayman Islands Fund Administrators Association, was for 8 years on the Council of the Cayman Islands Society of Professional Accountants and is a former member of the Committee of Hearts for the Cayman chapter of Hedge Funds Care.

Claire Leroy Marie
Claire is the Chief Operating Officer and Chief Risk Officer of the Investment Manager. She joined the Alpstone Group in 2016 from a senior role in Barclays within the Global Investments & Solutions division as Head of Risk, Control and Governance covering asset management clients. Claire's

previous roles at Lloyds TSB Bank include Head of Product & Investment Risk for the International Wealth platform, Board member of the Luxembourg based SICAVs, Chair of both the Pension Fund of the Swiss branch of Lloyds CHF Trading SaRL, which involved oversight of internal funds, managed accounts and other alternative products and clients. Claire has over fifteen years' experience across all aspects of the fund industry, including distribution, manager selection, risk management, legal and compliance.

Claire holds a Masters Degree in information systems from the Institut National of Telecommunications, a BSc. in Management of the Université Paris Dauphine. She is a certified Compliance Officer from the Faculty of Law of Geneva.

Charles Woolnough
Charles is an independent fund director. Prior to 2013 Charles was a senior member of Credit Suisse's European prime brokerage division with responsibility for relationships with some of the firm's largest alternative investment fund clients. Before his move into prime brokerage he was EMEA Head of Sales for Credit Suisse's fund administration business. Prior to its acquisition by Credit Suisse in 2010, he was Managing Director of ABN AMRO Fund Services in the UK (formerly Fortis) and Co-Head of European Sales and Relationship Management. Charles was a long standing member of AIMA's Alternative Investment Research Committee and has contributed to numerous AIMA publications over the years. He was most recently a steering committee member for AIMA's Revised Guide to Sound Practices for Hedge Fund Valuation.

Charles holds a degree in Business Law, a Master's Degree in Business Administration and is a Certified Investment Fund Director. Charles is registered with CIMA as a Professional Director and is licensed by the Isle of Man Financial Supervision Commission

The Directors (other than Claire Leroy Marie) may receive a reasonable annual fee for their services, and the Fund reimburses all of the Directors for expenses incurred by them in the performance of their duties (including, without limitation, reasonable traveling, hotel and other related expenses properly incurred by them in attending meetings of the Directors or any committee of the Directors or any general meeting or any meeting held in connection with the business of the Fund). Similar provisions apply with respect to the Master Fund.

Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Fund to be dealt with. None of the Fund, its directors, officers, advisers or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund).

CAPITAL STRUCTURE OF THE MASTER FUND

Authorised Capital and Division of Shares

Under the Memorandum and Articles of Association of the Master Fund, as the same may be amended from time to time (the "**Master Fund Articles**"), the Master Fund has an authorised share capital of US$50,000 divided into 50,000,000 ordinary shares of US$0.001 par value each, which may be allocated by the Master Fund Board of Directors, in its discretion.

The Master Fund may, from time to time, by an ordinary resolution, increase the Master Fund's authorised share capital, consolidate the shares of the Master Fund into a smaller number of shares, sub-divide such shares into a larger number of shares, or cancel any shares not taken or agreed to be taken by any person. The Master Fund may, from time to time, by a special resolution, reduce its share capital in any way permitted by the laws of the Cayman Islands.

Shares of the Master Fund will be registered in the name of the shareholder (e.g., the Fund and the Partnership) and held in book-entry form.

Except as specifically described in this Memorandum, the shares of the Master Fund have no conversion or pre-emptive rights. All shares of the Master Fund, when duly issued, will be fully paid and non-assessable.

Participation and Voting

Shareholders of the Master Fund participate in the profits of the Master Fund. In the event of the liquidation or dissolution of the Master Fund, the net assets of the Master Fund remaining after the satisfaction of the rights of creditors will also be distributed to the shareholders.

The shares of the Master Fund held by the Fund and the Partnership are voting shares. The shares of the Master Fund have the right to vote based upon the relative net asset value (rather than on the basis of one vote per share). The Board of Directors will vote the shares of the Master Fund held by the Fund and the general partner of the Partnership will vote the shares of the Master Fund held by the Partnership. The shares of the Master Fund are entitled to receive any dividends which may be declared by the Master Fund Board of Directors or any committee of the Master Fund Board of Directors.

Rights of Shareholders

All shareholders of the Master Fund are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of, the Master Fund Articles. Under the terms of the Master Fund Articles, the liability of the shareholders is limited to any amount unpaid on their shares save as provided herein. As the shares of the Master Fund can only be issued if they are fully paid, the shareholders of the Master Fund will not be liable for any debt, obligation or default of the Master Fund beyond their interest in the Master Fund save as provided herein.

The Master Fund Articles have been drafted in broad and flexible terms to allow the Master Fund Board of Directors the authority, in their discretion, to determine a number of issues, including, without limitation, the period of notice to be given for redemptions and whether or not to charge subscription or retain redemption amounts, generally or in any particular case. In approving the offering of Shares on the terms set out in this Memorandum, the Master Fund Board of Directors have exercised a number of these discretions in accordance with the Master Fund Articles.

Variation of Share Rights

The Master Fund Articles provide that, subject to the Companies Law, the other provisions of the Master Fund Articles and any applicable Subscription Agreement, all or any of the class rights or other terms of offer, whether set out in this Memorandum, any Subscription Agreement or otherwise (including any representations, warranties, covenants or disclosure relating to the offer or holding of shares of the Master Fund) (collectively referred to as "**Master Fund Share Rights**") for the time being applicable to any shares of the Master Fund in issue (unless otherwise provided by the terms of issue of those shares) may (whether or not the Master Fund is being wound up) be varied without the consent of the holders of such issued shares where such variation is considered by the Directors, not to have a material adverse effect upon such holders' Master Fund Share Rights; otherwise, any such variation may be made with the prior consent in writing of the holders of not less than two-thirds by net asset value of such shares, or with the sanction of a resolution passed by a majority of at least two-thirds of the votes cast in person or by proxy at a separate meeting of the holders of such shares. For the avoidance of doubt, the Directors may, notwithstanding that any such variation may not have a material adverse effect, obtain consent from the holders of such shares of the Master Fund.

INDEPENDENT AUDITORS; REPORTS TO SHAREHOLDERS; FISCAL YEAR

PricewaterhouseCoopers (the "**Auditors**") has been retained as the independent auditors of the Fund and the Master Fund to provide auditing and related services. The Fund is not obligated to retain the Auditors and the Board of Directors may, without prior notice to, or receiving consent from, the Shareholders, engage other persons, firms or entities to provide auditing and related services. An annual report and audited financial statements of the Fund will be sent to Shareholders within 90 days of the end of the Fund's Fiscal Year, or as soon as reasonably practicable thereafter, and quarterly statements will also be sent to Shareholders, in each case in compliance with CFTC rules. The Fund will also provide periodic unaudited performance information, no less frequently than quarterly, to the Shareholders.

The fiscal year of each of the Fund and the Master Fund (the "**Fiscal Year**") ends on 31 December of each year, or such other date as the Board of Directors may determine in its sole discretion. The first Fiscal Year of each of the Fund and the Master Fund will end on 31 December 2016.

LEGAL COUNSEL

SRZ has been engaged by the Manager and the Investment Manager to represent them in connection with the organisation of the Fund and the Master Fund and this offering of Shares. SRZ also has been engaged by the Board of Directors, with respect to the Fund and the Master Fund Board of Directors, with respect to the Master Fund, to represent the Fund and the Master Fund, respectively, in connection with these matters and other matters for which it is retained to do so. Maples and Calder ("**Maples**", together with SRZ, "**Legal Counsel**")) has been engaged to act as Cayman Islands legal counsel by the Board of Directors, with respect to the Fund, and the Master Fund Board of Directors, with respect to the Master Fund, respectively, in connection with the organisation of the Fund and the Master Fund and this offering of Shares in the Fund. No separate counsel has been engaged to independently represent the Shareholders in connection with these matters.

Each Legal Counsel will represent the Fund and the Master Fund on matters for which it is retained to do so. Other counsel may also be retained where the Investment Manager, on its own behalf, or the Board of Directors, on behalf of the Fund, and the Master Fund Board of Directors, on behalf of the Master Fund, determines that to be appropriate.

Each Legal Counsel's representation of the Fund and the Master Fund is limited to specific matters as to which they have been consulted by the Fund or the Master Fund. There may exist other matters that could have a bearing on the Fund or the Master Fund as to which a Legal Counsel has not been consulted. In advising the Fund, the Master Fund and the Investment Manager with respect to the preparation of this Memorandum, each Legal Counsel has relied upon information that has been furnished to it by the Fund, the Master Fund, the Investment Manager and their affiliates, and has not independently investigated or verified the accuracy or completeness of the information set forth herein. In addition, Legal Counsel does not monitor the compliance of the Fund, the Master Fund, the Manager or the Investment Manager with the investment guidelines, valuation procedures and other guidelines set forth in this Memorandum, the Fund's and the Master Fund's terms or compliance with applicable laws.

There may be situations in which there is a "conflict" between the interests of the Manager or the Investment Manager, and those of the Fund and the Master Fund. In these situations, such parties will determine the appropriate resolution thereof, and may seek advice from Legal Counsel in connection with such determinations. The Manager and the Investment Manager (each with respect to SRZ), the Fund and the Master Fund have each consented to Legal Counsel's concurrent representation of such parties in such circumstances.

SUITABILITY REQUIREMENTS

Each prospective Shareholder generally must be either a non-US Person or a Permitted US Person that qualifies as an "accredited investor", as defined in Regulation D under the Securities Act, and either a "qualified purchaser", as defined in the Company Act, or a "knowledgeable employee", as defined under Rule 3c-5 of the Company Act, and must meet other suitability requirements described herein and in the Subscription Agreement. The term "**Permitted US Person**" means a Tax-Exempt US Person or a pass-through entity for US federal tax purposes substantially all of the ownership interests in which are held by Tax-Exempt US Persons.

The term "**US Person**" means a person described in one or more of the following paragraphs:

1. With respect to any person, any individual or entity that would be a US Person under Regulation S promulgated under the Securities Act. The Regulation S definition is set forth in **Appendix B** to this Memorandum.

2. With respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the US on at least 31 days during such year *and* (ii) the sum of the number of days on which such individual was present in the US during the current year, $^1/_3$ of the number of such days during the first preceding year, and $^1/_6$ of the number of such days during the second preceding year, equals or exceeds 183 days.

3. With respect to persons other than individuals:

   (i) a corporation or partnership created or organised in the United States or under the laws of the United States or any state;

   (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US Persons have the authority to control all substantial decisions of the trust; and

   (iii) an estate which is subject to US tax on its worldwide income from all sources.

Each prospective purchaser is urged to consult with its own advisers to determine the suitability of an investment in the Shares, and the relationship of such an investment to the purchaser's overall investment program and financial and tax position. Each purchaser of Shares is required to represent that it has evaluated the risks of investing in the Fund, understands there are substantial risks of loss incidental to the purchase of Shares and has determined that the Shares are a suitable investment for such purchaser.

Limitations on Transferability

Without the written consent of the Board of Directors, which may be given or withheld in its sole discretion, a Shareholder may not directly, indirectly or synthetically transfer, pledge, assign, hypothecate, sell, convey, exchange, reference under a derivatives contract or any other arrangement or otherwise dispose of or encumber all or any portion of its Shares to any other person (each, a "**Transfer**"), except by operation of law. Any attempted Transfer not made in accordance with the

foregoing, to the fullest extent permitted by applicable law, will be null and void ab initio. No transferee of Shares will be entered in the Fund's register of members unless all of the conditions set forth in the Articles have been satisfied. Any transferor will be deemed to remain the holder of a Share until the name of the transferee is entered in the Fund's register of members.

APPENDIX A

DEFINITIONS

"A Shares"	means ordinary shares in the Fund with a par value of US$0.001 per share issued as A Shares, which may be denominated in US Dollars, Euros or Yen.
"Account"	has the meaning set forth under "Other Activities of Management; Potential Conflicts of Interest – Other Activities of the Alpstone Group"
"Additional Information"	means any information concerning the terms and conditions of the Shares or the status of the Fund communicated in a writing to a prospective or current investor by an authorised representative of the Fund or the Investment Manager that expressly modifies, supplements or amends the relevant Fund Document or the Investor Disclosures, as applicable
"Adjusted NAV"	has the meaning set forth under "Incentive Fee"
"Administration Agreement"	has the meaning set forth under "The Administrator"
"Administrator"	means GlobeOp Financial Services Limited and GlobeOp Financial Services (Ireland) Limited
"Advisers Act"	means the US Investment Advisers Act of 1940, as amended
"AEOI"	has the meaning set forth under "Tax Aspects—Cayman Islands—The Cayman Islands Financial Institution Reporting Regime: US FATCA, UK FATCA and the OECD Common Reporting Standard"
"AEOI Regulations"	has the meaning set forth under "Tax Aspects—Cayman Islands—The Cayman Islands Financial Institution Reporting Regime: US FATCA, UK FATCA and the OECD Common Reporting Standard"
"AIF"	has the meaning given to such term under the AIFM Directive
"AIFM"	has, as the context requires, the meaning given to such term under the AIFM Directive and under "Investment Manager—Regulatory Status of the Investment Manager"
"AIFM Directive"	means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
"Alpstone Group"	means the Manager, the Investment Manager and their respective affiliates

"AML/OFAC Obligations"	has the meaning set forth under "Anti-Money Laundering Regulations"
"Ancillary Fees"	has the meaning set forth under "Other Activities of Management; Potential Conflicts of Interest–Ancillary Fees Earned by the Alpstone Group"
"Articles"	means the Memorandum of Association and the Articles of Association of the Fund, as the same may be amended from time to time
"Auditors"	means PricewaterhouseCoopers
"Benefit Plan Investor"	has the meaning given to such term in Section 3(42) of ERISA and any regulations promulgated thereunder
"Board of Directors"	means the board of directors of the Fund and any duly constituted committee thereof
"Cayman TIA"	means the Cayman Islands Tax Information Authority or its delegate
"CFTC"	means the US Commodity Futures Trading Commission
"CIMA"	means the Cayman Islands Monetary Authority or any applicable successor regulatory authority thereto
"CISA"	means the Swiss Collective Investment Schemes Act
"Companies Law"	means the Companies Law (Revised) of the Cayman Islands
"Company Act"	means the US Investment Company Act of 1940, as amended
"Counterparty"	has the meaning set forth under "Counterparties to the Master Fund"
"CPO"	means commodity pool operator
"Cross Trade"	has the meaning set forth under "Other Activities of Management; Potential Conflicts of Interest – Cross Trades"
"CRS"	has the meaning set forth under "Tax Aspects—Cayman Islands—The Cayman Islands Financial Institution Reporting Regime: US FATCA, UK FATCA and the OECD Common Reporting Standard"
"Dodd-Frank Act"	means the US Dodd-Frank Wall Street Reform and Consumer Protection Act
"DOL"	means the US Department of Labor

"Early Redemption Amount"	has the meaning set forth under "Redemptions–Voluntary Redemptions"
"ERISA"	means the US Employee Retirement Income Security Act of 1974, as amended
"ERISA Plan"	has the meaning set forth under "'ERISA Considerations – General"
"EU"	means the European Union
"FINMA"	means the Swiss Financial Market Supervisory Authority
"Fiscal Year"	has the meaning set forth under "Independent Auditors; Reports to Shareholders; Fiscal Year"
"Founder Shares"	means founder shares in the Fund with a par value of US$0.001 per share
"Fund"	means Alpstone Global Macro Fund
"Fund Documents"	has the meaning set forth under "Summary of Terms"
"Fund-Level Gate"	has the meaning set forth under "Redemptions – Fund-Level Gate"
"GAAP"	means US generally accepted accounting principles
"IM Indemnified Losses"	has the meaning set forth under "The Investment Manager—Investment Management Agreement"
"IM Indemnified Person"	has the meaning set forth under "The Investment Manager—Investment Management Agreement"
"Incentive Fee"	has the meaning set forth under "Incentive Fee"
"Incentive Fee Rate"	has the meaning set forth under "Incentive Fee"
"Individual Retirement Fund"	has the meaning set forth under "ERISA Considerations"
"Internal Revenue Code"	means the US Internal Revenue Code of 1986, as amended
"Investment Management Agreement"	has the meaning set forth under "The Investment Manager—Investment Management Agreement"
"Investment Manager"	means Alpstone Capital (Suisse) SA
"Investment Manager-Related Investor"	has the meaning set forth under "Management Fee"
"Investor Disclosure"	means any disclosure or communication required to be provided to Shareholders and/or prospective Shareholders pursuant to Article 23 of the AIFM Directive, which is given or made available

	through one or more of the following methods (with the appropriate method of disclosure or communication for any relevant information being determined by the Board of Directors or the Investment Manager in its sole discretion): an annual report, an update or a supplement to this Memorandum, a newsletter (or other Shareholder letter, announcement or communication), due diligence documentation or the Investment Manager's website
"Investor-Related Tax"	has the meaning set forth under "Incentive Fee"
"Judicially Determined"	has the meaning set forth under "The Manager—Management Agreement"
"Key Person Event"	has the meaning set forth under "Redemptions of Shares—Key Person Event"
"Key Person Suspension Period"	has the meaning set forth under "Redemptions of Shares—Key Person Event"
"Legal Counsel"	means SRZ and Maples
"Lock-Up Period"	has the meaning set forth under "Redemption of Shares"
"Management Agreement"	has the meaning set forth under "The Manager—Management Agreement"
"Management Fee"	has the meaning set forth under "Management Fee"
"Management Fee Rate"	has the meaning set forth under "Management Fee"
"Manager"	means Alpstone Capital (Cayman) Limited
"Manager Indemnified Losses"	has the meaning set forth under "The Manager—Management Agreement"
"Manager Indemnified Person"	has the meaning set forth under "The Manager—Management Agreement"
"Maples"	means Maples and Calder
"Master Fund"	means Alpstone Global Macro Master Fund
"Master Fund Articles"	means the Memorandum of Association and the Articles of Association of the Master Fund, as the same may be amended from time to time
"Master Fund Board of Directors"	means the board of directors of the Master Fund and any duly constituted committee thereof
"Master Fund Shares"	means ordinary shares of the Master Fund

"Master Fund Share Rights"	has the meaning set forth under "Capital Structure of the Master Fund – Variation of Share Rights"
"Memorandum"	means this Confidential Private Placement Memorandum
"Mutual Funds Law"	means the Mutual Funds Law (Revised) of the Cayman Islands
"OFAC"	means the US Department of Treasury's Office of Foreign Assets Control
"Other Accounts"	has the meaning set forth under "Other Activities of Management; Potential Conflicts of Interest–Other Activities of the Alpstone Group"
"Other Agreements"	has the meaning set forth under "Other Activities of Management; Potential Conflicts of Interest—Other Agreements"
"Partnership"	means Alpstone Global Macro Fund LP
"Permitted US Person"	means a Tax-Exempt US Person or a pass-through entity for US federal tax purposes substantially all of the ownership interests in which are held by Tax-Exempt US Persons
"Principal(s)"	Frederic Favre and Alexandre Germak
"Prior High NAV"	has the meaning set forth under "Incentive Fee"
"Proceedings"	means any and all actual or threatened claims, demands, actions, suits or proceedings (whether civil, criminal, administrative or investigative), including any formal or informal inquiries and "sweep" examinations in connection with the Master Fund's investment activity
"Redemption Date"	means the last day of each month and any other day on which a redemption is permitted or required by the Board of Directors
"Roll-Up Series"	has the meaning set forth under "The Shares and the Master Fund Shares—Series Roll-Up"
"SEC"	means the US Securities and Exchange Commission
"Securities"	has the meaning set forth under "Investment Objective and Program—Portfolio Investments"
"Securities Act"	means the US Securities Act of 1933, as amended
"Series Roll-Up"	has the meaning set forth under "The Shares and the Master Fund Shares—Series Roll-Up"
"Service"	means the US Internal Revenue Service
"Service Providers"	has the meaning set forth under "Certain Risk Factors—

	Dependence on Service Providers"
"Shareholder"	means an ordinary shareholder of the Fund
"Shares"	means ordinary shares in the Fund issued as A Shares
"Share Rights"	has the meaning set forth under "Capital Structure of the Fund; Legal Implications—Variation of Share Rights"
"SRZ"	means Schulte Roth & Zabel International LLP
"Subscription Agreement"	means the subscription agreement (including the investor questionnaire attached to such Subscription Agreement as completed by each Shareholder prior to the Fund's acceptance of such Shareholder's subscription) between each Shareholder and the Fund pursuant to which such Shareholder has subscribed for and purchased Shares
"Subscription Date"	means the first day of each month or such other day as the Board of Directors may determine in its sole discretion
"Tax-Exempt US Person"	means a US person within the meaning of the Internal Revenue Code that is exempt from payment of US federal income tax
"Trade Error"	means any trade error and similar human error involving any transaction in any Master Fund account, including: (i) the placement of orders (either purchases or sales) in excess of the amount of financial instruments the Master Fund intended to trade; (ii) the sale of a financial instrument when it should have been purchased; (iii) the purchase of a financial instrument when it should have been sold; (iv) the purchase or sale of the wrong financial instrument; (v) the purchase or sale of a financial instrument contrary to regulatory restrictions or the Master Fund investment guidelines or restrictions; and (vi) incorrect allocations of financial instruments
"Trade Error Income"	means any realised and unrealised appreciation in the value of, and dividend, interest or other gain earned with respect to, a financial instrument held by the Master Fund attributable to any Trade Error, less any expenses associated with such Trade Error
"Transfer"	has the meaning set forth under "Suitability Requirements – Limitations on Transferability"
"Trade Error Losses"	means any realised and unrealised depreciation in the value of, and expense or other loss incurred with respect to, a financial instrument held by the Master Fund attributable to any Trade Error
"US Person"	has the meaning set forth under "Suitability Requirements"
"Valuation Day"	means the last day of each calendar month and such other day or

	days as the Board of Directors may from time to time determine
"Valuation Policy"	has the meaning set forth under "Valuation"

All references herein to:

- "**US dollars**" or "**$**" are to the lawful currency of the United States.

APPENDIX B

REGULATION S DEFINITION OF US PERSON

Pursuant to Rule 902(k) of Regulation S promulgated under the Securities Act:

(1) "US Person" means:

(i) any natural person resident in the United States;

(ii) any partnership or corporation organised or incorporated under the laws of the United States;

(iii) any estate of which any executor or administrator is a US Person;

(iv) any trust of which any trustee is a US Person;

(v) any agency or branch of a foreign entity located in the United States;

(vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;

(vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(viii) any partnership or corporation if:

(A) organised or incorporated under the laws of any foreign jurisdiction; and

(B) formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

(2) The following are not "US Persons":

(i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States;

(ii) any estate of which any professional fiduciary acting as executor or administrator is a US Person if:

(A) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and

(B) the estate is governed by foreign law;

(iii) any trust of which any professional fiduciary acting as trustee is a US Person, if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;

(iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;

(v) any agency or branch of a US Person located outside the United States if:

(A) the agency or branch operates for valid business reasons; and

(B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and

(vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans.

APPENDIX C

OFFERING AND SALE RESTRICTIONS WITH RESPECT TO CERTAIN JURISDICTIONS

NOTE REGARDING MARKETING IN THE EUROPEAN ECONOMIC AREA

In each member state (each a "relevant member state") of the European Economic Area that has implemented the AIFM Directive, Shares of the Fund may only be offered to investors in accordance with the local measures implementing the AIFM Directive (such as where this Memorandum provides that the Fund has been registered for the purposes of the national private placement regime of the relevant member state), or in any other circumstances permitted by local law, including at the own initiative of the investor. The Fund has been registered to be marketed in the United Kingdom.

FOR PROSPECTIVE SHAREHOLDERS IN THE CAYMAN ISLANDS

This Memorandum does not constitute an offering, and there will not be any offering, of the Shares to the public in the Cayman Islands. No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands unless and until the Shares are listed on the Cayman Islands Stock Exchange.

FOR PROSPECTIVE SHAREHOLDERS IN SWITZERLAND

The Fund has not been and cannot be registered with the Swiss Financial Market Supervisory Authority-FINMA and the Shares cannot be distributed in Switzerland to non-qualified investors. Any distribution of the Shares in Switzerland will be exclusively made to, and directed at, qualified investors ("**Qualified Investors**"), as defined in the Collective Investment Schemes Act dated 23 June 2006 and revised on 28 September 2012, or its implementing ordinance. This Memorandum and/or any other offering materials relating to the Fund may be made available in Switzerland solely to Qualified Investors by the Representative and/or authorised distributors (or to investors that invest in the Fund on their own initiative in a manner that does not involve any distribution).

The representative of the Fund in Switzerland is Hugo Fund Services SA (the "**Representative**"), a company organised under the laws of Switzerland with its registered office at 6 Cours de Rive, CH-1204, Geneva, Switzerland. The statutory documents of the Fund, its Memorandum and annual or semi-annual reports can be obtained free of charge from the Representative. The place of performance for the Shares offered or distributed in or from Switzerland is the registered office of the Representative. The courts of the canton of Geneva shall have jurisdiction in relation to any disputes arising out of the duties of the Representative. Any dispute related to the distribution of Shares of the Fund in and from Switzerland shall be subject to the jurisdiction of the registered office of the representative.

The paying agent in Switzerland is Banque Cantonale de Genéve (the "**Paying Agent**"), with its registered office at17, quai de I'lle, 1204, Geneva, Switzerland. Shares may be subscribed and/or redeemed with the Paying Agent.

The Fund does not pay any retrocessions to third parties as remuneration for distribution activity in respect of the Shares in or from Switzerland. In respect of distribution in or from Switzerland, the Fund and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the Fund.

FOR PROSPECTIVE SHAREHOLDERS IN THE UNITED KINGDOM

In the United Kingdom, this Memorandum is only available to persons who are (i) investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("**FPO**") or Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 ("**PCIS Order**"), as applicable; (ii) high net worth companies and certain other entities falling within Article 49 of the FPO or Article 22 of the PCIS Order; or (iii) any other persons to whom the Shares may lawfully be promoted. It must not be acted, or relied upon by any other persons. The Fund has not been authorised or recognised by the Financial Conduct Authority and investors will not have the benefit of the Financial Services Compensation Scheme or other protections afforded of the United Kingdom regulatory system.

The Investment Manager has given a notification to the Financial Conduct Authority ("**FCA**") of its intention to market the Fund in accordance with Regulation 57 of the Alternative Investment Fund Managers Regulations 2013 ("**AIFMD Regulations**"). The Shares may only be offered to professional investors in the United Kingdom (as such term is defined for the purposes of the AIFMD Regulations), or in any other the circumstances permitted under the FCA rules.

FOR PROSPECTIVE SHAREHOLDERS IN THE UNITED STATES

There will be no public offering of Shares in the United States. The Shares will not generally be available to US Persons unless they are a Permitted US Person that is an "accredited investor" and a "qualified purchaser" as such terms are defined under applicable US federal securities laws.