No:

Provided to:

PRIVATE PLACEMENT MEMORANDUM

INVISTA US REAL ESTATE PRIVATE CREDIT FUND LTD.

an exempted company incorporated with limited liability under the laws of the Cayman Islands
with registration number 405692

INVISTA REAL ESTATE LIMITED
Investment Manager

October 2025

IMPORTANT NOTICES TO POTENTIAL INVESTORS

inVista US Real Estate Private Credit Fund Ltd. (the ***Fund***) is an exempted company incorporated with limited liability under the Companies Act. This Memorandum relates to the offering of participating shares in the Fund.

Responsibility statement

The Directors, whose names appear in the Directory, accept responsibility for the information contained in this Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Memorandum is in accordance with the facts and, in the reasonable opinion of the Directors, contains such information as is necessary to enable a prospective investor to make an informed decision as to whether or not to subscribe for Participating Shares.

Reliance on this Memorandum

Participating Shares are being offered only on the basis of the information contained in this Memorandum. Any further information or representations given or made by any dealer, broker or other person should be disregarded and accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations in connection with the offering of Participating Shares other than those contained in this Memorandum. Information given or representations made which are not contained in this Memorandum must not be relied on as having been authorised by the Directors.

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", "project", "estimate", "intend", "believe", the negatives of such words, other variations of such words or comparable terminology. Due to various risks and uncertainties, including those described in the sections headed "Risk Factors" and "Conflicts of Interest", actual events or results or the actual performance of the Fund may differ materially from that anticipated in such forward-looking statements.

Statements in this Memorandum are based on the law and practice in force in the Cayman Islands at the date of this Memorandum and are therefore subject to change should that law or practice change. Neither the delivery of this Memorandum nor the issue of Participating Shares shall under any circumstances create any implication or constitute any representation that the affairs of the Fund have not changed since the date of this Memorandum.

Regulation

The Fund is or will be a "regulated mutual fund" for the purposes of the Mutual Funds Act and is or will be registered with CIMA pursuant to section 4(3) of the Mutual Funds Act. This Memorandum has been or will be filed with CIMA. Such registration does not imply that CIMA or any other regulatory authority in the Cayman Islands has approved this Memorandum or the offering of the Participating Shares.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED WITH CIMA DOES NOT CONSTITUTE AN OBLIGATION OF CIMA TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

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

Listing

As more particularly described in the applicable listing particulars, the Directors may seek a listing on a recognised stock exchange for certain Classes of Participating Shares.

Distribution and selling restrictions

Neither this Memorandum nor the Participating Shares described in it have been qualified for offer, sale or distribution under the laws of any jurisdiction governing the offer or sale of mutual fund equity interests or other securities. The distribution of this Memorandum and the offering or purchase of Participating Shares may be restricted in certain jurisdictions. This Memorandum does not constitute an offer, solicitation or invitation to subscribe for Participating Shares in any jurisdiction in which such offer, solicitation or invitation is not authorised, or to any person to whom it would be unlawful to make such an offer, solicitation or invitation. It is the responsibility of any person in possession of this Memorandum, and any person wishing to apply for Participating Shares pursuant to this Memorandum, to inform themselves of and to observe all applicable laws and regulations of any jurisdiction relevant to them.

Please review the selling restrictions set out in the Appendix.

Confidentiality

This Memorandum is strictly confidential and is to be read only by the person to whom it has been delivered to enable that person to evaluate an investment in the Fund. It is not to be reproduced or distributed to any other persons except that a potential investor may provide a copy to its professional advisers.

Investor responsibility

No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of, an investment in the Fund. No assurance can be given that existing laws will not be changed or interpreted adversely. Potential investors should not construe this Memorandum as legal, tax or financial advice.

The above information is for general guidance only. Before making an investment in the Fund prospective investors should review this Memorandum carefully and in its entirety. Prospective investors should consult with their legal, tax and financial advisers as to any legal, tax, financial or other consequences of subscribing for, purchasing, holding, redeeming or disposing of Participating Shares in their country of citizenship, residence and/or domicile.

Risks

An investment in the Fund carries substantial risk. There can be no assurance that the investment objective of the Fund will be achieved and investment results may vary substantially over time. An investment in the Fund is only suitable for sophisticated investors who are able to bear the loss of a substantial portion or even all of their investment in the Fund. An investment in the Fund is not intended to be a complete investment programme for any investor.

There is no public market for Participating Shares, nor is a public market expected to develop in the future.

Complaints

AS REQUIRED BY REGULATORY MEASURES ADOPTED BY CIMA, INVESTORS ARE ADVISED THAT THEY MAY REPORT ANY COMPLAINTS RELATING TO THE OPERATIONS OF THE FUND TO THE INVESTMENT MANAGER FOR FURTHER HANDLING BY THE GOVERNING BODY OF THE FUND.

Potential investors should carefully consider the risk factors set out in the section headed "Risk Factors" when considering whether an investment in the Fund is suitable for them in light of their circumstances and financial resources. Investors are advised to seek independent professional advice on the implications of investing in the Fund.

DIRECTORY

inVista US Real Estate Private Credit Fund Ltd.

Directors and contact address for the Directors	Marcelo Rezende Rainho Teixeira Thiago Bellini Motta Leomil Ana Clara Penteado Regueira Alves
Registered Office	Harneys Fiduciary (Cayman) Limited 4th Floor, Harbour Place 103 South Church Street PO Box 10240 KY1-1002 Grand Cayman Cayman Islands
Investment Manager and contact address for the principals of the Investment Manager	InVista Real Estate Limited Craigmuir Chambers PO Box 71 Road Town Tortola VG1110 British Virgin Islands
Administrator	Apex Fund Services Ltd. Vallis Building, 4th Floor 58 Par-la-Vile Road Hamilton HM11 Bermuda
Custodian	Apex Fund Services (Cayman) Ltd. 3rd Floor, Citrus Grove Building 106 Goring Avenue George Town PO Box 10085 Grand Cayman Cayman Islands

Auditors	Grant Thornton Attest (Cayman) LLP 2nd Floor, Century Yard Cricket Square P.O. Box 1044 Grand Cayman, KY1-1102 Cayman Islands and Grant Thornton Ireland Chartered Accountants and Statutory Audit Firm 13-18 City Quay, Dublin 2 D02 ED70 Ireland (together ***Grant Thornton***)
Legal Adviser as to Cayman Islands law	Harney Westwood & Riegels (Cayman) LLP 3rd Floor, Harbour Place 103 South Church Street PO Box 11088 KY1-1008 Grand Cayman Cayman Islands

CONTENT

Definitions **1**

Summary **6**

The Fund **11**
Structure 11
Participating Shares 11
Dealing currency 11
Additional information 11

Investment Objective, Strategies and Restrictions **13**
Investment objective 13
Investment strategies 13
Investment restrictions 14
Leverage 14
Currency hedging and trading 14
Distribution policy 14
Changes to investment strategies and restrictions 14

Side Pocket Investments **16**
Exchange of Participating Shares for Side Pocket Shares 16
Realisation of Side Pocket Investment 16
Fees and expenses applicable to Side Pocket Shares 17
Valuations 17
Redemption and transfer of Side Pocket Shares 17

Management and Administration **18**
Board of Directors 18
Investment Manager 19
Administrator 20
Custodian 21
Distributor 21
Change of service providers 21

Fees and Expenses **22**
Fees payable to the Investment Manager 22
Administration fees 23
Custody fees 23
Fees payable to the Directors 23
Expenses 23

Subscriptions **26**
Subscription price and issuance 26
Subscription Fee 26
Minimum investment 27
Eligible Investors 27
Payment 27
Non-cash subscriptions 27
Subscription procedure 28
Issue of Participating Shares 28
Prevention of money laundering 29
Form of Participating Shares 30

Redemption and Transfer **32**
Procedure for the redemption of Participating Shares 32

Redemption price and redemption proceeds 32
Redemption fee 32
Deferral of redemptions 33
Settlement 33
redemptions in kind 33
Prevention of money laundering - Redemptions 34
Rights following the Redemption Day 34
Compulsory redemption 34
Transfer or disposal of Participating Shares 34
Special Redemption Right 35

Net Asset Value 36
Determination of Net Asset Value 36
Valuation of assets 36
Suspensions 38

Risk Factors 40
Risks associated with the structure of the Fund/General Risks 40
Risks associated with Investing in underlying Funds 44
Risks associated with the investment strategies 46

Conflicts of Interest 66
Investment Manager 66
Directors 66
Soft dollar arrangements 67

Taxation 68
General 68
Cayman Islands 68
Other jurisdictions 68
Compliance with automatic exchange of information legislation 68

Financial Information and Reports 71
Financial year 71
Financial statements 71
Auditors 71
Reports to Shareholders 71

General 72
The Fund 72
Share capital of the Fund 72
Rights of the Management Shares 72
Rights of the Participating Shares 73
Variation of rights attaching to a Class 73
Side letters 73
Consolidation of Series 74
Amendments to the Articles 74
Winding up and termination 74
General meetings 74
Directors' report 74
Cayman Islands Regulation 75
Anti-Money Laundering Compliance Officer and Money Laundering Reporting Officer 77
Material contracts 77
constitutional matters 77
Enquiries 78

APPENDIX - RESTRICTIONS ON DISTRIBUTION 79

DEFINITIONS

In this Memorandum capitalised terms have the meanings set out below:

Administration Agreement	has the meaning given to such term in the section headed "*Management and Administration – Administrator*".
Administrator	Apex Fund Services Ltd..
Articles	the memorandum and articles of association of the Fund, as amended from time to time.
Auditors	Grant Thornton.
Business Day	any day on which banks in the Cayman Islands are authorised to open for normal banking business and/or such other day or days as the Directors may determine, either generally or in any particular case.
Calculation Period	a period of 1 month commencing on the first day of each calendar month, provided that the first Calculation Period in respect of any Series will be the period commencing on the date such Series is issued and ending on the last day of such calendar month.
Capital Account	the separate account maintained by the Fund in respect of each Series within a Class.
Cayman TIA	the Cayman Islands Tax Information Authority.
CIMA	the Cayman Islands Monetary Authority.
Class	any class of Participating Shares or Side Pocket Shares designated by the Directors pursuant to the Articles.
Class A Share	a Participating Share designated as a Class A Share.
Class B Share	a Participating Share designated as a Class B Share.
Class C Share	a Participating Share designated as a Class C Share.
Class D Share	a Participating Share designated as a Class D Share.
Companies Act	the Companies Act (As Revised) of the Cayman Islands, as amended or re-enacted from time to time.
Custodian	Apex Fund Services (Cayman) Ltd..
Dealing Currency	in respect of any Class, the currency determined by the Directors on the establishment of the Class as the currency in which the Subscription Price, Redemption Price and Net Asset Value per Share of such Class will be calculated.
Directors	the directors of the Fund from time to time.

Eligible Investor	a person to whom the Fund can lawfully make an invitation to subscribe for Participating Shares without compliance with any registration or other legal requirements, who is able to acquire and hold Participating Shares without breaching the law or requirements of any relevant country, regulatory body or government authority and who satisfies such additional eligibility requirements as may be determined by the Directors from time to time.
FATCA	the US Foreign Account Tax Compliance Act and sections 1471 through 1474 of the US Internal Revenue Code.
Fund	inVista US Real Estate Private Credit Fund Ltd., an exempted company incorporated with limited liability under the Companies Act with registration number 405692.
High Water Mark	in relation to any Series, the highest Net Asset Value of that Series (after payment of any Performance Fee) as at the last Valuation Day in any previous Calculation Period or, if higher, the Net Asset Value of the relevant Series immediately following the issue of such Series.
Hurdle Amount	with respect to a Calculation Period is the amount that the Net Asset Value per Share of the applicable Series would have appreciated or depreciated (as applicable) if such Series had achieved a return equal to that of the Hurdle Rate during such Calculation Period (after taking into account the amount and timing of any redemptions of Participating Shares of such Series during such Calculation Period).
Hurdle Rate	1.5% per fiscal quarter (6.0 per cent per annum).
Initial Offer Period	in relation to any Class, the period determined by the Directors during which Participating Shares of that Class are first offered for subscription, which will commence at 9:00 am (Cayman Islands time) on the date that this Memorandum is first circulated to prospective investors and end at 5:00 pm (Cayman Islands time) on the day on which the Participating Shares are first issued, or such other day or time as the Directors may determine.
Initial Series	in relation to any Class, the Series issued on the close of the Initial Offer Period or any Series substituted for such Series.
Investment Management Agreement	has the meaning given to such term in the section headed "*Management and Administration – Investment Manager*".
Investment Manager	InVista Real Estate Limited.
Investment Manager Affiliates	the Investment Manager, or any of its managers, members, shareholders, directors, officers, partners, employees, agents and affiliates.

Key Man Event	if both Marcelo Rezende Rainho Teixeira and Thiago Bellini Motta Leomil die, are declared legally incompetent by a recognised court of law or are disabled (i.e., unable, by reason of disease, illness or injury, to perform his functions with respect to the Fund or the Investment Manager for 60 consecutive calendar days), or otherwise cease to be active in the affairs of the Fund or the Investment Manager for 60 consecutive calendar days.
Lock-up Period	in respect of a Class A Share, Class B Share, Class C Share or Class D Share, a period of 2 years commencing on the issue of such Participating Share or such shorter period as the Directors may determine.
Management Fee	the management fee payable by the Fund to the Investment Manager pursuant to the Investment Management Agreement.
Management Share	a non-participating, non-redeemable, voting share of par value US$0.01 in the capital of the Fund designated as a Management Share.
Memorandum	this private placement memorandum, as amended or supplemented from time to time.
Minimum Holding	Participating Shares with an aggregate Net Asset Value of US$100,000 or such lesser amount as the Directors may determine, either generally or in any particular case.
Mutual Funds Act	the Mutual Funds Act (As Revised) of the Cayman Islands, as amended or re-enacted from time to time.
Net Asset Value	the net asset value of the Fund, the relevant Class or Series or a Participating Share, as the case may be, determined as described in the section headed "Net Asset Value".
Net Asset Value per Share	in respect of a Participating Share of any Series, the Net Asset Value of the relevant Series divided by the number of Participating Shares of such Series in issue.
Participating Share	a participating, redeemable, non-voting share of par value US$0.01 in the capital of the Fund being offered for subscription under the terms of this Memorandum.
Performance	means, with respect to a Series, the aggregate appreciation or depreciation in the Net Asset Value per Share of such Series during the applicable Calculation Period.
Performance Fee	the performance fee, if any, payable by the Fund to the Investment Manager pursuant to the Investment Management Agreement and as described in more detail in the section headed "Fees and Expenses".

Redemption Day	the first Business Day of each calendar month and such other day or days as the Directors may determine, either generally or in any particular case.
Redemption Gate	Participating Shares representing in aggregate 10% (ten per cent) or more (or such higher percentage as the Directors determine, either generally or in respect of any particular Redemption Day) of the Net Asset Value of the Fund.
Redemption Notice	a request for the redemption of Participating Shares which shall be in such form as the Directors may determine from time to time.
Redemption Payment Date	has the meaning given to such term in the section headed "*Redemption and Transfer – Redemption Payments*".
Redemption Price	the price per share at which Participating Shares of the relevant Class or Series (as applicable) may be redeemed, calculated in the manner described in the section headed "Redemption and Transfer".
Relevant Percentage	a) in respect of the Class A Shares and Class C Shares, 0.5% (2.0% annually); and b) in respect of the Class B Shares and Class D Shares, 0.2125% (0.85% annually).
Series	a Series of any Class.
Shareholder	a holder of one or more Participating Shares.
Side Pocket Share	a participating, non-redeemable, non-voting share of par value US$0.01 in the capital of the Fund designated as a Side Pocket Share.
Subscription Agreement	an application to subscribe for Participating Shares which shall be in such form as the Directors may determine from time to time.
Subscription Day	the first Business Day of each calendar month and/or such other day or days as the Directors may determine, either generally or in any particular case.
Subscription Fee	the subscription fee, if any, payable by the Fund to the Investment Manager as described in more detail in the section headed 'Subscriptions'.
Subscription Price	the price per share at which Participating Shares may be issued after the close of the Initial Offer Period, calculated in the manner described in the section headed "Subscriptions".
Underlying Fund	a collective investment scheme, managed account or other pooled investment vehicle into which the Fund may invest.
Underlying Manager	the manager, investment manager or investment adviser of an Underlying Fund.

United States, U.S. or US	the United States of America, its territories and possessions including the States and the District of Columbia.
US GAAP	generally accepted accounting principles applied in the United States.
US Person	a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States or any person falling within the definition of the term "United States Person" under Regulation S promulgated under the United States Securities Act of 1933, as amended.
USD, US Dollar, or US$	the lawful currency of the United States.
Valuation Day	in respect of each Class, the last Business Day of each calendar month and/or such other day or days as the Directors may determine, either generally or in any particular case.
Valuation Point	the close of business in the last market relevant to the Fund to close on the relevant Valuation Day, or such other time as the Directors may determine.

SUMMARY

The following summary should be read in conjunction with the remainder of this Memorandum, the Articles and the other documents referred to in this Memorandum and is qualified in its entirety by reference to such documents.

The Fund	inVista US Real Estate Private Credit Fund Ltd. is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Act. The duration of the Fund is unlimited.
Participating Shares	The Directors have initially created and designated four Classes, being Class A Shares, Class B Shares, Class C Shares and Class D Shares, which are being offered under the terms of this Memorandum. The Class A Shares, Class B Shares, Class C Shares and Class D Shares are broadly identical save for their applicable fee structures and that, in respect of the Class C Shares and Class D Shares, the Investment Manager will seek to hedge the currency exposure of the Class C Shares and Class D Shares to Brazilian Reais as against the US Dollar. At any time, the Directors may create and designate additional Classes without notice to, or the consent of, the Shareholders. The Directors may differentiate between Classes on various bases, including as to the Dealing Currency, the fees payable, the level of information provided and redemption rights.
Regulation	The Fund is registered with CIMA as a regulated mutual fund pursuant to section 4(3) of the Mutual Funds Act. Accordingly, the Fund is subject to regulatory supervision by CIMA.
Investment objective and strategies	The investment objective of the Fund is to maximize capital preservation, while generating attractive risk-adjusted returns, with income as a primary driver, by sourcing and investing in a diversified private real estate loan portfolio across segments, structures and geographies in the US. There can be no assurance that the investment objective will be achieved. The Investment Manager will seek to achieve the investment objective of the Fund by utilising the investment strategies set out in the section headed "Investment Objective, Strategies and Restrictions".
Management	The Directors have overall responsibility for the management and administration of the Fund. However, the Directors have delegated responsibility for day-to-day administrative functions to the Administrator and responsibility for making day-to-day investment decisions to the Investment Manager. Nonetheless, the Directors will ensure that they have sufficient time to apply their mind to the function of overseeing the Fund and to carry out their responsibilities as the governing body of the Fund. The

	Directors recognise that their time commitment may change based on the needs of the Fund, which may change from time to time.
Subscriptions	Participating Shares are being offered for subscription during the Initial Offer Period at a fixed price of US$1,000 per Participating Share (exclusive of any Subscription Fee). Following the close of the Initial Offer Period, Participating Shares will be available for subscription on each Subscription Day at the relevant Subscription Price. A new Series of Participating Shares of each Class will be issued on each Subscription Day on which Participating Shares of that Class are issued.
Subscription Fee	A subscriber for Participating Shares may, in the sole discretion of the Investment Manager, be required to pay a Subscription Fee. The Investment Manager may waive or reduce such Subscription Fee, either generally or in any particular case.
Minimum subscription	The minimum initial investment per subscriber is US$100,000 in the case of Class A Shares, Class B Shares, Class C Shares and Class D Shares (in each case, exclusive of any Subscription Fee). The Directors may waive or reduce the minimum initial investment either generally or in any particular case. However, for so long as the Fund is registered under section 4(3) of the Mutual Funds Act, the minimum initial investment cannot be less than US$100,000 (or its equivalent in the relevant Dealing Currency) (exclusive of any Subscription Fee).
Redemptions	A Shareholder may commence the redemption process in respect of its Participating Shares at the option of such Shareholder on any Redemption Day falling after the expiry of the Lock-up Period. A completed Redemption Notice must be received by the Administrator no later than 5:00 pm (Cayman Islands time) on a Business Day falling at least 5 calendar months' (or such shorter period as the Directors may permit, either generally or in any particular case) before the relevant Redemption Day.
Redemption fee	A redemption fee will be charged on the redemption of any Participating Share which has been in issue for less than 2 years. The Directors may waive or reduce such redemption fee, either generally or in any particular case.
Restrictions on redemptions	The Directors may temporarily suspend the redemption of Participating Shares in certain circumstances. If Redemption Notices are received in respect of any Redemption Day which, if satisfied in full, would result in redemptions in excess of the Redemption Gate, the Fund shall (unless the Directors otherwise determine) limit redemptions to the Redemption Gate. Any such limitation will be applied on a *pro rata* basis amongst all Shareholders seeking to redeem Participating Shares on the relevant Redemption Day. Redemption Notices which are not satisfied in full will be carried forward to the next Redemption Day.

Payment of redemption proceeds	Redemption proceeds will normally be paid in cash by electronic transfer at the Shareholder's risk and expense. However, in certain circumstances, the Fund may pay redemption proceeds by way of a transfer of assets or partly in cash and partly by way of a transfer of assets.
Special Redemption Right	Shareholders will have the right to redeem some or all of their Participating Shares from the Fund in the event that a Key Man Event occurs. The Administrator and/or the Investment Manager will notify the Shareholders as soon as practicable after the occurrence of a Key Man Event, and such special redemption right will be exercisable by delivery of a redemption notice to the Administrator by the 30th day after the Shareholders are notified (***Special Notice Date***). Any such redemption will be effective at the end of the first full month after the Notice Date. A Shareholder exercising such special redemption right will be paid 80% of its estimated redemption proceeds (determined as of the end of such month on the basis of unaudited data) promptly following the end of such month. Within 30 days after the completion of a special audit of the Fund following the end of such month, the balance of such Shareholder's redemption proceeds (if any) will be paid, without interest. For the avoidance of doubt, redemptions effected pursuant to this special redemption right will not be subject to the Lock-up Period, redemption fee and any other restrictions on redemptions set out above.
Valuations	The Net Asset Value and the Net Asset Value per Share of each Class will be calculated as at the Valuation Point on each Valuation Day. The Directors may temporarily suspend the calculation of the Net Asset Value and/or the Net Asset Value per Share of any Class in certain circumstances.
Restrictions on sale and transfer	Participating Shares will only be issued to, and may only be offered, sold, assigned, charged, mortgaged, pledged or otherwise transferred, encumbered or disposed of without the prior written consent of the Directors, which may be granted or withheld in their sole and absolute discretion, and absent such consent, any attempt to do so shall be null and void.
Dividends	It is not envisaged that any income or gains will be distributed by way of dividend. This does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so.
Management Fee	The Fund will pay the Investment Manager a quarterly Management Fee, in respect of each Series in issue, equal to the Relevant Percentage, of the Net Asset Value of the Series (before deduction of that quarter's Management Fee and before making any deduction for any accrued Performance Fee) as at the last Valuation Day in each quarter, adjusted for any subscriptions and redemptions during the quarter.

Performance Fee	The Investment Manager will also be entitled to receive a Performance Fee from the Fund in respect of each Series in issue. For each Calculation Period, the Performance Fee in respect of each Series will be equal to 20 per cent of the amount by which the Performance of such Series is greater than the Hurdle Amount (adjusted for any redemptions and distributions) and above the High Water Mark. No Performance Fee will be paid with respect to a Series and in respect of any Calculation Period where the Performance of such Series during the applicable Calculation Period does not exceed the Hurdle Amount. In calculating the applicable Hurdle Amount, the Hurdle Rate will be appropriately prorated for amounts held less than one quarter due to subscriptions and/or redemptions other than at the beginning or end, respectively, of a quarter. In the event that the Performance of any Series does not exceed the Hurdle Amount in any Calculation Period, such deficit shall not be carried forward as to such Participating Shares as to future Calculation Periods. The Performance Fee will be calculated as at each Valuation Day in respect of each Series by reference to the Net Asset Value of such Series before deduction for any accrued Performance Fee. The Performance Fee will be paid to the Investment Manager in arrears as soon as reasonably practicable after the end of each Calculation Period.
Other fees and expenses	The Fund will pay all the costs of its operation and management, including the organisational expenses, the fees and expenses payable to service providers and all expenses related to its investment programme.
Risk factors and conflicts of interest	An investment in the Fund entails risk. Potential investors should review carefully the discussions under the sections headed "Risk Factors" and "Conflicts of Interest".
Listing	The Fund may list certain Classes of Participating Shares on a recognised stock exchange and may list additional Classes of Participating Shares not currently established at the sole discretion of the Directors and without the consent of the Shareholders. Further details as to the specific Classes of Participating Shares that are listed are set out in the applicable Supplement including the listing particulars.
Reporting	Each Shareholder will be provided with a copy of an annual report that will include audited financial statements within six months of the end of each financial year of the Fund. Shareholders will also be

provided with a semi-annual report on the investment performance of the Fund.

The financial year of the Fund will end on 31 December in each year. The first audit will be for the period beginning on the commencement of the operations of the Fund and ending on 31 December 2024 or such later date determined by the Directors, if the Fund is able to take advantage of an extended first audit period or audit exemption.

Tax

The Fund is not subject to tax in the Cayman Islands (other than annual filing fees) under the current laws of the Cayman Islands. Potential investors should consult their own advisers as to the particular tax consequences to them of their proposed investment in the Fund.

THE FUND

STRUCTURE

The Fund is an exempted company incorporated with limited liability in the Cayman Islands under the Companies Act. The Fund was incorporated on 23 November 2023.

PARTICIPATING SHARES

The Directors have initially created and designated four Classes, being Class A Shares, Class B Shares, Class C Shares and Class D Shares, which are being offered under the terms of this Memorandum.

The Class A Shares, Class B Shares, Class C Shares and Class D Shares are broadly identical save for their applicable fee structures and that, in respect of the Class C Shares and Class D Shares, the Investment Manager will seek to hedge the currency exposure of the Class C Shares and Class D Shares to Brazilian Reais as against the US Dollar.

At any time, the Directors may create and designate additional Classes without notice to, or the consent of, the Shareholders. The Directors may differentiate between Classes on various bases, including as to the Dealing Currency, the fees payable, the level of information provided and redemption rights. The number of Participating Shares in issue at any time will depend on subscription and redemption activity.

Participating Shares do not carry voting rights except in relation to a modification of the rights attaching to a Class. The Management Shares, which are the voting shares in the Fund, are held by the Investment Manager.

DEALING CURRENCY

The base currency of the Fund is the US Dollar and the financial statements of the Fund will be presented in US Dollars.

The Directors may designate a Dealing Currency for any Class and in the absence of any such designation, the Dealing Currency will be the US Dollar. Subscriptions for, and redemptions of, Participating Shares of a Class will be processed in the relevant Dealing Currency, and the Net Asset Value per Share of the Class will be calculated and quoted in such Dealing Currency. The Dealing Currency of the Class A Shares, Class B Shares, Class C Shares and Class D Shares is the US Dollar.

ADDITIONAL INFORMATION

This Memorandum does not purport to be and should not be construed as a complete description of the Articles, the Subscription Agreement or the contracts entered into by or in respect of the Fund. Before investing in the Fund each potential investor should examine this Memorandum, the Subscription Agreement and the Articles and satisfy itself that an investment in the Fund is appropriate. In the event that there is any conflict between this Memorandum and the Articles, the Articles shall prevail.

Additionally, and prior to a potential investor purchasing any Participating Shares, the Fund will make available to the potential investor the opportunity to ask questions of and receive written answers from representatives of the Fund concerning the terms and conditions of an investment in the Fund.

An investment in the Fund may be considered speculative. It is not intended as a complete investment programme. It is designed only for experienced and sophisticated investors who are able to bear the risk that all or a substantial part of their investment in the Fund may be lost.

INVESTMENT OBJECTIVE, STRATEGIES AND RESTRICTIONS

INVESTMENT OBJECTIVE

The investment objective of the Fund is to maximize capital preservation, while generating attractive risk-adjusted returns, with income as a primary driver, by operating as a 'fund of funds' and primarily investing in Underlying Funds which conduct strategies related to sourcing and investing in a diversified private real estate loan portfolio across segments, structures and geographies in the US.

There can be no assurance that the investment objective will be achieved.

INVESTMENT STRATEGIES

The Investment Manager will seek to achieve the investment objective by operating as a 'fund of funds' and investing the assets of the Fund primarily into Underlying Funds which conduct strategies related to U.S. private real estate loans.

An Underlying Fund through which the Fund invests may seek to achieve its investment objective by investing all of its investable assets indirectly through a US blocker vehicle (the ***Blocker***), or other structured product, which will, in turn invest primarily in senior, mezzanine and/or subordinate private debt or debt-like instruments secured by tangible assets such as real estate, accounts receivables, inventory and securities, while leveraging the Underlying Manager's experience in credit investing, structuring, investment banking, corporate finance and restructuring/bankruptcy. It is anticipated that the Blocker will be capitalized with loans and equity investments from the Underlying Fund.

In this Memorandum, references to an Underlying Fund will, unless the context otherwise requires, include a reference to the Blocker and any other entity used to implement the objectives of the applicable Underlying Fund, and references to the investments of the Underlying Fund will, unless the context otherwise requires, include a reference to those investments made indirectly through the Blocker and any other such entity used to implement the objectives of the applicable Underlying Fund.

An Underlying Fund may invest in the primary and secondary debt markets and to achieve an investment exposure to both US and non-US borrowers, with all collateral located in the United States. An Underlying Fund may originate, or make investments in, commercial and non-commercial mortgage loans relating to commercial and residential real estate properties in the United States, with a primary focus on non-qualified loans (***Mortgage Loans***).

Underlying Fund investments in Mortgage Loans are expected to be made primarily through one or more investment vehicles jointly owned, directly or indirectly, together with onshore funds or certain third-party investors. An Underlying Fund may also invest in other pooled investment vehicles focused on credit strategies substantially similar to those of the applicable Underlying Fund, including one or more investment funds managed by an affiliate of the Underlying Manager.

Each Underlying Fund's investment strategy is anticipated to be based primarily on fundamental analysis, with a focus on debtor cash flow, balance sheet position and the value and resilience of associated collateral, and credit bureau ratings may also be considered but may not be a deciding factor in investment selection.

The Fund may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or as otherwise considered appropriate to the investment objective.

In relation to the Class C Shares and Class D Shares, the Investment Manager may also seek to hedge the currency exposure between the US Dollar and Brazilian Reais. The Investment Manager may use spot and forward foreign exchange contracts or other methods of reducing exposure to currency fluctuations, with limitations pursuant to the terms of the Investment Management Agreement.

The Investment Manager may not take speculative positions in currencies, even for the benefit of the Fund as a whole.

The Investment Manager may invest up to 10% of the Fund's Net Asset Value in assets unrelated to real estate. The above restrictions will apply as at the date of the relevant transaction or commitment to invest. Accordingly, the restrictions will not be breached, and changes will not have to be effected, if any limits are exceeded merely because of any appreciation or depreciation in the value of any investment or because of changes in exchange rates. However, no further relevant investments will be acquired until the limits are again complied with. In the event that the Investment Manager breaches any of the above restrictions, the Investment Manager will take such steps as it considers appropriate to rectify the breach, taking due account of the interests of the Shareholders, but shall not be under any further liability in respect of the breach.

INVESTMENT RESTRICTIONS

The Fund has not imposed any particular investment restrictions with regard to the investment of the assets of the Fund.

In the event that the Directors decide to seek a listing for the Participating Shares of any Class on any stock exchange, the Fund may adopt (without the approval of, or notice to, Shareholders) such investment restrictions as are required to comply with the listing rules of the relevant exchange.

LEVERAGE

The Fund does not expect to employ any leverage as part of the investment strategies. The Fund may borrow for the purposes of paying redemption proceeds or paying expenses, if required.

CURRENCY HEDGING AND TRADING

The Investment Manager may seek to hedge the currency exposure of the Fund to currencies other than the US Dollar. The Investment Manager may also seek to hedge the currency exposure between the Dealing Currency of the Class C Shares and Class D Shares, on the one hand, and Brazilian Reais on the other. The Investment Manager may use spot and forward foreign exchange contracts or other methods of reducing exposure to currency fluctuations.

The Investment Manager may also take speculative positions in currencies for the benefit of the Fund as a whole.

DISTRIBUTION POLICY

It is not envisaged that any income or gains derived from investments will be distributed by way of dividend. However, this does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. If a dividend is declared, the Directors will distribute it in compliance with applicable law.

CHANGES TO INVESTMENT STRATEGIES AND RESTRICTIONS

The investment objective, investment strategies, investment restrictions and limits on leverage summarised above represent the current intentions of the Directors. Subject to any applicable law or

regulation, the Directors may change the investment objective, investment strategies, investment restrictions and limits on leverage by giving Shareholders not less than 3 months' prior written notice of the proposed changes.

SIDE POCKET INVESTMENTS

If an asset held or proposed to be acquired by the Fund becomes or is, in the opinion of the Directors, illiquid, the Directors may determine that such asset is to be designated a ***Side Pocket Investment***. For this purpose an asset shall be considered illiquid if, in the opinion of the Directors:

- the asset is not freely traded on a regulated market or exchange;
- the asset is subject to legal or other restrictions on transfer;
- whether through adverse market conditions, market sentiment or otherwise, the asset is not readily realisable at a fair price; or
- it is not reasonably practicable to determine a fair valuation of the asset.

The Fund may invest in or hold a Side Pocket Investment directly or indirectly through a wholly owned special purpose vehicle established for such purpose.

EXCHANGE OF PARTICIPATING SHARES FOR SIDE POCKET SHARES

On the acquisition or designation of a Side Pocket Investment the Directors, in consultation with the Investment Manager, will determine the Side Pocket Investment Cost of the Side Pocket Investment. The ***Side Pocket Investment Cost*** will be the fair market value of the relevant asset at the time it is designated a Side Pocket Investment or the cost of acquiring the relevant asset (including all transactional costs) if it is designated a Side Pocket Investment on acquisition. In determining the Side Pocket Investment Cost the Directors may also make provision for the fees and expenses which are likely to be incurred in relation to the Side Pocket Investment during the period for which the Side Pocket Investment is expected to be held.

Participating Shares having an aggregate Net Asset Value (calculated as at the most recent Valuation Day) equal to the Side Pocket Investment Cost will then be exchanged for a new Class of Side Pocket Shares. The exchange will be made by way of redemption of Participating Shares (and therefore will result in the payment of any Performance Fee accrued in respect of such Participating Shares) and the simultaneous subscription for Side Pocket Shares at a subscription price determined by the Directors. Such exchange will be effected on a pro rata basis, based on the aggregate Net Asset Value of the Participating Shares of each Class in issue at such time.

Only one Side Pocket Investment will be attributable to each Class of Side Pocket Shares. The holding of a particular Side Pocket Investment attributable to a particular Class of Side Pocket Shares will remain unchanged until the Side Pocket Investment is disposed of, or is determined by the Directors to have become freely tradable, no longer subject to restrictions on transfer, readily realisable at a fair price or to have a readily ascertainable market value (each a ***Realisation Event***). If a holding of a particular Side Pocket Investment is increased, the additional holding will be treated as a new Side Pocket Investment. Only Shareholders at the time a particular Side Pocket Investment is designated or acquired will participate in that Side Pocket Investment.

REALISATION OF SIDE POCKET INVESTMENT

When a Realisation Event occurs, the Directors will determine the Side Pocket Net Proceeds of the relevant Class of Side Pocket Shares. The ***Side Pocket Net Proceeds*** will be the proceeds of realisation of the Side Pocket Investment (or its fair market value, as determined by the Directors, if the Side Pocket Investment is not disposed of) plus the value of any other assets attributable to the relevant

Class (including any income received in respect of the Side Pocket Investment and any provision for fees and expenses which has not been used) less any accrued but unpaid fees and expenses relating to such Class.

If the Side Pocket Net Proceeds exceed the Side Pocket Investment Cost and the Hurdle Amount, an amount equal to 20 per cent of the excess above the Hurdle Amount will be paid to the Investment Manager as a Performance Fee. The Side Pocket Shares of the relevant Class will then be exchanged for Participating Shares, typically of the same Class as the Participating Shares that were originally exchanged into Side Pocket Shares. The exchange will be made by way of the compulsory redemption of the Side Pocket Shares and an automatic subscription for Participating Shares at the next Subscription Day. However, where a holder of the redeemed Side Pocket Shares no longer holds any Participating Shares, such Shareholder will receive the redemption proceeds of the Side Pocket Shares by way of a cash payment. The redemption price of a Side Pocket Share will be equal to the Side Pocket Net Proceeds less any Performance Fee divided by the number of Side Pocket Share of the relevant Class in issue.

If the Side Pocket Net Proceeds are less than the Side Pocket Investment Cost (a ***Side Pocket Special Loss***), the Performance Fee (if any) payable to the Investment Manager as at the end of the Calculation Period in which the Side Pocket Shares are redeemed will be reduced by an amount equal to 20 per cent of the portion of the Side Pocket Special Loss attributable to each Shareholder who participated in the relevant Side Pocket Investment and remains a Shareholder at the end of the Calculation Period. The amount of any such reduction will be applied in subscribing for additional Participating Shares to be issued to such Shareholder.

FEES AND EXPENSES APPLICABLE TO SIDE POCKET SHARES

The Investment Manager will be entitled to a Management Fee in respect of each Class of Side Pocket Shares equivalent to the Relevant Percentage of the Net Asset Value of each such Class. The Relevant Percentage shall be that which was applicable to the Class from which the applicable Side Pocket Shares were converted.

The fees and expenses attributable to each Class of Side Pocket Shares, including the Management Fee, will accrue as liabilities attributable to such Class. Such liabilities shall be paid out of any cash or liquid assets attributable to the relevant Class. To the extent that such liabilities remain unpaid, they shall accrue until, and shall be paid on, the relevant Realisation Event.

VALUATIONS

For the purposes of determining the Net Asset Value of the Fund, Side-Pocket Investments will generally be ignored. For financial reporting purposes, Side-Pocket Investments will be valued at estimated fair value, as determined by the Directors in consultation with the Investment Manager.

REDEMPTION AND TRANSFER OF SIDE POCKET SHARES

Side Pocket Shares are not redeemable at the option of the Shareholder and, unless the Directors determine otherwise, will be redeemed only on the occurrence of a Realisation Event. The Directors may compulsorily redeem Side Pocket Shares in the circumstances set out in the section headed "Redemption and Transfer – Compulsory Redemption". The redemption price of the Side Pocket Shares which are so redeemed will be based on the estimated fair value of the relevant Side Pocket Investment less any accrued fees and expenses, as determined by the Directors. However, redemption proceeds will not be paid until the occurrence of the relevant Realisation Event.

Side Pocket Shares may not be transferred without the prior written consent of the Directors. The Directors may withhold their consent without giving any reason for doing so.

MANAGEMENT AND ADMINISTRATION

BOARD OF DIRECTORS

The Directors are responsible for the overall management and control of the Fund in accordance with the Articles. However, the Directors have delegated responsibility for day-to-day administrative functions to the Administrator and responsibility for making day-to-day investment decisions to the Investment Manager.

The Directors will meet periodically to review the operations, outsourced services and investment performance of the Fund. Save for these periodic reviews, the Directors will not have any responsibility for reviewing or approving any trade, investment, borrowing or other action of the Investment Manager.

Nonetheless, the Directors will ensure that they have sufficient time to apply their mind to the function of overseeing the Fund and to carry out their responsibilities as the governing body of the Fund. The Directors recognise that their time and commitment may change based on the needs of the Fund, which may change from time to time.

The current Directors are:

- **Marcelo Rezende Rainho Teixeira**

  Mr. Rainho is a co-founder and managing director of the Investment Manager. Mr. Rainho is one of the firm's two portfolio managers. Mr. Rainho also oversees the strategic development and day-to-day management of the company's activities with over twenty years of experience in real estate, portfolio management, wealth management and mergers & acquisitions.

  Prior to the Investment Manager, Mr. Rainho served as a real estate portfolio manager at Julius Baer Family Office from 2019 to 2022. In 2013, Mr. Rainho founded Vista Real Estate, an asset management firm which got acquired by XP Inc. in 2018. Prior to that, Mr. Rainho acted as a financial officer for several real estate companies in Brazil.

  Mr. Rainho holds a naval engineering degree from Escola Politécnica - São Paulo University.

- **Thiago Bellini Motta Leomil**

  Mr. Leomil is a co-founder and managing director of the Management Company and the Investment Manager, with over twenty-two years of experience in real estate, portfolio management and wealth management. Prior to the Investment Manager, Mr. Leomil served as a real estate portfolio manager at Julius Baer Family Office from 2019 to 2022 and was responsible for operations for several real estate companies. In 2013, Mr. Leomil co-founded Vista Real Estate with Mr. Rainho, an asset management firm which got acquired by XP Inc. in 2018.

  Mr. Leomil holds a civil engineering degree from Universidade Paulista and an M.B.A in Strategic Business from Fundação Getúlio Vargas.

- **Ana Clara Penteado Regueira Alves**

  Ana Clara Penteado Regueira Alves is the Chief Financial Officer and Director of Operations at Invista Real Estate. With over ten years of experience in financial markets, she has built a

career spanning real estate, capital markets, and corporate governance. Prior to Invista, she held leadership roles at EmCasa, where she served as CFO, Chief Strategy Officer, and Board Member, leading corporate finance, operational efficiency, and M&A initiatives. She also worked in institutional fixed income and alternative investment sales at XP Inc., and in credit risk and strategic transformation projects at BTG Pactual.

Ms. Alves holds a degree in Business Administration from Universidade Presbiteriana Mackenzie, and executive education from the London Business School, MIT, and Insper.

For the purposes of this Memorandum, the address of all the Directors is as set out in the directory to this Memorandum.

Retirement of Directors

The Articles do not stipulate a retirement age for the Directors nor do they provide for retirement of the Directors by rotation. The Directors may at any time elect to appoint another person to serve as a Director or to fill a vacancy.

Liability of Directors

The Articles provide that no Director will be liable to the Fund for any loss or damage in carrying out his functions unless that loss or damage arises through the actual fraud, wilful default or gross negligence of such Director. Each Director is entitled to be indemnified out of the assets of the Fund against any and all liabilities, actions, proceedings, claims, demands, costs, damages and expenses (including any legal expenses) whatsoever incurred by such Director as a result of any act or failure to act in carrying out the Director's functions. However, a Director will not be indemnified for any liabilities, actions, proceedings, claims, demands, costs, damages or expenses that he incurs due to such Director's own actual fraud, wilful default or gross negligence.

Insurance

The Fund may purchase and maintain insurance for the benefit of any person who is or was a Director.

INVESTMENT MANAGER

The Investment Manager has been appointed to provide asset management services in respect of the Fund pursuant to an agreement between the Fund and the Investment Manager (the ***Investment Management Agreement***).

The key personnel of the Investment Manager in relation to the Fund are Marcelo Rezende Rainho Teixeira and Thiago Bellini Motta Leomil, whose biographies appear under "Board of Directors" above.

Investment Management Agreement

Pursuant to the Investment Management Agreement, the Investment Manager has discretion and authority to manage, invest and reinvest the assets of the Fund in pursuit of the investment objective and in accordance with the investment strategies and restrictions described in this Memorandum

The Investment Management Agreement provides that neither the Investment Manager nor any of its directors, officers, employees or shareholders shall be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Investment Manager of its duties and obligations under the Investment Management Agreement unless such loss or damage is due to the gross negligence, wilful default or fraud of the Investment Manager or its directors, officers, employees or shareholders. The Investment Management Agreement provides further that the Fund shall

indemnify the Investment Manager and each of its directors, officers, employees and shareholders against any and all liabilities, actions, proceedings, claims, demands, costs, damages and expenses which may be incurred by or asserted against the Investment Manager or any of its directors, officers, employees and shareholders in connection with the performance of any duty or obligation under the Investment Management Agreement. However, the Fund will not be obliged to indemnify the Investment Manager or its directors, officers, employees or shareholders for any liabilities, actions, proceedings, claims, demands, costs, damages or expenses which are due to the gross negligence, wilful default or fraud of the person seeking to rely on the indemnity.

The Investment Management Agreement may be terminated on 90 days' written notice and in certain circumstances may be terminated immediately. The Investment Management Agreement is governed by the laws of the Cayman Islands.

ADMINISTRATOR

The Fund has appointed the Administrator to act as administrator of the Fund pursuant to an agreement between the Fund and the Administrator (the ***Administration Agreement***).

The Administrator is part of the Apex Group, a global provider of fund administration services with over 40 offices across the globe, ISAE 3402/SSAE18 audited, independently owned with $1Trillion under administration. Apex Group provides specialist fund administration, share registrar, custody, corporate secretarial services and directors to funds and collective investment schemes globally.

Pursuant to the Administration Agreement, the Administrator is responsible for, among other things, the following: all general administrative tasks, including the preparation of valuations, keeping of financial records and acting as registrar and transfer agent. The Administrator is responsible, under the supervision of the Directors, for providing administrative services required in connection with the Fund's operations, including, compiling and publishing the Net Asset Value, the Net Asset Value per Share and the subscription price, providing registrar and transfer agent services in connection with the issue, transfer and redemption of Participating Shares and collecting subscription payments and disbursing redemption payments. Under a separate Tax Reporting Services Agreement, the Administrator provides compliance services with respect to FATCA and to the Common Reporting Standard as developed by the OECD.

The Administrator will receive an annual fee calculated as a fixed annual amount payable in monthly instalments in accordance with its customary schedule of fees and is also entitled to be reimbursed for all out of pocket expenses properly incurred in performing its duties as Administrator of the Fund.

Under the Administration Agreement, the Administrator will not, in the absence of gross negligence, wilful misconduct or fraud on the part of the Administrator, be liable to the Fund or to any investor for any act or omission, in the course of, or in connection with providing services to the Fund or for any losses, claims, damages, liabilities and expenses or damage which the Fund may sustain or suffer as a result of, or in the course of, the discharge by the Administrator of its duties pursuant to the Administration Agreement.

Under the Administration Agreement, the Fund will indemnify the Administrator to the fullest extent permitted by applicable law against any and all judgments, fines, amounts paid in settlement and reasonable expenses, including legal fees and disbursements, incurred by the Administrator, save where such actions, suits or proceedings are the result of fraud, wilful misconduct or gross negligence of the Administrator.

In accordance with the terms of the Administration Agreement, the services of the Administrator may be terminated by at least 90 days' written notice from either the Fund or the Administrator (or such

shorter notice period as the parties may agree to accept) or earlier on the liquidation of either the Fund or the Administrator

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.

CUSTODIAN

Apex Fund Services (Cayman) Ltd. (the ***Custodian***) has been engaged by the Fund to provide custodial services to the Fund pursuant to the terms of the custody agreement made between them (the ***Custody Agreement***).

The Custodian has been issued with a trust license by CIMA pursuant to the Banks and Trust Companies Act (As Revised) of the Cayman Islands.

The Custodian will hold the Fund's allocation in Underlying Funds and will be charged with all the custodial duties connected to such assets.

The Fund reserves the right to change the Custody Agreement by agreement with the Custodian. The Fund in its discretion is entitled to appoint additional or alternative custodian(s) to hold the Fund's allocation in Underlying Funds.

Neither the Custodian nor its delegates, employees or agents are directly or indirectly involved in the business affairs, including but not limited to management, administration or Net Asset Value calculation, sponsorship or investment management of the Fund; nor responsible for the preparation or issue of this Memorandum other than the description above and accepts no responsibility or liability for any information contained in this document except for disclosures relating to it.

DISTRIBUTOR

The Fund and/or the Investment Manager may appoint one or more distributors or placement agents to solicit subscriptions for Participating Shares. Such distributors or placement agents may charge a subscriber for Participating Shares, whose subscription they have solicited, a fee of up to 2 per cent of the subscription amount or may share in the fees payable to the Investment Manager. If any such distribution or placement fee is paid to the Fund, the Fund will pay it to the Investment Manager for distribution to the relevant distributor or placement agent.

CHANGE OF SERVICE PROVIDERS

The Directors may, at any time, change any of the service providers referred to above, agree different contractual terms with any of them, and/or appoint additional or alternative service providers, in each case without prior notice to, or the agreement of, Shareholders.

FEES AND EXPENSES

FEES PAYABLE TO THE INVESTMENT MANAGER

Management Fee

The Fund will pay the Investment Manager a quarterly Management Fee as follows:

a) in respect of the Class A Shares and Class C Shares 0.5 per cent (equivalent to 2.0 per cent per annum of the Net Asset Value of each such Class); and

b) in respect of the Class B Shares and Class D Shares 0.2125 per cent (equivalent to 0.85 per cent per annum of the Net Asset Value of each such Class),

each (before deduction of that quarter's Management Fee and before making any deduction for any accrued Performance Fee) as at the last Valuation Day in each quarter, adjusted for any subscriptions and redemptions during the quarter.

The Management Fee will be payable in US Dollars quarterly in arrears. If the Investment Manager is not acting as Investment Manager for an entire quarter, the Management Fee payable for such quarter will be prorated to reflect the portion of such quarter in which the Investment Manager is acting as such.

The Management Fee will be paid to the Investment Manager as soon as reasonably practicable after the end of each quarter.

Performance Fee

The Investment Manager will also be entitled to receive a Performance Fee from the Fund in respect of each Series in issue. For each Calculation Period, the Performance Fee in respect of each Series will be equal to 20 per cent of the amount by which the Performance of such Series is greater than the Hurdle Amount (adjusted for any redemptions and distributions) and above the High Water Mark.

No Performance Fee will be paid with respect to a Series and in respect of any Calculation Period where the Performance of such Series during the applicable Calculation Period does not exceed the Hurdle Amount.

In calculating the applicable Hurdle Amount, the Hurdle Rate will be appropriately prorated for amounts held less than one quarter due to subscriptions and/or redemptions other than at the beginning or end, respectively, of a quarter. In the event that the Performance of any Series does not exceed the Hurdle Amount in any Calculation Period, such deficit shall not be carried forward as to such Participating Shares as to future Calculation Periods.

The Performance Fee will be calculated as at each Valuation Day in respect of each Series by reference to the Net Asset Value of such Series before deduction for any accrued Performance Fee.

The Performance Fee will be paid to the Investment Manager in arrears as soon as reasonably practicable after the end of each Calculation Period.

If Participating Shares are redeemed during a Calculation Period, the Performance Fee in respect of such Participating Shares will be calculated as though the relevant Redemption Day was the end of a Calculation Period. An amount equal to any Performance Fee in respect of such Participating Shares

will be paid to the Investment Manager as soon as reasonably practicable after the relevant Redemption Day. In the event of a partial redemption, Participating Shares will be treated as redeemed on a first in, first out basis for the purpose of calculating the Performance Fee.

If the Investment Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

General

The Investment Manager may waive, reduce or rebate the Management Fee and/or Performance Fee with regard to certain Shareholders that are directors, officers, employees, affiliates or connected persons of the Investment Manager or are deemed strategic investors. Any reduction of the Management Fee or Performance Fee, or both, may be effected by capitalising an amount equal to the amount of that reduction or rebate and applying that amount to purchase further Participating Shares of the relevant Class for that Shareholder.

From time to time the Fund may enter into agreements with certain Shareholders which provide such Shareholders with fee structures which are additional to and/or different from, the fee structures provided to other Shareholders.

ADMINISTRATION FEES

The Administrator will receive a fee from the Fund for providing administration services at rates agreed with the Administrator from time to time at the Administrator's customary rates.

The Administrator will also be entitled to various transaction and processing fees and to be reimbursed for all out of pocket expenses properly incurred by it in the performance of its duties.

CUSTODY FEES

Each Custodian will receive such fees as may be agreed between the Fund and such Custodian from time to time. The fees charged by each Custodian will not exceed commercial rates. Each Custodian will also be entitled to various transaction and processing fees and to be reimbursed for all out of pocket expenses properly incurred by it in the performance of its duties.

FEES PAYABLE TO THE DIRECTORS

The remuneration of the Directors is determined by a resolution of the Directors in accordance with industry standards. All the Directors have, however, waived their entitlement to receive direct payment by the Fund for their services until further notice. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Fund, or in connection with the business of the Fund. The Director remuneration policy of the Fund is aligned with the Fund's risk appetite, long term objectives, strategies, and financial soundness and will be periodically reviewed.

EXPENSES

Preliminary Expenses

The Fund will pay the costs and expenses of, and incidental to, the initial offering of Participating Shares out of the proceeds of the initial issue of Participating Shares. Such costs and expenses include those relating to the establishment of the Fund in the Cayman Islands, the negotiation and preparation of the contracts entered into by the Fund and the fees and expenses of professional advisers.

These preliminary expenses will be amortised on a straight line basis over a period of 5 years from the initial issue of Participating Shares. The Directors may shorten the period over which such expenses are amortised. Under US GAAP, establishment costs should be expensed as incurred and amortisation is not consistent with US GAAP. However, the Directors believe that the amortisation of establishment costs is more equitable and are of the opinion that the departure from US GAAP is unlikely to be material to the overall financial statements of the Fund. To the extent that the preliminary expenses policy adopted in respect of the Fund deviates from US GAAP, certain adjustments may be made in the financial statements of the Fund in order to comply with US GAAP.

Operating Expenses

The Fund will pay or reimburse the Investment Manager and/or the Investment Manager Affiliates for: (i) all expenses incurred in connection with the ongoing offer and sale of Participating Shares, including, but not limited to, printing of this Memorandum and exhibits, marketing expenses (including all travel and travel-related expenses, such as flights, car rental, hotels, meals and ride-sharing (***Travel-Related Expenses***)) and documentation of performance and the admission of Shareholders, (ii) all operating expenses of the Fund, such as tax preparation fees, governmental fees and taxes, fees payable to the Administrator (including, without limitation, Anti-Money Laundering Compliance Officer (***AMLCO***) fees, Money Laundering Reporting Officer (***MLRO***) fees, and Deputy MLRO fees), costs of communications with Shareholders, and ongoing legal, accounting, auditing, bookkeeping, consulting and other professional fees and expenses (including Directors' fees and expenses), (iii) all Fund research, trading and investment-related costs and expenses (e.g., brokerage commissions, research fees, margin interest, fees to any broker, futures commission merchant (***FCM***) or custodian, margin interest, expenses related to short sales, custodial fees, bank service fees, and clearing and settlement charges), (iv) technology-related costs and expenses, including, but not limited to, software licenses, data feeds and colocation expenses, (v) all expenses related to attending any conference or seminar related to alternative investments (e.g., registration and Travel-Related Expenses), (vi) regulatory and other filing fees and expenses, and compliance costs and expenses, including, but not limited to, anti-money laundering officer fees, all fees and expenses incurred by the Investment Manager and/or the Investment Manager Affiliates directly in connection with examinations by the SEC, the U.S. Commodity Futures Trading Commission (***CFTC***), the National Futures Association (***NFA***) or similar regulatory agencies, within or outside the United States, that are attributable to the Fund, as well as fees and expenses associated with the completion of regulatory filings that are attributable to the Fund (including, without limitation, Form PF filings), (vii) Travel-Related Expenses related to meeting with management teams, or related to any of the other categories of expenses set forth herein, (viii) any costs and expenses incurred by the Fund in connection with converting from stand-alone fund to a "feeder fund" as a part of a master-feeder structure, (ix) director and officer liability insurance or other insurance premiums for any principal or employee of the Fund, the Investment Manager, the General Partner or any of the Investment Manager Affiliates, (x) all fees and other expenses incurred in connection with the investigation, prosecution or defence of any claims, assertion of rights or pursuit of remedies, by or against the Fund, including, without limitation, professional and other advisory and consulting expenses, (xi) fees and expenses associated with regulatory filings, including, but not limited to, filing Schedules 13D and 13G, Forms 3, 4 and 5, and other regulatory filings related to the Fund's investments, if necessary, (xii) fees and expenses related to proxy contests and tender offers, and (xiii) any and all costs and expenses incurred in connection with the winding-up, dissolution, or termination of the Fund.

The Investment Manager or any of the Investment Manager Affiliates, in its sole discretion, may from time to time pay for any of the foregoing Fund expenses, including for specific Classes or Series only. Any such person may elect to be reimbursed for such expenses, or to waive its right to reimbursement for any such expenses, as well as terminate any such voluntary payment or waiver of reimbursement.

The Board may, in its sole discretion, allocate certain operating expenses to a specific Class or Series of Shares if such expenses are attributable to such Class or Series of Shares.

The Fund will also indirectly bear its pro rata share of each Underlying Fund's operating expenses and costs which are expected to be of the nature described above.

The costs and any benefit of hedging the foreign currency exposure of any Class will be allocated to the record of the relevant Class.

SUBSCRIPTIONS

SUBSCRIPTION PRICE AND ISSUANCE

Participating Shares are being offered for subscription during the Initial Offer Period at a fixed price of US$1,000 per Participating Share (exclusive of any Subscription Fee).

Following the close of the Initial Offer Period, Participating Shares will be available for subscription on each Subscription Day at the relevant Subscription Price. The Subscription Price will be equal to the Net Asset Value per Share (before deduction of any accrued Performance Fee) of the Initial Series of the relevant Class as at the Valuation Day immediately preceding the Subscription Day on which the application is effective (and is exclusive of any Subscription Fee). If all Participating Shares of the Initial Series are redeemed, the Directors may substitute another Series as the Initial Series and may make such adjustments as they consider necessary to ensure that each Series bears its proper proportion of the liabilities of the Fund.

A new Series of Participating Shares of each Class will be issued on each Subscription Day on which Participating Shares of that Class are issued. For each Class which is subject to a Subscription Fee, a new Series of Participating Shares for each such Class may be issued to each subscriber on each Subscription Day on which Participating Shares of that Class are issued in order to facilitate the payment of the Subscription Fee.

SUBSCRIPTION FEE

A subscriber for Participating Shares may be required to pay a Subscription Fee of up to two per cent of the subscription amount.

The Subscription Fee will be calculated on the applicable Subscription Day and:

- in relation to the Class A Shares and Class C Shares will be paid to the Investment Manager and deducted at the time of subscription; and

- in relation to the Class B Shares and Class D Shares, will be deducted in equal monthly instalments over a period of 5 years from the initial issue of Participating Shares. Accordingly, the Subscription Fee relating to the Class B Shares and Class D Shares will be accrued in equal monthly instalments such that $1/60^{th}$ of the applicable Subscription Fee shall be accrued each month and then deducted and paid to the Investment Manager on a quarterly basis, subject to accelerated accrual and early payment of any balance of the total Subscription Fee to be paid in the event of a redemption of the applicable Participating Shares. Each instalment of the Subscription Fee will be paid to the Investment Manager as soon as reasonably practicable after the end of each calendar quarter or as soon as practicable following the applicable Redemption Day on which the Participating Shares are redeemed, as applicable.

If Participating Shares are redeemed whilst any applicable Subscription Fee is being amortised, the unamortised balance of the Subscription Fee will be deducted from the redemption proceeds and paid to the Investment Manager as soon as reasonably practicable after the relevant Redemption Day.

The Investment Manager may waive or reduce such Subscription Fee, either generally or in any particular case.

MINIMUM INVESTMENT

The minimum initial investment per subscriber is US$100,000 in the case of Class A Shares, Class B Shares, Class C Shares and Class D Shares (in each case, exclusive of any Subscription Fee). The Directors may waive or reduce the minimum initial investment either generally or in any particular case. However, for so long as the Fund is registered under section 4(3) of the Mutual Funds Act, the minimum initial investment cannot be less than US$100,000 (or its equivalent in the relevant Dealing Currency) (exclusive of any Subscription Fee).

The minimum amount of any subsequent subscription is US$1,000 in the case of Class A Shares, Class B Shares, Class C Shares and Class D Shares (in each case, exclusive of any Subscription Fee) or such lesser amount as the Directors may determine, either generally or in any particular case.

ELIGIBLE INVESTORS

Each subscriber for Participating Shares will be required to represent and warrant that, amongst other things (i) it is able to acquire and hold Participating Shares without breaching the law or requirements of any country, regulatory body or government authority, (ii) it has the knowledge, expertise and experience in financial matters to evaluate the risks associated with investing in the Fund, (iii) it is aware of the risks inherent in investing in the types of assets in which the Fund will invest and the method by which these assets will be held and/or traded, and (iv) it can bear the loss of its entire investment in the Fund.

Participating Shares will not be issued or transferred to any person in circumstances which, in the opinion of the Directors, would or may cause an undue risk of adverse tax, regulatory or other consequences to the Fund or any Shareholders.

Participating Shares will not be issued to, and may not be transferred to, any US Person.

PAYMENT

Unless otherwise agreed by the Directors, payment for Participating Shares must be made in cash, by electronic transfer, in the Dealing Currency of the Class being subscribed for. In the event that subscription monies are received in any currency other than the relevant Dealing Currency, conversion into the relevant Dealing Currency will be arranged by the Fund at the risk and expense of the subscriber. Any bank charges incurred in respect of electronic transfers will be deducted from the subscription monies and only the net amount will be invested in Participating Shares.

All subscription monies must originate from an account held in the name of the subscriber. No third party payment will be permitted. Interest on subscription monies will accrue to the Fund.

NON-CASH SUBSCRIPTIONS

Participating Shares may be issued in exchange for assets or other property (***non-cash consideration***) at the discretion of and on terms agreed by the Directors. Any non-cash consideration will be valued by reference to the valuation principles applied in the calculation of the Net Asset Value. The Fund may deduct from the value of any non-cash consideration such sum, if any, as the Directors consider represents an appropriate provision for any costs that will be incurred by the Fund in accepting the non-cash consideration. Such costs may include stamp duty, transfer fees, registration fees or other charges, fees or duties associated with the transfer of the non-cash consideration to the Fund. No non-cash consideration will be accepted unless the Directors are satisfied that the terms of the transfer do not materially prejudice the existing Shareholders.

SUBSCRIPTION PROCEDURE

Subscribers for Participating Shares during the Initial Offer Period must send their completed Subscription Agreement, together with any supporting documents, so as to be received by the Administrator by no later than 5:00 pm (Cayman Islands time) on the Business Day which is three (3) Business Days before the last Business Day of the Initial Offer Period. Subscription monies must be sent by electronic transfer so that cleared funds are received in the bank account of the Fund by no later than 5:00 pm (Cayman Islands time) on the last Business Day of the Initial Offer Period.

After the Initial Offer Period, subscribers for Participating Shares and Shareholders wishing to apply for additional Participating Shares must send their completed Subscription Agreement, together with any supporting documents, so as to be received by the Administrator by no later than 5:00 pm (Cayman Islands time) on the Business Day which is three (3) Business Days before the applicable Subscription Day. Subscription monies must be sent by electronic transfer so that cleared funds are received in the bank account of the Fund by no later than 5:00 pm (Cayman Islands time) on the Business Day before the applicable Subscription Day.

The Directors may waive the requirements specified above, either generally or in any particular case. Unless the Directors determine otherwise, if the completed Subscription Agreement and subscription monies in cleared funds are not received by the applicable time referred to above, the application will be held over to the Subscription Day following receipt of the outstanding documentation and/or subscription monies, as the case may be. Participating Shares will then be issued at the relevant Subscription Price on that Subscription Day.

Subscription Agreements must be sent by email. None of the Directors, the Fund or the Administrator accept any responsibility for any loss arising from the non-receipt or illegibility of any Subscription Agreement sent by email, or for any loss caused by or as a result of any action taken in connection with email instructions believed in good faith to have originated from properly authorised persons.

Once a completed Subscription Agreement has been received by the Administrator it is irrevocable.

The Fund may reject any application in whole or in part and without giving any reason for doing so. If an application is rejected, the subscription monies paid, or the balance thereof in the case of a partial rejection, will be returned (without interest) as soon as practicable to the account from which the subscription monies were originally remitted. Any costs incurred in returning the subscription monies will be borne by the subscriber.

ISSUE OF PARTICIPATING SHARES

Written confirmation detailing the Participating Shares which have been issued will be sent to successful subscribers as soon as practicable after the close of the Initial Offer Period or the relevant Subscription Day, as the case may be.

Participating Shares subscribed for during the Initial Offer Period will be issued on the Business Day immediately after the close of the Initial Offer Period. Participating Shares subscribed after the Initial Offer Period are deemed to be issued on the relevant Subscription Day.

Participating Shares will be issued to three decimal places. Any smaller fraction of a Participating Share that would otherwise arise will be rounded down, with the relevant subscription monies being retained for the benefit of the Fund.

Where a subscription for Participating Shares is accepted, the Participating Shares will be treated as having been issued with effect from the relevant Subscription Day notwithstanding that the subscriber for those Participating Shares may not be entered in the Fund's register of members until after the

relevant Subscription Day. The subscription monies paid by an applicant for Shares will accordingly be subject to investment risk in the Fund from the relevant Subscription Day.

PREVENTION OF MONEY LAUNDERING

The Fund is a *regulated financial services provider* under Cayman Islands law and is conducting *relevant financial business*, as defined under the Proceeds of Crime Act (2025 Revision) and must therefore comply with the Anti-Money Laundering Regulations. The Fund must also comply with the Terrorism Act, the Proliferation Financing (Prohibition) Act, the Guidance Notes on the Prevention and Detection of Money Laundering, Terrorist Financing and Proliferation Financing in the Cayman Islands, directives and guidance issued by the Cayman Islands Monetary Authority and the Cayman Islands Financial Reporting Authority (the ***Anti-Money Laundering Regime***). Subject to certain conditions, the Fund may rely on a third party to maintain its anti-money laundering investor due diligence procedures to a third party, such as the Administrator.

To ensure compliance with the Anti-Money Laundering Regime and all applicable requirements relating to relevant anti-money laundering and counter terrorist financing and counter proliferation financing initiatives, the Fund, or the Administrator on behalf of the Fund, will require such information and documentation as it considers necessary to verify the identity, address and/or source of funds and/or wealth of each subscriber (which extends, for any subscriber that is not a natural person, to the ultimate beneficial owners of the investor and monies invested) (unless an appropriate exemption applies). In the event of delay or failure by the subscriber to produce any information required to allow the Fund to comply with its obligations under relevant law, the application may be refused or there may be a delay in processing the application. None of the Fund, the Investment Manager, the Administrator or their respective delegates, agents and affiliates will be liable for any loss suffered by a subscriber arising as a result of any such refusal or a delay.

By subscribing for Participating Shares, a subscriber consents to the disclosure of any information provided by the subscriber to government agencies, regulatory bodies and other relevant persons in connection with anti-money laundering requirements and similar matters. Such disclosure may be made by the Fund, the Investment Manager, the Administrator or their delegates, agents or affiliates.

In addition to the Anti-Money Laundering Regime, the Fund is subject to laws that restrict it from dealing with entities, and individual organisations or investments which are subject to applicable sanctions regimes.

Accordingly, each subscriber will be required to make such representations as may be required by the Fund in connections with its compliance with the Anti-Money Laundering Regime and all other applicable laws and regulations.

Such representations will include representations, on a continuing basis, that the subscriber is not, and that to the best of its knowledge or belief its beneficial owners, controllers or authorised persons (***Related Persons***) (if any) are not:

(a) named on any list of sanctioned entities or individuals maintained by the US Treasury Department's Office of Foreign Assets Control (***OFAC***) or Financial Crimes Enforcement Network (***FinCEN***), the United Nations (the **UN),** established and maintained by United Kingdom (***UK***) regulations (as the latter are extended to the Cayman Islands by UK orders in council) and/or Cayman Islands legislation;

(b) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the UN, OFAC, FinCEN, the UK and/or the Cayman Islands apply; or

(c) otherwise subject to any sanctions programmes imposed by the UN, OFAC, FinCEN or the UK (including as the latter are extended to the Cayman Islands by UK orders in council) or the Cayman Islands,

(collectively, a ***Sanctions Subject***).

Each subscriber will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene Cayman Islands laws and all other relevant laws and regulations, including anti-money laundering laws and regulations.

Where the subscriber or a Related Person is or becomes a Sanctions Subject, the Fund may be required immediately and without notice to the subscriber to inform the FRA, freeze the subscriber's accounts, monies, or economic resources, and to cease any further dealings with the subscriber and/or the subscriber's interest in the Fund until the subscriber ceases to be a Sanctions Subject, or a license is obtained under applicable law to continue such dealings (a ***Sanctioned Persons Event***). The Fund, the Investment Manager, the Administrator or their respective delegates, agents and affiliates shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Fund subsequently become subject to applicable sanctions, the Fund may immediately and without notice to investors, inform FRA and cease any further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings (a ***Sanctioned Investment Event***). Should a Sanctioned Investment Event occur, the Fund may exercise its power to "side pocket" such investment.

The requirements noted above apply equally to any person to whom Participating Shares are transferred in the future and the Fund will require a transferee to provide the same information that would be required if they were a subscriber.

If, as a result of any information or other matter which comes to his or her attention during the course of his or her business, trade, profession or employment, any person resident in the Cayman Islands (including the Fund) knows or suspects that another person is engaged in criminal conduct or money laundering, is involved with terrorism or terrorist financing and property, or is involved in proliferation financing, and the information for that knowledge or suspicion came to their attention in the course of business as a regulated financial services provider or a designated non-financial business or by way of their trade, profession, business or employment, the person is required to report such knowledge or suspicion to:

(a) the Financial Reporting Authority of the Cayman Islands (the ***FRA***) or nominated officer appointed pursuant to the Proceeds of Crime Act (2025 Revision) of the Cayman Islands, or

(b) a police constable, or the FRA, or a nominated officer pursuant to the Terrorism Act or the Proliferation Financing (Prohibition) Act (as applicable), if the disclosure relates to involvement with terrorism or terrorist financing and property or proliferation financing.

Such a report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

FORM OF PARTICIPATING SHARES

Under Cayman law, a Participating Shares will be issued in registered form, meaning that a Shareholder's entitlement will be evidenced by an entry in the register of members of the Fund and

not by a certificate. No certificates will be issued unless the Directors determine otherwise. The Participating Shares are expected to be listed on a recognised stock exchange. In the event of a listing, the applicable listing particulars will be set out in a separate document.

Under Cayman Islands law, a Participating Share may be registered in a single name or in up to four joint names. Where Participating Shares are registered in joint names, the joint holders may authorise the Fund to act upon the sole written instructions of any one of the joint holders in respect of the transfer or redemption of all or any of such Participating Shares. Unless so authorised, the Fund will only act upon the written instruction of all the joint holders.

REDEMPTION AND TRANSFER

PROCEDURE FOR THE REDEMPTION OF PARTICIPATING SHARES

Subject to any restrictions set out in this section and under "Net Asset Value - Suspensions" below, Participating Shares may be redeemed at the option of the Shareholder on any Redemption Day falling after the expiry of the Lock-up Period.

A Shareholder wishing to redeem its Participating Shares must send a completed Redemption Notice to the Administrator at the address specified in the Redemption Notice. The completed Redemption Notice must be received by no later than 5:00 pm (Cayman Islands time) on a Business Day falling at least 5 calendar months' (or such shorter period as the Directors may permit, either generally or in any particular case) before the relevant Redemption Day. Unless the Directors agree otherwise, any Redemption Notice received after this time will be held over and dealt with on the next relevant Redemption Day.

A Redemption Notice must be sent by email. None of the Directors, the Fund or the Administrator accept any responsibility for any loss arising from the non-receipt or illegibility of any Redemption Notice sent by email, or for any loss caused by or as a result of any action taken in connection with email instructions believed in good faith to have originated from properly authorised persons.

If a Redemption Notice is received which would, if satisfied, result in the Shareholder retaining less than the Minimum Holding, the Directors may treat such Redemption Notice as a request for a partial redemption only up to the Minimum Holding or may redeem the Shareholder's entire holding of Participating Shares. A request for a redemption of Participating Shares with an aggregate Net Asset Value of less than US$25,000 (or such lesser amount as the Directors may determine, either generally or in any particular case) will be refused.

If a redeeming Shareholder owns Participating Shares of more than one Series, Participating Shares will be redeemed on a "first in-first out" basis for the purpose of determining the Redemption Price. Accordingly, Participating Shares of the earliest issued Series held by the Shareholder will be redeemed first, at the Redemption Price of Participating Shares of such Series until the redeeming Shareholder no longer owns any Participating Shares of such Series.

Once a Redemption Notice has been received by the Administrator it may not be revoked by the Shareholder unless redemptions have been suspended in the circumstances set out in "Net Asset Value - Suspensions" below or the Directors otherwise agree.

REDEMPTION PRICE AND REDEMPTION PROCEEDS

The Redemption Price of a Participating Share will be equal to the Net Asset Value per Share of the relevant Series as at the applicable Valuation Day, being the relevant Redemption Day.

REDEMPTION FEE

A redemption fee of 6 per cent of the redemption proceeds will be charged on the redemption of any Participating Share which has been in issue for less than 2 years. The Directors may waive all or part of the redemption fee. The redemption fee will be deducted from the redemption proceeds and paid to the Investment Manager.

DEFERRAL OF REDEMPTIONS

If Redemption Notices are received in respect of any Redemption Day which, if satisfied in full, would result in redemptions in excess of the Redemption Gate, the Directors may limit redemptions to the Redemption Gate. Any such limitation will be applied on a *pro rata* basis amongst all holders of Participating Shares of the relevant Class seeking to redeem Participating Shares on the relevant Redemption Day. Redemption Notices which are not satisfied in full will be carried forward to the next Redemption Day and will have priority over Redemption Notices received in respect of such Redemption Day. Participating Shares will be redeemed at the Redemption Price prevailing on the Redemption Day on which they are redeemed.

The Directors currently do not expect to exercise their power to defer redemptions unless necessary to comply with applicable law or regulation or if they consider that Shareholders would otherwise be materially prejudiced.

SETTLEMENT

Payment of redemption proceeds will normally be made within one calendar month of the later of (i) the finalisation of the Redemption Price for the relevant Redemption Day, and (ii) the date on which the Administrator has received the Redemption Notice and such other information and documentation as may be required. If so determined by the Directors, in consultation with the Investment Manager, the Fund may determine to prepay a portion of the redemption proceeds by reference to an estimated Redemption Price with any balance of the redemption proceeds to follow within one month of the applicable Redemption Price having been finalised.

Payment will be made in the Dealing Currency of the Participating Shares being redeemed by direct transfer to an account in the name of the Shareholder. Any costs incurred in making the transfer will be borne by the Shareholder. No redemption proceeds will be paid to a third party. No interest will be paid to the Shareholder in respect of redemption proceeds.

A Shareholder may request that payment of redemption proceeds be made in a currency other than the relevant Dealing Currency. If the Directors permit payment in a currency other than the relevant Dealing Currency the cost of conversion will be deducted from the redemption proceeds.

If a Shareholder redeems 95 per cent or more of its Participating Shares, up to 5 per cent of the redemption proceeds may be held back pending completion of the next occurring annual audit. Promptly after completion of the audit, the balance, if any, of the amount to which such Shareholder is entitled after taking account of any adjustment made to the relevant Redemption Price as a result of the audit will be paid to such Shareholder. No interest will be paid in respect of redemption proceeds held back.

REDEMPTIONS IN KIND

The Fund aims to pay all redemption proceeds in cash. However, under circumstances of low liquidity or adverse market conditions, the Directors may pay redemption proceeds in whole or in part by the transfer of assets. The value of the assets to be transferred shall be determined as at the Valuation Point on the Valuation Day immediately preceding the relevant Redemption Day in accordance with the valuation principles set out in the section headed “Net Asset Value”. Assets may be transferred directly to the redeeming Shareholder or may be transferred to a liquidating trust, account or entity (established before or after the relevant Redemption Day) and sold or otherwise realised for the benefit of the redeeming Shareholder. If assets are transferred to a liquidating trust, account or entity, the cash proceeds received by a redeeming Shareholder will reflect the value of the assets on the date on which they are sold or realised. The cost of operating the liquidating trust, account or entity and

managing, selling or otherwise realising the assets will be deducted from the proceeds paid to the redeeming Shareholder.

PREVENTION OF MONEY LAUNDERING - REDEMPTIONS

Redemption proceeds will not be paid to a Shareholder until the Fund has received any outstanding information or documentation requested in connection with any applicable anti-money laundering requirements or similar matters. None of the Directors, the Investment Manager or the Administrator will be liable for any loss arising as a result of any delay in payment of any redemption proceeds if such information and documentation has not been provided by the Shareholder.

The Fund may refuse to pay redemption proceeds to a Shareholder if the Directors the Investment Manager or the Administrator suspects or is advised that the payment of the redemption proceeds may result in a breach of any applicable laws or regulations in any relevant jurisdiction.

RIGHTS FOLLOWING THE REDEMPTION DAY

From the relevant Redemption Day, a redeeming Shareholder will be treated as a creditor for the redemption proceeds of the Participating Shares being redeemed (rather than a Shareholder). After the relevant Redemption Day, the redeeming Shareholder will have no rights as a Shareholder in respect of the Participating Shares being redeemed save for the right to receive the redemption proceeds and any dividend which has been declared in respect of the relevant Participating Shares prior to the relevant Redemption Day. The right of the redeeming Shareholder to receive the redemption proceeds and any such dividends shall rank ahead of the rights of remaining Shareholders in the distribution of the surplus assets of the Fund on its liquidation.

COMPULSORY REDEMPTION

The Fund may, with or without cause and without giving any reason, redeem all or any of the Participating Shares held by a Shareholder on any day designated by the Directors by giving prior written notice to such Shareholder.

In particular, the Fund may redeem the Participating Shares held by a Shareholder if the Directors become aware that (i) the Shareholder has ceased to be an Eligible Investor, (ii) any representation, warranty, acknowledgement or undertaking given by the Shareholder to the Fund has ceased to be accurate in any material respect, or (iii) the continued holding of Participating Shares by the Shareholder would or may, in the opinion of the Directors, cause an undue risk of adverse tax, pecuniary, regulatory, legal or other consequences to the Fund or any other Shareholders. Shareholders are required to notify the Fund and the Administrator immediately if at any time they become aware that any of the above circumstances apply to them.

Where any fees, payment, withholding or deduction becomes payable by the Fund because of a particular Shareholder, the Fund may redeem a portion of such Shareholder's Participating Shares in order to pay such amount. In such circumstances, the redemption proceeds may be paid directly by the Fund to the relevant third party and not paid to the Shareholder.

TRANSFER OR DISPOSAL OF PARTICIPATING SHARES

Participating Shares may not be sold, assigned, charged or otherwise transferred, encumbered or disposed of without the prior written consent of the Directors and absent such consent, any attempt to do so shall be null and void. The Directors may withhold their consent without giving any reason for doing so. Consent will not be given if, as a consequence of such transfer, the Participating Shares retained by the transferor or registered in the name of the transferee would be less than the Minimum Holding.

Shareholders wishing to transfer Participating Shares must complete a transfer request, which shall be in such form as the Directors may from time to time approve. The completed transfer request, duly stamped, if applicable, together with such additional information and documentation as the Directors may require, including but not limited to evidence to show the right of the transferor to make the transfer, must be sent to the Administrator. If the transferee is not already a Shareholder, it will be required to comply with all eligibility, identification and anti-money laundering requirements that apply to for a subscriber for Participating Shares as noted above. In the event of a proposed transfer of a holder of Participating Shares, the Directors may, in their sole and absolute discretion, require that a written opinion of counsel (such opinion and counsel to be reasonably acceptable to the Directors) be delivered by the holder of the Participating Shares or proposed transferee that the transfer will comply with the applicable law.

The transfer will take effect upon the registration of the transferee in the register of Shareholders maintained by the Administrator.

The transferor and/or transferee (as the case may be) will be responsible for paying any costs associated with such transfer, regardless of whether such transfer actually takes place, including taxes, duties, imposts or levies payable on, or in consequence of, a transfer of Participating Shares. Such costs may be deducted from any distributions to which the transferee is entitled in respect of such Participating Shares.

SPECIAL REDEMPTION RIGHT

Shareholders will have the right to redeem some or all of their Participating Shares from the Fund in the event that a Key Man Event occurs. The Administrator and/or the Investment Manager will notify the Shareholders as soon as practicable after the occurrence of a Key Man Event, and such special redemption right will be exercisable by delivery of a redemption notice to the Administrator by the 30th day after the Shareholders are notified (***Special Notice Date***). Any such redemption will be effective at the end of the first full month after the Notice Date. A Shareholder exercising such special redemption right will be paid 80% of its estimated redemption proceeds (determined as of the end of such month on the basis of unaudited data) promptly following the end of such month. Within 30 days after the completion of a special audit of the Fund following the end of such month, the balance of such Shareholder's redemption proceeds (if any) will be paid, without interest.

For the avoidance of doubt, redemptions effected pursuant to this special redemption right will not be subject to the Lock-up Period and any other restrictions on redemptions set out above.

NET ASSET VALUE

DETERMINATION OF NET ASSET VALUE

The Net Asset Value of the Fund and the Net Asset Value per Share of each Series will be calculated as at the Valuation Point on each Valuation Day.

For the purposes of determining the Net Asset Value of each Class and Series, a separate accounting record will be established in the books of the Fund in respect of each Class and Series. An amount equal to the proceeds of issue of each Participating Share will be credited to the record for the relevant Class and Series. Any increase or decrease in the Net Asset Value of the Fund (disregarding for these purposes (i) any changes in the Net Asset Value due to subscriptions, redemptions or the payment of dividends and (ii) any designated adjustments (as described below)) will be allocated *pro rata* to the record for each Class based on the previous Net Asset Value of each Class. Those costs, expenses, losses, dividends, profits, gains and income which the Directors determine relate solely to a particular Class or Series (the ***designated adjustments***) will then be allocated to the record of the relevant Class or Series. The costs and any benefit of hedging the foreign currency exposure of any Class whose Dealing Currency is other than the US Dollar will be allocated to the record of the relevant Class.

Each Series of each Class will typically have a different Net Asset Value per Share. Any Management Fees and Performance Fee calculated in respect of a Series will be deducted from the Net Asset Value of that Series. Fees and expenses which relate to a particular Series will be charged against that Series when calculating its Net Asset Value. Other fees and expenses will be allocated pro rata between the Series in accordance with their respective Net Asset Values or by such other method as the Directors consider equitable.

The Net Asset Value per Share on any Valuation Day will be calculated by dividing the Net Asset Value of the relevant Series by the number of Participating Shares of such Series in issue, the resulting amount being rounded to 3 decimal places, unless the Directors determine otherwise.

VALUATION OF ASSETS

For the purposes of calculating the Net Asset Value, assets of the Fund will be valued in accordance with the following principles:

(a) the value of each interest in any Underlying Fund which is valued as at the same day as the Fund will be the net asset value per unit, share or other interest in such Underlying Fund calculated as at that day or, if such Underlying Fund is not valued as at the same day as the Fund, will be the last published net asset value per unit, share or other interest in such Underlying Fund or, if that is not available, the last published redemption or bid price for such unit, share or other interest. The Directors may adjust any such value if they reasonably consider that such adjustment is necessary to reflect the fair value of the Fund's interest in an Underlying Fund. In performing the calculations, the Fund may rely on the unaudited valuations and reports and estimated valuations received from third parties, including any Underlying Fund and its administrator, agents, investment manager or advisor, or other dealing subsidiary without being responsible for verifying the contents or veracity of such valuations and reports;

(b) any security which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price as at the Valuation Point or, if no trades occurred on such day, at the closing bid price if held long and at the closing offer

price if sold short, on the relevant Valuation Day. 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 main market for such security or the one which the Directors determine provides the fairest criteria in ascribing a value to such security;

(c) any security which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available will be valued at its probable realisation value as at the Valuation Point, as determined by the Directors having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Directors deem relevant in considering a positive or negative adjustment to the valuation;

(d) investments, other than securities, which are dealt in or traded through a clearing house or exchange or through a financial institution will be valued as at the Valuation Point by reference to the most recent official settlement price quoted by that clearing house, exchange or financial institution. If there is no such price, then the average will be taken between the lowest offer price and the highest bid price as at the Valuation Point on any market on which such investments are or can be dealt in or traded, provided that where such investments are dealt in or traded on more than one market, the Directors may determine which market shall prevail;

(e) investments, other than securities, including over-the-counter derivative contracts, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued by reference to the valuation obtained from an independent pricing source, but where no such valuation is available for a particular investment, the investment will be valued by comparing the latest available valuation provided by the relevant counterparty against the valuation provided by such other counterparties as the Directors deem appropriate. In the event that the valuations provided respectively by the relevant counterparty and the other counterparties differ to an extent that the Directors consider to be material, the investment shall be valued on the basis of the average of all of the valuations but otherwise will be valued on the basis of the valuation provided by the relevant counterparty;

(f) deposits will be valued at their cost plus accrued interest; and

(g) any value (whether of a security or cash) which is not in US Dollars will be converted into US Dollars at the rate (whether official or otherwise) which the Directors deem appropriate to the circumstances having regard, inter alia, to any premium or discount which it considers may be relevant and to costs of exchange.

The Directors may permit any other method of valuation to be used if they consider that such method of valuation better reflects fair value generally or in particular markets or market conditions.

The financial statements of the Fund will be drawn up in accordance with US GAAP. However, the valuation policies described above may not comply with US GAAP. To the extent that the valuation basis deviates from US GAAP, the Directors may make necessary adjustments in the annual financial statements in order to comply with US GAAP. If relevant, a reconciliation note may be included in the annual financial statements to reconcile values shown in the annual accounts determined under US GAAP to those arrived at by applying the valuation policies described above.

Subject to the discretions set out above, the Directors have delegated to the Administrator the calculation of the Net Asset Value and the Net Asset Value per Share.

SUSPENSIONS

The Directors may declare a temporary suspension of any one or more of (i) the determination of Net Asset Value per Share of one or more Classes (ii) the issue of Participating Shares of one or more Classes, (iii) the redemption of Participating Shares of one or more Classes and/or (iv) the payment of redemption proceeds. The Directors may declare any such suspension in such circumstances as they may deem appropriate, including in respect of the whole or any part of a period:

(a) when any securities exchange or similar electronic system on which a substantial part of the assets of the Fund are traded is closed (other than customary closings) or dealings are otherwise restricted or suspended;

(b) when, in the opinion of the Directors, it is not possible to determine the value of a substantial portion of the assets of the Fund or the disposal of a substantial part of the assets of the Fund would not be reasonably practicable or could not be carried out in an orderly manner;

(c) when redemption proceeds cannot lawfully be paid by the Fund in the Dealing Currency of the relevant Class;

(d) when, due to a breakdown in the systems normally used to determine the Net Asset Value or for any other reason, it is not reasonably practicable to accurately determine the Net Asset Value;

(e) when the business operations of the Investment Manager, any prime broker or the Administrator in respect of the Fund are substantially interrupted or closed due to pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, cyber-attack, natural disaster or other events beyond the reasonable control of the relevant party;

(f) when the proceeds of the sale or redemption of Participating Shares cannot be transmitted to or from the Fund's account;

(g) any period during which an Underlying Fund in which the Fund is invested has suspended redemptions or the calculation of its net asset value;

(h) when, in the opinion of the Directors, it would be in the best interests of the Fund to do so; or

(i) after the passing of a resolution to wind-up the Fund.

Any suspension will take effect at the time the Directors specify in their declaration. The suspension will continue until the Directors declare that it has ended. The holders of Participating Shares of the affected Class or Classes will be notified of any suspension as soon as practicable after the declaration of such suspension. Such Shareholders will also be notified when the period of such suspension has ended.

Applications for Participating Shares for a Subscription Day falling within a period when the issue of Participating Shares of the relevant Class is suspended will be acted upon on the first Subscription Day after the suspension has ended. A subscriber may withdraw his application for Participating Shares during a period of suspension provided that a withdrawal notice is actually received by the Administrator before the suspension has ended.

Redemption Notices received prior to the commencement of a period of suspension will be carried forward to the next earliest relevant Redemption Day occurring after the suspension has ended and will be given priority over Redemption Notices received during a period of suspension. A Shareholder

may withdraw his Redemption Notice during a period of suspension provided that a withdrawal notice is actually received by the Administrator before the suspension has ended.

While such suspensions may be temporary, the circumstances giving rise to the decision to suspend may continue for a prolonged period of time such that the Directors consider that it is appropriate that the suspension be declared permanent. In such circumstances the investments of the Fund will be managed for the sole purpose of realising all investments in anticipation of the termination of the business of the Fund.

RISK FACTORS

An investment in the Fund entails substantial risk. The nature of the investments of the Fund involves certain risks including, but not limited to, those listed below and the Investment Manager may utilise investment techniques which carry additional risks. Potential investors should carefully consider the following factors, amongst others, in determining whether an investment in the Fund is suitable for them. In this section, references to the risks, assets or strategies of the Fund or the Investment Manager, shall, unless the context otherwise requires, be deemed to include a reference to the risks, assets or strategies of the Underlying Funds into which the Fund invests and the applicable Underlying Manager, as applicable.

RISKS ASSOCIATED WITH THE STRUCTURE OF THE FUND/GENERAL RISKS

Limited regulatory oversight. Although the Fund is a regulated mutual fund under the Mutual Funds Act, it is not required to, nor does it intend to, register or be licensed under the laws of any other jurisdiction or with any other supervisory or regulatory authority outside the Cayman Islands. As a consequence, the securities laws of other jurisdictions (which may provide certain regulatory safeguards to investors) generally will not apply. Accordingly Shareholders may not have the benefit of all the protections afforded to them by the securities laws of their home jurisdiction or other relevant jurisdictions.

Business risk. The Fund will compete with other investment funds and market participants for investment opportunities. Such competitors may be substantially larger and have considerably greater financial, technical and marketing resources than are available to the Fund. They may also have a lower cost of capital and access to funding sources that are not available to the Fund. Such factors may result in the Fund being at a competitive disadvantage with respect to investment opportunities. In addition, the number of investment funds and market participants and the scale of the assets managed by such entities is increasing. The effect of such increase may be to reduce the opportunities available for the Fund to generate returns and/or reduce the quantum of these returns.

Cross Class liability. Separate records will be established in the books of the Fund for each Class for the purpose of allocating assets and liabilities of the Fund to the relevant Class. However, if the assets attributable to one Class are insufficient to meet the liabilities attributable to that Class, assets attributable to all other Classes may be used to meet such liabilities.

Dependence on key personnel. The investment performance of the Fund will be substantially dependent on the expertise of the Investment Manager, its principals and employees. In particular, the departure for any reason of the key individuals who will be primarily responsible for managing the investment of the assets of the Fund may have a material adverse impact on the performance of the Fund.

FATCA. Sections 1471 through 1474 of the US Internal Revenue Code (commonly referred to as ***FATCA***) will impose a withholding tax of 30 per cent on certain US-sourced gross amounts paid to the Fund unless various information reporting requirements are satisfied. Amounts subject to withholding under these rules include gross US-source dividend and interest income and gross proceeds from the sale of property that produces US-source dividend or interest income. To avoid withholding under FATCA, the Fund will be required to report certain information to the Cayman Islands Tax Information Authority which in turn will report relevant information to the United States Internal Revenue Service. Although the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Fund will be able to comply with the relevant

reporting requirements or other obligation. If the Fund becomes subject to a withholding tax as a result of FATCA, the value of Participating Shares may be materially affected.

Illiquidity of Participating Shares. It is not anticipated that there will be an active secondary market for the Participating Shares and it is not expected that such a market will develop. Participating Shares are not transferable without the approval of the Directors. Consequently, Shareholders may not be able to dispose of their Participating Shares except by means of redemption. Redemptions may be subject to an overall limit by reference to the Net Asset Value and may be suspended in certain circumstances. The Fund may pay redemption proceeds in whole or in part by the transfer of assets or may establish a liquidating trust, account or entity to hold the relevant investments until they are liquidated at a later date. As such, a Shareholder may not receive cash proceeds on redemption or in the event that the Fund is terminated or may not receive cash proceeds in a timely manner.

In-kind distributions. A redeeming Shareholder may, at the discretion of the Directors, receive securities owned by the Fund in lieu of or in combination with cash. The value of securities distributed may decrease before the securities can be sold and the redeeming Shareholder will incur transaction costs in connection with the sale of those securities. Additionally, securities distributed to a Shareholder in connection with a redemption may not be readily marketable. The redeeming Shareholder bears the risk of loss and delay in liquidating those securities, with the result that it may ultimately receive less cash than it would otherwise have received if it had been paid in cash alone for its Participating Shares on the date of redemption.

Lack of operating history. The Fund is a newly formed entity. As such there is no operating history that a prospective investor can evaluate before making an investment in the Fund. The investment results of the Fund are reliant upon the success of the Investment Manager and no guarantee or representation is made in this regard. There can be no assurance that the investment objective of the Fund will be achieved.

Limited rights of holders of Participating Shares. An investment in the Fund should be regarded as a passive investment. Shareholders have no right to participate in the day-to-day operations of the Fund. Nor are Shareholders entitled to receive notice of, attend or vote at general meetings of the Fund, other than a general meeting to vote on a proposed variation of the rights attaching to their Participating Shares. Consequently, Shareholders have no control over the management of the Fund or over the appointment and removal of its Directors and service providers. As holder of the Management Shares, the Investment Manager controls all of the voting interests in the Fund, other than in respect of a proposal to vary the rights attaching to the Participating Shares. Consequently, the Investment Manager may make any changes to the Articles that it considers appropriate, including increasing the share capital, consolidating the shares and sub-dividing the shares. Only the Investment Manager can appoint and remove the Directors and, in turn, only the Directors can terminate the services of the service providers, including the Investment Manager.

Limited disclosure of information. The Directors believe that disclosure of the composition of the investment portfolio of the Fund could be disadvantageous, for instance by increasing competition for limited investment capacity in underlying strategies. Accordingly, as is common with other hedge funds, Shareholders will be provided with a general performance review but typically will not have access to detailed information regarding the composition of the investment portfolio of the Fund.

No separate counsel; No independent verification. Harney Westwood & Riegels (Cayman) LLP acts as legal counsel to the Investment Manager and the Fund as to matters of Cayman Islands laws. The Directors and the Fund do not have independent counsel. Harney Westwood & Riegels (Cayman) LLP does not represent investors in the Fund, and no independent counsel has been retained to act on behalf of the Shareholder. This Memorandum is based on information furnished by the Directors and

the Investment Manager. Harney Westwood & Riegels (Cayman) LLP has not independently verified such information.

Performance Fee. In addition to receiving a Management Fee, the Investment Manager may also receive a Performance Fee. The Performance Fee will increase with regard to both realised and unrealised gains and accordingly a Performance Fee may be made on unrealised gains which may subsequently never be realised. The Performance Fee may create an incentive for the Investment Manager to make investments for the Fund which are riskier than would be the case in the absence of a fee based on the performance of the Fund. The Performance Fee amount was set by the Fund and the Investment Manager without negotiations.

Possible effect of substantial redemptions. Substantial redemptions by one or more investors in the Fund at any one time could require the liquidation of positions more rapidly than otherwise desired in order to raise the cash necessary to fund those redemptions. The Investment Manager may find it difficult to liquidate positions on favourable terms in such a situation, possibly reducing the value of the assets of the Fund and/or disrupting the investment strategies. The Fund is permitted to borrow for the purposes of redeeming Participating Shares and may pledge assets as collateral security for the repayment of that borrowing. In such circumstances, the continuing Shareholders will bear the cost and risk of any such borrowing.

Receipt of non-public information. From time to time, the Investment Manager may come into possession of non-public information concerning specific companies although internal structures are in place to prevent the receipt of such information. Under applicable securities laws, this may limit the Investment Manager's flexibility to buy or sell securities issued by such companies which may have an impact on the investment strategies of the Fund.

Regulatory risks of investment funds. The regulatory environment for hedge funds is evolving and any changes may adversely affect the ability of the Fund to pursue its trading strategies or obtain the leverage it might otherwise have obtained. Regulatory changes may also adversely affect the ability of the Investment Manager to market the Fund. In particular, the Alternative Investment Fund Managers Directive (***AIFMD***) regulates the marketing in the European Economic Area (***EEA***) of the securities of any alternative investment fund, such as the Fund. In the event that the Fund is "marketed" (as such term is defined for the purposes of the AIFMD) to investors in the EEA, whether by the Investment Manager or a third party, the Fund will incur significant additional compliance costs. The effect of any future regulatory change on the Fund could be substantial and adverse.

Side letters. The Fund and/or the Investment Manager may from time to time, each in consultation with the Board, enter into side letters or other similar agreements (collectively, ***Side Letters***) with one or more Shareholders that provide such Shareholder(s) with additional and/or different rights (including, without limitation, with respect to the Management Fee, the Performance Fee, Hurdle Rate, the Lock-Up Period, access to information, minimum investment amounts and liquidity terms) than such Shareholder(s) have pursuant to this Memorandum and the Articles; provided that the Investment Manager shall not cause the Fund to enter into any Side Letter with any investor or prospective investor without the approval of the Directors. The Fund may issue a separate Class or Series of Participating Shares for such Shareholder(s). The Investment Manager may enter into such Side Letters with any party as the Investment Manager may determine, subject to the discretion of the Directors. Neither the Fund nor the Investment Manager will be required to notify any or all of the other Shareholders of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Fund or the Investment Manager be required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders. As a consequence of being provided with additional information it may enhance the ability of a Shareholder to take action based on such additional information (for example by making a redemption request) that other Shareholders, in the absence of such information, do not take and which might reasonably be expected to put other

Shareholders, a class who are in the same position, at a material disadvantage in connection with the exercise of their redemption rights.

Valuation of the investments. The valuation of the securities and other investments of the Fund may involve uncertainties and judgmental determinations. Independent pricing information about some of the securities and other investments of the Fund may not always be available. If a valuation is incorrect, the Net Asset Value per Participating Shares, and consequently the Subscription Price and the Redemption Price, may be overstated or understated. As a consequence a redeeming Shareholder may, in effect, be overpaid or underpaid and a new Shareholder could underpay or overpay for Participating Shares. Additionally, as the fees of a number of the service providers to the Fund are tied to the Net Asset Value, any discrepancy in valuation may result in overpayment or underpayment to those service providers. None of the Fund, the Directors, the Investment Manager or the Administrator will be liable if a price or valuation used in good faith in the calculation of the Net Asset Value later proves to be incorrect or inaccurate. In the absence of manifest error, the Fund does not intend to adjust the Net Asset Value per Participating Shares retroactively.

Furthermore, an investment in the Fund by a new investor (or an additional investment by an existing investor) may dilute the value of the Fund's investments for the other investors if those investments are undervalued. Conversely, a new investor (or an existing investor who makes an additional investment) could pay too much if the Fund's investments are overvalued by the Fund. If either of these scenarios happens, the Fund does not intend to adjust the Net Asset Value retroactively.

Additionally, as the fees of a number of the Fund's service providers are tied to the Fund's Net Asset Value, any discrepancy in valuation may result in overpayment or underpayment to those service providers.

None of the Directors of the Fund, nor the Fund, the Investment Manager, the Administrator or any other service provider will be liable if a price or valuation used in good faith in connection with any of the above procedures, later proves to be incorrect or inaccurate.

Mail Handling. 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, advisors or service providers (including the firm that 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 of the Fund 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).

Cybersecurity. With the use of technology to conduct business, the Fund is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorised access to digital systems (eg through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (ie efforts to make network services unavailable to intended users). Cyber incidents affecting the Investment Manager and other service providers to the Fund have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the Fund's ability to value its securities or other investments, impediments to trading, the inability of investors to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities in which the Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market

operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers for investors) and other parties. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Fund's service providers may have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Fund cannot control the cyber security plans and systems put in place by its service providers or any other third parties whose operations may affect the Fund or its investors. The Fund and its investors could be negatively impacted as a result.

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

Political Uncertainty. Changes in political regimes may destabilise long-held treaties and customs between nations leading to market instability in both developed and emerging countries. Given changes in administrations or applicable law, the future of current regulations, or the adoption of new regulations, is also uncertain. These uncertainties may have adverse impacts on the Fund.

Pandemic Risks. Disease outbreaks that affect local economies or the global economy may materially and adversely impact the business of the Fund. For example, uncertainties regarding the novel Coronavirus (***COVID-19***) outbreak have resulted in serious economic disruptions across the globe. These types of outbreaks can be expected to cause severe decreases in certain business sectors such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions lead to instability in the marketplace, including stock market losses and overall volatility, as has occurred in connection with COVID-19. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. In the event of a pandemic or a disease outbreak, there can be no assurance that the Investment Manager, the Fund, or their respective service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The extent of the impact on the Fund and its investments' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely impact the Fund's ability to fulfil its investment objectives. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

RISKS ASSOCIATED WITH INVESTING IN UNDERLYING FUNDS

Compensation of Underlying Managers. Many Underlying Managers will be compensated based on the appreciation, including unrealised appreciation, in the value of the assets of the relevant Underlying Fund. Accordingly it is possible that the Fund will pay a performance fee to an Underlying Manager for a period even though the Net Asset Value of the Fund overall declined during such period.

Independent investment by managers of Underlying Funds. Underlying Managers will invest wholly independently of one another with investment decisions being made at the level of each Underlying Fund. It is possible that some Underlying Managers will take positions in the same security or in the same sector or country at the same time. The possibility also exists that one Underlying Fund may purchase an instrument at about the same time as another Underlying Fund decides to sell it or that Underlying Funds may at times hold economically offsetting positions. To the extent that Underlying Managers do hold such positions the Fund, considered as a whole, cannot achieve any gain or loss in respect of such positions, despite incurring expenses. There can be no guarantee that the selection of the Underlying Funds will result in a diversification of investments or investment styles.

Investing in managed accounts. From time to time assets of the Fund may be invested through individual accounts managed by unaffiliated portfolio managers (collectively, ***Managed Accounts***). Managed Accounts are typically not subject to the limitations on liability generally offered by collective investment vehicles. Accordingly, if a Managed Account employs leverage, the Fund would be subject to the risk of losses beyond its allocation of assets to such Managed Account.

Lack of regulatory supervision. Assets of the Fund may be invested in Underlying Funds established in jurisdictions where there is little or no regulatory supervision of such Underlying Funds. Although the Investment Manager will seek to ensure that Underlying Funds provide adequate safeguards for the protection investors, any such safeguards may be less efficient than if supervision by a regulator was exercised. Further, the efficiency of any supervision or of other safeguards may be affected by a lack of precision of investment and risk diversification guidelines applicable to, and the flexibility of the investment policies pursued by, such Underlying Funds.

Layering of fees. Investing through Underlying Funds may significantly increase the fees and expenses payable by the Fund when compared to investing directly in securities. The Fund will bear a pro rata share of the fees and expenses paid by the Underlying Funds in addition to the fees and expenses incurred by the Fund directly. Assets of the Fund may be invested in Underlying Funds that invest in other investment vehicles resulting in an additional level of fees and expenses. As a result, the operating expenses of the Fund may constitute a higher percentage of the Net Asset Value than could be found in other investment vehicles.

Liquidity of Underlying Funds. Although the Investment Manager will seek to select Underlying Funds which offer the opportunity to have their shares or units redeemed within a reasonable timeframe, there can be no assurance that the liquidity of the investments of such Underlying Funds will always be sufficient to meet redemption requests as and when made. As a consequence the redemption of shares or units in the Underlying Fund may be deferred or suspended in certain circumstances which may in turn lead to a lack of liquidity in the Fund. A lack of liquidity in the Underlying Fund may also result in difficulties in determining the net asset value of the Underlying Fund. Any such difficulties may result in corresponding difficulties or delays in determining the Net Asset Value of the Fund.

Nature of the Underlying Fund's investments. The Investment Manager will not have an active role in the day-to-day management of the Underlying Funds and will not control any investment decisions made by Underlying Managers. Underlying Managers may invest in and actively trade instruments with significant risk characteristics, may employ substantial amounts of leverage and may have significant potential exposure to loss resulting from counterparty defaults. There can be no assurance that an Underlying Fund's investment programme will be successful or that the investment objective of an Underlying Fund will be achieved. The Investment Manager will carry out extensive due diligence procedures when selecting and monitoring the individual Underlying Funds. However, there can be no assurance that past performance information in relation to an Underlying Fund will be indicative of how such Underlying Fund will perform (either in terms of profitability or correlation) in the future.

Style drift. The Investment Manager will seek to monitor the investment and trading style of the Underlying Funds and will try to verify that the Underlying Funds are being managed substantially in accordance with their stated investment policies. However, the Investment Manager will not receive perfect information regarding the actual investments made by the Underlying Fund and must ultimately rely on the Underlying Manager to operate in accordance with the investment strategy or guidelines set out in the governing documents of the Underlying Fund. If the Underlying Manager does not operate in accordance with the investment strategy or guidelines specified for the Underlying Fund, or if the information furnished by an Underlying Fund is not accurate, the Investment Manager's ability to analyse the Underlying Fund will be compromised. This could impair the Investment Manager's ability to implement the investment strategies and/or manage volatility and risk, as a result of which the Fund might sustain losses.

Subscription moneys at risk prior to Subscription Day. As the assets of the Fund will be invested in Underlying Funds the Fund will be required to remit moneys in respect of such investments in advance of the relevant day on which the investment is made. In order to permit the Fund to do so, subscription moneys may be used to make investments prior to the Subscription Day on which Participating Shares are issued to the subscriber. Accordingly money remitted to the Fund could be at risk in the Fund prior to the relevant Subscription Day.

Transparency. Many of the Underlying Funds will not provide comprehensive information regarding their underlying investments and transactions and the degree of transparency will vary considerably. As a minimum the Fund will receive periodic reports from each Underlying Fund at the same time as any other investor in the relevant Underlying Fund. The Fund will request detailed information on a continuing basis from each Underlying Manager regarding the applicable Underlying Fund's historical performance and investment strategies. However, the Fund may not always be provided with detailed information regarding all the investments made by the Underlying Fund because certain of this information may be considered proprietary information by the Underlying Manager. This lack of access to information may make it more difficult for the Fund to select, allocate among and evaluate the Underlying Manager and Underlying Funds.

Valuation. The calculation of the Net Asset Value of the Fund will be based largely on the valuations received from the Underlying Funds. There can be no assurance these valuations will be accurate. In some cases they may be based in part on the Underlying Fund's valuation of instruments that are not actively traded, and thus partly subjective. If a net asset value calculation provided by an Underlying Fund is incorrect, the Net Asset Value per Share, and consequently the Subscription Price and the Redemption Price, may be overstated or understated. An Underlying Fund may on occasion revise a net asset value calculation thus requiring an adjustment to the calculation of the Net Asset Value of the Fund for that period.

RISKS ASSOCIATED WITH THE INVESTMENT STRATEGIES

Asset-backed debt securities. Asset-backed securities are securities primarily serviced or secured by the cash flows of a pool of fixed or revolving receivables. Underlying assets may include residential and commercial mortgages, leases and credit card receivables as well as consumer and corporate debt. Asset-backed securities can be structured in different ways, including "true sale" structures, where the underlying assets are transferred to a special purpose vehicle, which in turn issues the asset-backed securities, and "synthetic" structures in which the credit risks associated with the underlying assets are transferred to the special purpose vehicle through the use of derivatives. Asset-backed securities are usually issued in different tranches. Any losses realised in relation to the underlying asset pool are allocated first to the securities of the most junior tranche, until the principal of such securities is reduced to zero, then to the principal of the next lowest tranche, and so on. Accordingly, in the event that the underlying asset pool does not perform the value of the relevant asset-backed securities and any amounts paid on such securities will be adversely affected. In addition the value of such securities

may be adversely affected by macro-economic factors such as adverse changes affecting the sector to which the underlying assets belong, economic downturns in the respective countries or globally, as well as circumstances related to the nature of the individual assets. The implications of such negative effects thus depend heavily on the geographic, sector-specific and type-related concentration of the underlying assets. The degree to which any particular asset-backed security is affected by such events will depend on the tranche to which such security relates; junior tranches, even having received investment grade rating, can therefore be subject to substantial risks.

Availability of investment strategies. The success of the investment strategies of the Fund will depend on the ability of the Fund to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment opportunities to be pursued involves a high degree of uncertainty. No assurance can be given that the Fund will be able to locate suitable investment opportunities in which to deploy all of the assets of the Fund or to exploit discrepancies in the securities and derivatives markets. Market factors including a reduction in market liquidity or the pricing inefficiency of the markets in which the assets of the Fund are invested, may reduce the scope for the investment opportunities for the Fund.

Collateralised debt obligations. Assets of the Fund may include long and short positions in collateralised debt obligations (***CDOs***). CDOs are a type of asset-backed security with cash flows linked to the performance of an underlying pool of debt instruments. The types of debt instrument may include corporate debt (both investment grade and high yield), bank loans, government debt, mortgages and derivatives on such debt instruments. In addition to the risks associated with debt securities and derivatives, due to the leveraged nature of CDOs such investments may be subject to more acute credit, liquidity and interest rate risks than the underlying component debt instruments and/or derivative instruments.

Concentration of investments. The Investment Manager is not subject to any requirement to diversify the assets of the Fund and consequently such assets may at any time be heavily concentrated in a limited number of positions. In attempting to maximise returns, the holdings of the Fund may be concentrated in those countries, sectors, markets, asset classes, instruments or issuers which, in the judgment of the Fund, provide the best profit opportunity in view of the investment objective. Such concentration increases the risk of an investment in the Fund by increasing the relative impact of changes in the market, economic or political environment affecting particular countries, sectors, markets and issuers. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected (including as a result of default by the issuer).

Convertible securities. Assets of the Fund may be invested in convertible securities. Convertible securities are preferred stocks or debt obligations that are convertible into common stock and consequently have both equity and fixed income risk characteristics. Like all fixed income securities, the value of convertible securities will tend to decline as interest rates increase. If the market price of the underlying stock approaches or exceeds the conversion price of the convertible security, the convertible security will tend to reflect the market price of the underlying stock. If the value of the underlying stock then falls below the conversion price the convertible security may lose much or all of its value. As the market price of the underlying stock declines, a convertible security will tend to trade increasingly based on its fixed income characteristics and so may not decline in price as much as the underlying stock. Generally, convertible securities offer lower interest or dividend yields than non-convertible securities of similar quality and have less potential for gains or capital appreciation in a rising stock market than other equity securities. They tend to be more volatile than other fixed income securities and the markets for convertible securities may be less liquid than markets for common stocks or bonds. Additionally, an issuer may have the right to buy back convertible securities at a time and price that is unfavourable to the Fund.

Corporate debt obligations. Investment in debt obligations issued by companies and other entities, is subject to the risk that a particular issuer may not fulfil its payment or other obligations in respect of such debt obligations. Additionally, an issuer may experience an adverse change in its financial condition due to, for example, economic conditions, increased competition or corporate events. Any such adverse change may in turn result in a decrease in the credit rating assigned to such issuer and its debt obligations, possibly below investment grade. Such adverse change in financial condition or decrease in credit rating(s) may result in increased volatility in the price of an issuer's debt obligations and negatively affect liquidity, making any such debt obligation more difficult to sell.

Counterparty risk. The Fund is subject to the risk of the inability of any counterparty (including any prime brokers and custodians) to perform with respect to transactions, whether due to insolvency, bankruptcy or other circumstances. The Fund is subject to the risk that counterparties may not have access to finance and/or assets at the relevant time and may fail to comply with their obligations under the relevant sale and repurchase agreements. In the event of any counterparty entering an insolvency procedure, the Fund could experience delays in liquidating positions and significant losses could be incurred, including the loss of that portion of the assets of the Fund financed through such a transaction, a decline in value of the relevant investment during the period in which the Fund seeks to enforce the contract, an inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing the contract. During an insolvency procedure (which may last many years) the use of assets held by or on behalf of the relevant counterparty may be restricted and accordingly (a) the ability of the Fund to fulfil the investment objective may be severely constrained, (b) the Directors may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Participating Shares. During such a procedure, the Fund is likely to be an unsecured creditor in relation to certain assets (including those in respect of which it had previously been a secured creditor) and accordingly it may not be possible to recover such assets from the insolvent estate of the relevant counterparty in full, or at all.

Credit default swaps. Assets of the Fund may include long and short positions in credit default swaps. A credit default swap is a type of credit derivative contract which allows one party (the ***protection buyer***) to transfer the credit risk of an entity (the ***reference entity***) to one or more other parties (the ***protection seller***). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of certain specified credit events experienced by the reference entity. Credit default swaps carry specific risks including high levels of gearing, the possibility that premiums are paid for credit default swaps which expire worthless, wide bid/offer spreads and documentation risks. In addition, there can be no assurance that the counterparty to a credit default swap will be able to fulfil its obligations under the swap if a credit event occurs in respect of the reference entity. Further, the counterparty to a credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

Credit risk. Investment in debt securities is subject to the credit risk of the issuers which may be unable or unwilling to make timely payments of principal and/or interest. In general, debt instruments that have a lower credit rating, or that are unrated, are subject to a higher degree of credit risk. The credit rating of a security represent a rating agency's opinions regarding the issuer's credit quality and is not a guarantee of the future credit performance of such issuer. Rating agencies attempt to evaluate an issuer's credit worthiness by determining its ability to pay back a loan. They do not evaluate the risks of fluctuation in the market value of the issued security but fluctuations in the market value of a security may be affected by the ratings assigned to the issuer. In particular, if the credit rating of an issuer is downgraded the market value of the securities of such issuer may be adversely affect. In the event of a default or a downgrading in the credit rating of the issuer of any fixed income instrument held by the Fund, the Net Asset Value may be adversely affected. Debt securities are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant

issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of debt securities only after all secured claims have been satisfied in full. The Fund is therefore exposed to the credit risk of the issuers of the debt securities as an unsecured creditor.

Currency exposure. Assets of the Fund may be invested in securities and other investments which are denominated in currencies other than the currency or currencies in which Participating Shares are denominated. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Fund does not intend to hedge the foreign currency exposure and so the Fund will be subject to foreign exchange risks. Prospective investors whose assets and liabilities are predominantly in currencies other than the currency in which their Participating Shares will be denominated should take into account the potential risk of loss arising from fluctuations in value between the currency in which their Participating Shares will be denominated, the currency of investment and the currencies of their assets and liabilities.

Exchange traded funds (***ETFs***). ETFs are investment companies are bought and sold on a securities exchange. An ETF will aim to track an underlying index either by acquiring the constituent securities of the relevant underlying index (or a representative sample of such securities) or by synthetically replicating the constituent securities of the relevant underlying index. If the assets of the Fund are invested in an ETF, the Fund will bear additional expenses based on its pro rata share of the ETF's operating expenses. In addition, the Fund will incur brokerage costs when purchasing and selling shares of ETFs. The risk of owning shares in an ETF generally reflects the risks of the underlying securities held by the ETF and the investment strategies employed by the ETF (such as the use of leverage).

ETFs are passively managed in that they do not try to beat or perform better than the relevant underlying index. An ETF will invest (either directly or indirectly) in the securities included in or representative of its underlying index regardless of their investment merit. Any fall in the relevant underlying index is therefore expected to result in corresponding fall in the value of the ETF. For synthetic ETFs investments are not made directly in the securities included in or representative of its underlying index. Instead such ETFs invest in derivative instruments which aim to replicate the economic benefit of such securities. As such, these ETFs would be subject to the risks of owning derivative instruments. If the performance of a synthetic ETF is affected by these risks, the performance of the Fund will also be adversely affected. Also, synthetic ETFs may have higher tracking error as compared to physical ETFs due to factors including costs of acquiring and holding derivative instruments, availability of derivative instruments and foreign ownership restrictions.

Financing arrangements. Borrowings by the Fund may include the use of securities margin, futures margin, margined option premiums, repurchase agreements, bank or dealer credit lines or the notional principal amounts of swap transactions. There can be no assurance that the Fund will be able to maintain adequate financing arrangements under all market circumstances. Banks and dealers that provide financing can typically apply essentially discretionary margin, "haircut", financing, security and collateral valuation policies. Changes by banks and dealers in one or more of these policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances, government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions, termination of swap and repurchase agreements and cross-defaults to agreements with other banks and 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 simultaneously. The imposition of any such limitations or restrictions could compel the Fund to liquidate positions at disadvantageous prices, leading to losses.

Broad Investment Mandate. An investor in the Fund must rely upon the Investment Manager's ability to identify, structure and implement investments consistent with the Fund's overall investment

objectives and policies at such times as it determines. There are no limitations on the instruments, markets or countries in which the Fund may invest or the specific investment strategies that may be employed on behalf of the Fund. The Fund is permitted to invest (and may actually invest) in any number of companies operating in a wide range of industries or activities. There is no requirement that the Fund maintain a specific balance between private equity, distressed and structured transaction investments at any point in time and there are no formal diversification and other portfolio construction requirements to which the Fund are subject.

Debt Instruments Generally. The Fund will invest predominantly in debt and credit-related instruments. Such debt may be secured or unsecured and may be structurally or contractually subordinated to substantial amounts of senior indebtedness. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. It is likely that many of the debt instruments in which the Fund may invest may be unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. In addition, the secondary market on which such debt instruments are traded may be less liquid than the market for investment-grade securities, meaning such debt instruments are subject to greater liquidity risk than investment grade-securities, and it may be more difficult to hedge against the risks associated with such debt instruments. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments. Analysis of the creditworthiness of issuers of below investment-grade and unrated debt instruments may be more complex than for issuers of higher-quality debt obligations.

Credit Risk. One of the fundamental risks associated with the Fund's investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. The Fund's return to investors would be adversely impacted if an issuer of debt securities in which the Fund invests becomes unable to make such payments when due.

Although the Fund may make investments that the Investment Manager believes are secured by specific collateral the value of which may initially exceed the principal amount of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of the Fund. Moreover, the Fund's investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Fund may not have priority over other creditors as anticipated. The Fund may also invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. Furthermore, the Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of the senior lender. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases,

an issuer's ability to repay the principal of an investment may be dependent upon a liquidity event or the long-term success of the issuer, the occurrence of which is uncertain.

Interest Rate Risks of Debt Securities. The Fund's investments will expose it (directly or indirectly) to interest rate risk. Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Fund. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. This risk will be greater for long-term securities than for short-term securities. While the Fund may from time to time seek to hedge such risks (including through investments in securities or derivative instruments), it may not do so actively. There is no assurance that such measures, even if implemented, will be effective.

Residential Mortgages. Single-family residences are particularly susceptible to risk of default as the risk is concentrated in a single tenant. Tenants of such properties may delay lease commencement or renewal, fail to make rent payments (including, without limitation, any common, maintenance or housing association charges or fees) when due, declare bankruptcy, default under the lease, or damage or fail to maintain the real property. Any tenant's default under its lease, failure to make rent payments when due or bankruptcy could result in the termination of such tenant's and would likely have a material impact on Fund's Investment.

Commercial Mortgages. Acquisitions of mortgages on commercial properties and office space entail additional risks related to the commercial space. Estimates of renovation costs and costs of improvements to bring an acquired property up to standards established in the market for that property may prove inaccurate. In addition, the acquisition and renovation of office and other commercial properties involve risks of the possibility of environmental problems, construction delays and uncertainties as to market demand or deterioration of market demand after acquisition or renovation. Office buildings and other commercial properties are subject to a number of operating risks, including, among other things, (i) competition from other properties in the same geographic market; (ii) increases in operating and maintenance costs; (iii) dependence on key tenants; (iv) fluctuating lease and occupancy rates; (v) the financial condition of tenants and related risks of default by tenants experiencing financial problems; and (vi) adverse effects of general and local economic conditions. Any of the above may increase the likelihood of a default of the related mortgage.

Loans. The Fund will primarily invest in loans and/or participations. These obligations are subject to unique risks, including, without limitation: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; (iv) collateral posting obligations that may arise in connection with investments in revolving credit facilities or delayed draw term loans, which give rise to the risk of loss with respect to posted collateral; and (v) the risk that ownership through assignment is not feasible and the Fund may be required to hold its interest via a participation, which gives rise to counterparty credit risk and limitations on the ability of the Fund to directly enforce certain rights (e.g., voting rights). In analyzing each loan or participation, the Investment Manager compares the relative significance of the risks against the expected benefits of the investment. Successful claims by third parties arising from these and other risks will be borne by the Fund. Bank loans are frequently traded on the basis of

standardized documentation which is used in order to facilitate trading and market liquidity. There can be no assurance, however, that future levels of supply and demand in loan trading will provide an adequate degree of liquidity or that the current level of liquidity will continue or that the same documentation will be used in the future. The settlement of trading in bank loans often requires the involvement of third parties, such as administrative or syndication agents, and there presently is no central clearinghouse or authority which monitors or facilitates the trading or settlement of all bank loan trades. Often, settlement may be delayed based on the actions of any third party or counterparty, and adverse price movements may occur in the time between trade and settlement, which could result in adverse consequences for the Fund. The Fund can acquire interests in loans either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. Participation interests in a portion of a debt obligation typically result in a contractual relationship only with the institution participating out the interest and not with the borrower. In purchasing participations, the Fund typically will not have the right to vote on matters requiring a vote of holders of the underlying debt and may have no right to enforce compliance by the borrower with the terms of the loan agreement, or any rights of set-off against the borrower, and the Fund's may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. As a result, if the Fund were to hold a participation, it would assume the credit risk of both the borrower and the institution selling the participation to the Fund. In certain circumstances, investing in the form of participation may be the most advantageous or only route for the Fund to make or hold any such investment, including in light of limitations relating to local laws or the willingness of administrative agents or borrowers to allow the Fund to become a direct lender. Where the Fund acquires a participation interest in a loan, the form of agreement documenting the acquisition can vary based on the contract law governing the debt. Where the contract is New York law governed, the agreement is also generally New York law governed and intended to be structured as a "true participation," providing the Fund with a beneficial ownership right in the proceeds payable in relation to the bank debt. This structure can limit the Fund's counterparty credit risk exposure against the institution selling the participation, and if the seller files for bankruptcy during the life of the agreement, the court may ring-fence proceeds related to the bank debt for the benefit of the Fund. Where the contract is based under English law (or the law of another European jurisdiction), the agreement documenting the participation in many instances will be English or local law governed and structured as a derivative agreement between the Fund and the institution selling the debt. This structure generally carries a higher risk for the Fund because the derivative agreement grants no beneficial ownership interest in the proceeds paid to the selling institution, providing the Fund with only an unsecured claim against the selling institution in the event of its bankruptcy during the life of the agreement. While the CFTC and SEC have finalized rules excluding many purchases of participation interests from the definition of "swap" or "security-based swap," there is a risk that certain derivative agreements documenting such purchases could still satisfy either definition. A transaction could satisfy either definition (or both) if structured as an exchange of payments based on the value of interest or another rate, instrument of indebtedness, or other financial or economic interest, transferring the financial risk without also conveying a current or future direct or indirect ownership interest in an asset. If found to be a security-based swap, this will be considered a "security" for the purposes of the Securities Act, and the Exchange Act. If found to be a swap, it would be considered a "commodity interest" for purposes of the Commodity Exchange Act and if there are components of both a "swap" and a "security-based swap," it could be considered a "mixed swap." The implications of a derivative contract being a "security-based swap," "swap" or "mixed swap" may result in increased regulatory requirements by the SEC, CFTC or both and could mean increased costs, liabilities and compliance risks on behalf of the Fund.

Various federal, state and local laws have been enacted that are designed to discourage predatory lending and servicing practices. For residential mortgage loans that have interest rates or origination costs in excess of certain levels, or prepayment penalties that exceed certain parameters, the federal

Home Ownership and Equity Protection Act of 1994 (***HOEPA***) prohibits inclusion of certain provisions, prohibits certain lender conduct, and requires that borrowers be given certain disclosures prior to origination and demonstrate that they have received counseling on the advisability of the loan transaction. While a lender is subject to borrower "ability to repay" determination requirements with closed-end HOEPA loans and many other closed-end loans, open-end HOEPA loans are also subject to "ability to repay" determination requirements. In certain refinance situations, loans covered by HOEPA are subject to a requirement that the originator determine the loan to be in the consumer's interest. HOEPA-covered loans are subject to expanded damages under the Truth in Lending Act for failure to comply with HOEPA provisions, and purchasers of HOEPA-covered loans generally are subject to the claims and defenses that the borrower could assert against the lender. Some states have enacted, or may enact, similar laws or regulations, which in some cases impose restrictions and requirements greater than those in HOEPA. In addition, under the anti-predatory lending laws of some states, the origination of certain residential loans, including loans that are not classified as "high cost" loans under applicable law, must satisfy a net tangible benefits test and/or borrower repayment ability test with respect to the related borrower. These tests, and the similar test under HOEPA, may be highly subjective and open to interpretation. As a result, a court may determine that a residential loan, for example, does not meet the test even if the related lender reasonably believed that the test was satisfied. Failure of residential lenders or servicers to comply with these state laws could subject the Fund or its affiliates, as a lender and servicer or, in the case of acquired loans, as an assignee or purchaser, to monetary penalties and could result in the borrowers rescinding the affected loans. Lawsuits have been brought in various states making claims against lenders, servicers, assignees and purchasers of high cost loans for violations of state law.

The Fund may acquire and/or originate loans and/or other debt instruments (or pools thereof) with the intention of syndicating to third parties a portion or potentially all of their investment following the initial signing or consummation thereof. If the Fund is unable to sell, assign or successfully close transactions for participations in the loans that it originates, the Fund will be forced to hold its excess interest in such loans for an indeterminate period of time. This could result in the Fund's investments being over-concentrated in certain borrowers.

Market Making by Dealers. The value of the Fund's fixed-income investments 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 Fund's profitability or result in losses.

Investments in Highly Leveraged Companies. The Fund's investments may include investments in companies whose capital structures have significant leverage (including substantial leverage senior to the Fund's investment, a considerable portion of which may be secured by first liens and/or may be at floating interest rates). Such investments are inherently more sensitive to declines in revenues, competitive pressures and increases in expenses and interest rates. The leveraged capital structure of such companies will increase their exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the company or its industry, and such companies may be subject to restrictive financial and operating covenants. This leverage may result in more serious adverse consequences to such companies (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged companies. If a company cannot generate adequate cash flow to meet debt obligations, the company may default on its loan agreements or be forced into bankruptcy resulting in a restructuring of the company's capital structure or liquidation of the company. Furthermore, to the extent companies in which the Fund has invested

become insolvent, the Fund may determine, in cooperation with other debt holders or on its own, to engage, at the Fund's expense in whole or in part, counsel and other advisors in connection therewith.

Middle Market Loans. Middle market loans are subject to the same risks associated with loans in general described herein. However, middle market loans are generally made to small and mid-sized companies and are not broadly syndicated. As a result, middle market loans are significantly less liquid than larger broadly syndicated leveraged loans and the credit profile of the obligors of middle market loans may be subject to additional risk.

Zero Coupon Bonds. Zero-coupon bonds and deferred interest bonds are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations that provide for regular payments of interest.

High Yielding. Bonds or other fixed-income securities that are "higher yielding" (including non-investment grade) debt securities are generally not exchange-traded and, as a result, these securities trade in the over-the-counter marketplace, which is less transparent and has wider bid/ask spreads than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions, which could lead to the issuer's inability to meet timely interest and principal payments. High-yield securities are generally more volatile and may or may not be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured by substantially all of the issuer's assets. High-yield securities may also not be protected by financial covenants or limitations on additional indebtedness. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated securities. Companies that issue such securities may be highly leveraged and may not have available to them more traditional methods of financing. In addition, the Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. The Fund may invest in obligations of issuers that are generally trading at significantly higher yields than had been historically typical of the applicable issuer's obligations. Such investments may include debt obligations that have a heightened probability of being in covenant or payment default in the future or that are currently in default and are generally considered speculative. The repayment of defaulted obligations is subject to significant uncertainties. Defaulted obligations might be repaid only after lengthy workout or bankruptcy proceedings, during which the issuer might not make any interest or other payments. Typically, such workout or bankruptcy proceedings result only in partial recovery of cash payments or an exchange of the defaulted security for other debt or equity securities of the issuer or its affiliates, which may in turn be illiquid or speculative.

Corporate Debt. Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, the Fund may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to the Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

Non-Performing Nature of Debt. Certain debt instruments may be non-performing or in default. Furthermore, the obligor or relevant guarantor may also be in bankruptcy or liquidation. There can be no assurance as to the amount and timing of payments, if any, with respect to such debt instruments.

Stressed Debt. The Fund may invest in stressed issuers, which are issuers that are not yet deemed distressed or bankrupt and whose debt securities are trading at a discount to par, but not yet at distressed levels. An example would be an issuer that is in technical default of its credit agreement, or undergoing strategic or operational changes, which results in market pricing uncertainty. The market prices of stressed and distressed instruments are highly volatile, and the spread between the bid and the ask prices of such instruments is often unusually wide.

Debtor-in-Possession Loans. From time to time, the Fund will invest in or extend loans to entities that have filed for protection under Chapter 11 of the U.S. Bankruptcy Code or equivalent protections under the laws of other jurisdictions. These debtor-in-possession (***DIP***) loans are most often revolving working-capital facilities put into place at the outset of a Chapter 11 case to provide the debtor with both immediate cash and the ongoing working capital that will be required during the reorganization process. While such loans are generally less risky than many other types of loans as a result of their seniority in the debtor's capital structure and because their terms have been approved by a federal bankruptcy court order, it is possible that the debtor's reorganization efforts may fail and the proceeds of the ensuing liquidation of the DIP lender's collateral might be insufficient to repay in full the DIP loan.

Troubled Origination. When financial institutions or other entities that are insolvent or in serious financial difficulty originate debt, the standards by which such instruments were originated, the recourse to the selling institution, or the standards by which such instruments are being serviced or operated may be adversely affected.

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 non-U.S. 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.

Securities Lending Risk. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as the Fund may invest cash collateral received, the Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

Investment in Small Companies. There are no minimum requirements as to the size or operating experience of the obligors in which the Fund may invest. Portfolio investments made to some of those obligors may involve a number of risks, including (but not limited to) the following: (i) these obligors may become unable to meet their obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Fund realizing any guarantees it may have obtained in connection with the related investment; (ii) these obligors may generally have less

predictable operating results, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; (iii) these obligors may have limited financial resources, may lack the ability to generate internally, or obtain externally (including difficulty accessing the capital markets to meet), the funds necessary for growth; (iv) such obligors with new products or services could sustain significant losses if projected markets do not materialize; (v) these obligors may have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which may render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns; (vi) these obligors may depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on the related investment; and (vii) investments involving these obligors may be evidenced by privately-negotiated documentation not based on any particular industry standard.

Special Situations. The Fund may have investments (directly or indirectly) in entities involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the investment may need to be sold at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled entities in which the Fund may invest (directly or indirectly), there is a potential risk of loss of the entire investment in such entities.

Mezzanine Debt. The Fund sometimes execute its strategies through investments in mezzanine debt. Mezzanine debt is typically junior to the obligations of a company to senior creditors, trade creditors and employees. The ability of the Fund to influence a company's affairs, especially during periods of financial distress or following an insolvency, will be substantially less than that of senior creditors. Mezzanine debt instruments are often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. Default rates for mezzanine debt instruments have historically been higher than for investment-grade instruments. In the event of the insolvency of a portfolio company of the Fund or similar event, the Fund's debt investment therein will be subject to fraudulent conveyance, subordination and preference laws.

Prepayment of Loans. Loans may be prepayable in whole or in part at any time at the option of the obligor thereof at par plus accrued unpaid interest thereon. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, proceeds received upon such a prepayment may be subject to reinvestment risk.

Accuracy of Public Information. The Investment Manager selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Investment Manager by the issuers or through sources other than the issuers. Although the Investment Manager evaluates all such information and data and ordinarily seeks independent corroboration when it considers it is appropriate and reasonably available, the Investment Manager makes no representation as to the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Fraud Risks. Of paramount concern in purchasing loans and other assets is the possibility of material misrepresentation or omission on the part of a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or other asset, or may adversely

affect the ability of the lender of record to perfect or effectuate a lien on the collateral securing the loan or other assets. The Fund relies upon the accuracy and completeness of representations made by companies in which the Fund invests or other counterparties to the extent reasonable, but cannot guarantee that such representations are accurate or complete. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been made with intent to defraud or prefer creditors.

Enforcement Rights in Certain Jurisdictions. The laws governing the rights of investors and other laws in certain jurisdictions in which the Fund may invest are not as thoroughly developed and do not afford the protection and predictability that can be found in countries with more sophisticated laws and regulations. Among other things, the laws with respect to the rights of creditors and other investors may not be as comprehensive or as well developed as in the United States or the United Kingdom, and the procedures for the judicial or other enforcement of such rights of investors may not be as effective. In particular, in certain countries, the Fund could experience significant legal difficulties and impediments in enforcing its rights with respect to its investments and/or certain kinds of collateral underlying such investments. It may therefore be more difficult for the Fund to pursue claims or obtain effective enforcement of its rights by legal or arbitration proceedings in such countries than in countries with more mature legal systems. These factors may, among other things, adversely affect the value and performance of the Fund's investments in such countries.

Lack of Control. The Fund may invest in debt instruments and equity securities of companies that it does not control, which the Fund may acquire through market transactions or through purchases of securities directly from the issuer or other shareholders. Such securities will be subject to the risk that the issuer may make business, financial or management decisions with which the Fund does not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve the Fund's interests. In addition, the Fund may share control over certain investments with co-investors, which may make it more difficult for the Investment Manager to implement its investment approach or exit the investment when it otherwise would. The occurrence of any of the foregoing could have a material adverse effect on the Fund.

Personnel Located in Brazil. Certain of the directors, as well as affiliates of the Investment Manager that provide services to the Fund, are located in Brazil. The Brazilian economy has been characterized by frequent and occasionally drastic intervention by the Brazilian government, although such interventions have been decreasing in magnitude and frequency since the adoption of the Brazilian Real monetary currency in Brazil in 1994. In the event that the Brazilian government imposes restrictions, limitations or requirements on investment activity performed in Brazil, the applicable directors and/or Brazilian affiliates of the Investment Manager may be unable or restricted from performing its duties to the Investment Manager and the Fund. Any such limitations may impact the ability of the Investment Manager to execute the Fund's investment strategy.

Investment in Third-Party Investment Funds. The Fund may also make investments in certain pooled-investment vehicles managed by third-parties. The Fund will not have an active role in the management of such vehicles. Moreover, the Fund will not have the opportunity to evaluate any specific underlying investment made by any such vehicles. As a result, the returns of the Fund will primarily depend on the performance of the unrelated vehicles and could be substantially adversely affected by the unfavorable performance of one or several of such vehicles. The Fund would expect to pay an additional layer of fees to the managers of such funds, which will reduce the returns that the Fund would otherwise receive. Finally, the Fund may, with respect to such vehicles, be dependent upon valuations furnished by the managers of such funds, who will be subject to conflicts of interest in making such valuations as the fees payable to such managers will be based on the values of such funds' portfolios.

"Widening" Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the debt investments in which the Fund invests may decline substantially. In particular, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which the Fund invests.

Stress in Credit Markets May Affect Ability to Finance and Consummate Investments. Losses and related economic and financial market events that originated in the U.S. subprime mortgage market and spread to other areas of the fixed income markets have caused significant disruptions, illiquidity and volatility in the structured credit, leveraged loan and high-yield bond markets, as well as in the wider global capital and financial markets. These events had caused significant dislocations, illiquidity and volatility in the wider global economy and significantly diminished the availability of credit and increased the cost of financing for businesses, which materially hindered the initiation of new, large-sized leveraged transactions and, together with declines in valuations of equity and debt investments, adversely affected the private equity sector. While overall economic and financial market conditions have begun to improve from the depths of the serious U.S. recession, there can be no assurance that such improvement will continue or that such market conditions will not begin to deteriorate once again. In addition, continued turbulence in the international markets and economies may negatively affect the U.S. and global economies and financial markets.

To the extent that marketplace events worsen, this may have an adverse impact on the availability of credit to businesses generally and could lead to a further overall weakening of the U.S. and global economies. High unemployment and limited availability of credit may lead to increased default rates on the Fund's investments. In acquiring such types of assets, the Fund will incur the risks of a partial or total loss of capital invested in such investments, which could, in turn, have an adverse effect on the Fund's returns. Various market circumstances could restrict the ability of the Fund to sell or liquidate investments at favorable times or for favorable prices.

Distressed Investments and Other Instruments. The Fund's investment program includes making distressed investments, including, for example, investments in defaulted, out-of-favor or distressed loans and securities, and other assets (which could include hard assets such as aircraft, ships, timber, real property, etc., and intangible assets such as litigation claims and intellectual property claims or rights). Certain of the Fund's investments will therefore include specific securities or instruments (including loans and other forms of indebtedness) of companies that typically are highly leveraged, with significant burdens on cash flow, and therefore involve a high degree of financial risk. The Fund also will make investments in companies that are experiencing financial or operational difficulties or are otherwise out of favor. Some or all of these companies may operate at a loss or with substantial variation in operating profits and losses from period to period, and may have a need for substantial additional capital to support expansion or to achieve or maintain a stable operating position. Such companies may not have ready access to the traditional capital markets. Such investments may be premised on a turnaround strategy. If turnarounds are not achieved, these companies could experience failures or substantial declines in value, and the Fund may not be able to divest itself of such unprofitable investments in a timely fashion or at all. Additionally, turnarounds may not be achieved within the contemplated investment horizons. Investments in companies operating in workout or bankruptcy modes also present additional legal risks, including fraudulent conveyance, voidable preference and equitable subordination risks.

The Fund may invest in instruments and obligations of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other

reorganization and liquidation proceedings. These instruments and obligations are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently can be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' equity or debt instruments are considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. In addition, there is no minimum credit standard that is a prerequisite to the Fund's investment in any instrument, and a significant portion of the obligations and securities in which the Fund invests may be considered less than investment grade. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Directors will correctly evaluate the value of the assets underlying the Fund's investments or the prospects for a successful reorganization or similar action.

In addition, companies in which the Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or the onset, continuation or worsening of the economic and financial market downturn and dislocation. As a result, assets or companies that the Fund expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress. In addition, exogenous factors such as fluctuations of the equity markets also could result in warrants and other equity securities or instruments owned by the Fund becoming worthless. Even high-quality companies in which the Fund invests could still present a high degree of business and credit risk. During an economic downturn or recession, securities or instruments of financially troubled or operationally troubled issuers are more likely to go into default than securities or instruments of other issuers. Securities or instruments of financially troubled issuers and operationally troubled issuers often are less liquid and more volatile than securities or instruments of companies not experiencing financial difficulties. The market prices of such securities or instruments are subject to erratic and abrupt market movements and the spread between bid and asked prices may be greater than normally expected. In addition, many of the Fund's investments may not be widely traded and the Fund's investments in such securities or instruments may be substantial relative to the market for such securities or instruments. As a result, the Fund may experience delays and incur losses and other costs in connection with the exit from, or sale of, their investments.

The Fund may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed restructuring is consummated.

Risks Associated with Bankruptcy Cases. Bankruptcy or insolvency proceedings are adversarial, lengthy, complex, involve multiple and diverse constituents seeking to maximize their recovery from a debtor with limited assets (which often results in some classes of stakeholders receiving little or no recovery), and involve the exercise of equitable authority on the part of the bankruptcy court or other competent authority. Many of the events in or affecting bankruptcies or insolvencies are beyond the control of the creditors and other stakeholders. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court or other competent authority would not approve actions that would be contrary to the interests of the Fund. Furthermore, there are instances under applicable law where creditors and equity holders lose their ranking and priority.

Generally, the duration of a bankruptcy case can only be roughly estimated and such estimates may later prove inaccurate. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the company and the Fund; it is subject to unpredictable and lengthy delays, and, during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. Although the Fund invests primarily in debt, the debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for the purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other changes with respect to, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Furthermore, creditors and equity holders, in exceptional circumstances, may lose their ranking and priority as such when they take over management and functional operating control of a debtor if they are found to have exercised "domination and control" in a manner that adversely affected the debtors.

When a company seeks relief under the U.S. Bankruptcy Code (or has a petition filed against it), an automatic stay prevents all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against the company prior to the date of the bankruptcy filing must petition the court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which the creditor has an interest will be "adequately protected" during the proceedings. If the bankruptcy court's assessment of adequate protection is inaccurate, a creditor's collateral may be wasted without the creditor being afforded the opportunity to preserve it. Thus, even if the Fund holds a secured claim, they may be prevented from collecting the liquidation value of the collateral securing their debt, unless relief from the automatic stay is granted by the court. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims.

Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. For example, security interests may be set aside because, as a technical matter, they have not been perfected properly under the Uniform Commercial Code or other applicable law. If a security interest is invalidated, the secured creditor loses the value of the collateral and because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will almost certainly experience a significant loss of its investment. There can be no assurance that the security interests will not be challenged vigorously and found defective in some respect, or that the Fund will be able to prevail against the challenge.

Moreover, debt may be disallowed or subordinated to the claims of other creditors if the creditor is found guilty of certain inequitable conduct resulting in harm to other parties with respect to the affairs of a company filing for protection from creditors under the U.S. Bankruptcy Code. Creditors' claims may be treated as equity if they are deemed to be contributions to capital, or if a creditor attempts to control the outcome of the business affairs of a company prior to its filing under the U.S. Bankruptcy

Code. Serving on an official or unofficial creditors' committee, for example, increases the possibility that the Fund will be deemed an "insider" or a "fiduciary" of the company it has so assisted and may increase the possibility that the Bankruptcy Court would invoke the doctrine of "equitable subordination" with respect to any claim or equity interest held by the Fund in such company and subordinate any such claim or equity interest in whole or in part to other claims or equity interests in such company. Claims of equitable subordination also may arise outside of the context of the Fund's committee activities. If a creditor is found to have interfered with the company's affairs to the detriment of other creditors or shareholders, the creditor may be held liable for damages to injured parties. While the Fund will attempt to avoid taking the types of action that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted or that the Fund will be able to successfully defend against them. In addition, if representation of a creditors' committee of a company causes the Fund or the Investment Manager to be deemed an affiliate of the company, the securities of such company held by the Fund may become restricted securities, which are not freely tradable.

While the challenges to liens and debt described above normally occur in a bankruptcy proceeding, the conditions or conduct that would lead to an attack in a bankruptcy proceeding could in certain circumstances result in actions brought by other creditors of the debtor, shareholders of the debtor or even the debtor itself in other state or federal proceedings. As is the case in a bankruptcy proceeding, there can be no assurance that such claims will not be asserted or that the Fund will be able to defend against them successfully. To the extent the Fund assume an active role in any legal proceeding involving the debtor, the Fund could become prevented from disposing of securities or instruments issued by the debtor if the Fund possesses material, non-public information concerning the debtor.

In addition, companies located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the U.S. Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide the Fund with equivalent rights and privileges necessary to promote and protect their interest in any such proceeding, the Fund's investments in any such company may be adversely affected. For example, bankruptcy law and process in a non-U.S. jurisdiction may differ substantially from that in the U.S., resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Equitable Remedies. Under common law principles that in some cases form the basis for lender liability claims, if a lender (i) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer; (ii) engages in other inequitable conduct to the detriment of such other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (iv) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). The Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Such purchase may be disallowed if disallowance is permitted under applicable law. The Fund will seek to conduct their activities in a manner that would not form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the often contentious nature of bankruptcy and insolvency proceedings, the Fund may be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

Debt Instruments Secured by Real Estate. Some of the Fund's debt investments may be secured by real estate. Real estate collateral provides an alternate source of repayment in the event of default by the borrower and may deteriorate in value during the time the credit is extended such as if there is a

downturn in the real estate market. The real estate market has been substantially impacted by recent economic events, increased levels of inventories of unsold homes, and higher foreclosure rates. As a result, property values for real estate collateral have previously declined substantially and may do so again in the future. Any such decrease in the value of the real estate collateral may impair our ability to sell the collateral upon foreclosure. Such a determination could adversely impact the value of the Fund's investments.

Co-Investments with Third Parties. The Fund may co-invest with third parties through jointly-owned acquisition vehicles, partnerships, joint ventures or other structures. In such situations, the Fund's ability to control its investments will depend upon the nature of the joint investment arrangements with such partners and the Fund's relative ownership stake in such investments. The Fund may be a minority investor in these circumstances. In addition, such arrangements may restrict the Fund's ability to dispose of its investments for potentially significant periods of time. Such investments may involve risks not present in investments where a third party is not involved. A co-venturer or partner of the Fund may at any time have economic or business interests or goals which are inconsistent with those of the Fund and may be in a position to take (or block) action inconsistent with the Fund's investment objectives. The Fund may be liable for certain actions of its co-venturers or partners. Co-investments may also involve higher costs than other investments. Co-venturers or partners potentially may include certain investors.

Co-investors will typically bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their pro rata share of fees, costs and expenses related to potential investments that are not consummated, such as broken deal expenses (including "reverse" breakup fees). The Directors endeavor to allocate such fees, costs and expenses on a fair and equitable basis. Notwithstanding the foregoing, co-investors may not agree to pay or otherwise bear fees, costs and expenses related to unconsummated co-investments. In addition, in certain circumstances, co-investors may not bear such fees, costs and expenses because they have not yet been identified (or their anticipated allocation has not yet been identified) as of the time such potential investment ceases to be pursued or are not yet committed to such potential investment. In those events, such fees, costs and expenses will be considered operating expenses of and be borne by the Fund.

Changes in Law. The Fund and its affiliates are subject to regulation by laws at the local, state, federal and international levels. These laws and regulations, as well as their interpretation, may be changed from time to time. Accordingly, any change in these laws or regulations, or their interpretation or any failure by the Fund or its affiliates to comply with these laws or regulations may adversely affect the Fund's business.

Hedging Transactions. The Fund may utilize financial instruments such as forward contracts, options, swaps, short sales, caps, collars, floors and other derivatives to seek to hedge against fluctuations in the relative values of its assets as a result of changes in the currency exchange rates, market interest rates and public security prices. While these transactions may reduce certain risks, the transactions themselves entail certain other risks. Hedging against a decline in the value of an investment does not eliminate fluctuations in the value of such investment or prevent losses if the value of such investment declines, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in such investment's value. These types of hedge transactions also limit the opportunity for gain if the value of such investment should increase.

The success of hedging transactions will be subject to the ability to correctly predict movements in and the direction of, currency exchange rates, interest rates and public security prices. Therefore, while the Fund may enter into hedging transactions to seek to reduce these risks, unanticipated changes in currency exchange rates, interest rates or public security prices may result in a poorer overall

performance for the Fund than if it had not engaged in any hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements of the investments being hedged may vary. Moreover, for a variety of reasons, the Fund may not have established a perfect correlation between hedging instruments and the investments being hedged. This imperfect correlation may prevent the Fund from achieving the intended hedge or expose it to risk of loss.

In addition, there is no limit on the exposure that may be incurred to any single counterparty under over-the-counter derivative instruments, exchange listed securities, options, repurchase agreements or other similar transactions and, as a result, if any such counterparty becomes unable to pay amounts due on such instruments or transactions, the financial losses to the Fund would be greater than if such limits were imposed. Furthermore, the creditworthiness of a counterparty to any hedging transaction entered into by the Fund may change over time and, while such counterparty may have been creditworthy at the time such transaction was entered into, there is no guarantee such counterparty will remain creditworthy throughout the duration of the Fund.

Price Risk. For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the investments in which the Fund invests may decline or rise substantially. In particular, purchasing assets at prices that may appear to be "undervalued" is no guarantee that such assets will not be trading at even more "undervalued" levels at the time of valuation or at the time of sale. Similarly, shorting assets at prices that may appear to be "overvalued" is no guarantee that such assets will not be trading at even more "overvalued" levels at the time of valuation or at the time of sale.

Derivatives Generally. Derivative instruments, or "derivatives," include options, futures, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, financial assets, currencies or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark, financial asset, currency or index at a fraction of the cost of investing in the underlying asset. The Fund may seek to acquire derivatives for these or other reasons, however, there is no assurance that derivatives that the Fund wishes to acquire will be available at any particular times upon satisfactory terms or at all.

The value of a derivative is frequently difficult to determine and depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives are "leveraged," and thus provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement in the underlying asset can not only result in the loss of the entire investment, but may also expose the Fund to the possibility of a loss exceeding the original amount invested. Over-the-counter ("OTC") derivatives generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The OTC market for derivatives is relatively illiquid. In the case of OTC derivatives contracts, the Fund is subject to the credit risk of the counterparty.

The Fund may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with the trading objective of the Fund and legally permissible. Special risks may apply to instruments that are invested in by the Fund in the future that cannot be determined at this time or until such instruments are developed or invested in by the Fund.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the ***Dodd-Frank Act***) enables the CFTC and the SEC to enact new regulations on certain OTC derivatives. Under the Dodd-Frank Act and rules promulgated thereunder, certain OTC derivatives contracts are required to be traded on regulated trading platforms (i.e., swap execution and facilities) and cleared through registered clearing organizations subject to regulation by the SEC and the CFTC. Such contracts are traded more like futures and options contracts, and parties to such transactions trade standardized contracts and will face clearing organizations as contractual counterparties, rather than facing the credit risk of counterparties under individually negotiated bilateral OTC agreements.

In addition, swap dealers and major swap participants (entities that are not swap dealers, but are subject to rules governing dealers due to their levels of activity and exposure) are subject to regulatory oversight and requirements with respect to OTC derivatives, which will include business conduct requirements, such as know-your-customer rules, increased risk disclosure and rules requiring trades to be documented and confirmed within certain timeframes. Derivative contracts, whether cleared or uncleared, will have to be reported to trade data repositories registered with the CFTC and/or the SEC.

While the CFTC has finalized the majority of its required rulemakings under the Dodd-Frank Act, there are still a number of rules that have not been finalized by the SEC. As a result, the effect that the foregoing regulatory changes will have on the price of derivative contracts, liquidity and administrative costs, among other things, still remains unclear. In addition, certain related provisions may be revised, repealed or amended. The impact of any such changes is unknown.

Call Options. The Fund may invest in call options as part of its investment strategy or for hedging purposes. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., 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. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

Put Options. The Fund may invest in put options as part of its investment strategy or for hedging purposes. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. 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.

Inside Information. From time to time, the Investment Manager and its affiliates may come into possession of inside information concerning specific companies. Under applicable securities laws, this may limit the Fund's ability to buy or sell securities issued by such companies. If the Fund holds the securities of a company with respect to which the Investment Manager is in possession of inside information, the Fund may be restricted from trading the securities of such company for an indefinite period of time, which could result in losses to the Fund.

Use information technology. The Investment Manager depends on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the Fund. Information technology systems are also used to trade in the underlying investments of the Fund. A failure of some kind which causes disruptions to these information technology systems could materially limit the Investment Manager's ability to adequately assess and adjust the investments of the Fund, formulate strategies and provide adequate risk control, any of which could harm the performance of the Fund.

This list of risk factors does not purport to be complete. Nor does it purport to be an entire explanation of the risks involved in an investment in the Fund. A potential investor should read this Memorandum in its entirety as well as consult with its own legal, tax and financial advisers before deciding to invest in the Fund.

CONFLICTS OF INTEREST

The Directors, the Investment Manager, the Administrator and any prime broker, custodian or broker appointed by or in respect of the Fund, and their respective directors, officers and employees may, from time to time, act as director, promoter, manager, investment manager, investment adviser, registrar, administrator, transfer agent, trustee, custodian, broker, distributor or placing agent to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the Fund. Similarly, one or more of them may provide discretionary fund management or ancillary administration, custodian or brokerage services to investors with similar investment objectives to those of the Fund. Consequently, any of them may, in the course of their business, have potential conflicts of interests with respect to the Fund. Each will at all times have regard to its obligations to the Fund and will endeavour to resolve such conflicts fairly.

INVESTMENT MANAGER

The Investment Manager is engaged in the business of discretionary investment management and advising clients, which may include other investment vehicles, in the purchase and sale of securities and financial instruments. In managing other clients' assets or advising other clients, the Investment Manager may use the information and trading strategies which it obtains, produces or utilises in the performance of services in respect of the Fund.

The Investment Manager may have conflicts of interest in managing the assets of the Fund because its compensation for managing and/or advising other investment vehicles or accounts may exceed its compensation for managing the assets of the Fund, thus providing an incentive to prefer such other investment vehicles or accounts. Moreover, if the Investment Manager makes trading decisions in respect of such investment vehicles or accounts and in respect of the Fund at or about the same time, the Fund may be competing with such other investment funds or accounts for the same or similar positions. The Investment Manager will endeavour to allocate all investment opportunities on a fair and equitable basis between the Fund and those other investment vehicles and accounts.

The Investment Manager and/or any of its associates may invest, directly or indirectly, in assets which may also be purchased or sold by the Fund. Neither the Investment Manager nor any of its associates shall be under any obligation to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any such transaction.

The Fund has been established and promoted at the request of the Investment Manager. Accordingly, the selection of the Investment Manager and the terms of its appointment, including the fees and compensation payable under the Investment Management Agreement, are not the result of arms-length negotiations.

DIRECTORS

The board of Directors, as the governing body of the Fund, have adopted a conflicts of interest policy. Pursuant to that policy each Director and each officer of the Fund is permitted to engage in other businesses and to make investments for his or her own account provided that those conflicts of interest are disclosed, managed where appropriate.

Marcelo Rezende Rainho Teixeira, Thiago Bellini Motta Leomil and Ana Clara Penteado Regueria Alves are each a director of the Investment Manager which receives a Management Fee and may receive a Performance Fee in respect of its services as Investment Manager of the Fund. The fiduciary duties of the Directors may compete with or be different from the interests of the Investment Manager. At all

times, so far as practicable, the Directors will have regard to their obligations to act in the best interests of the Fund and will seek to ensure that any conflict of interest is resolved fairly and in accordance with the conflicts of interest policy adopted by the Directors from time to time.

A Director may be a party to, or otherwise interested in, any transaction or arrangement with the Fund or in which the Fund is otherwise interested. The Director will not be liable to account to the Fund for any profit he derives from such a transaction or arrangement provided the nature and extent of any material interest has been disclosed to the other Directors. Subject to appropriate disclosure, the Articles permit the Directors to take part in discussions and make decisions where a conflict of interest may exist.

A Director who has an interest in any particular business to be considered at a meeting of the Directors may be counted for the purpose of determining whether the meeting is duly constituted and may vote at such meeting provided that the interest has been disclosed.

Save as disclosed in this Memorandum, no Director has any interest, direct or indirect, in the promotion of, or in any assets which are proposed to be acquired, disposed of by or leased to, the Fund. Save as disclosed in this Memorandum, no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated.

SOFT DOLLAR ARRANGEMENTS

The Investment Manager may receive goods or services from a broker or a dealer in consideration for directing transaction business for the account of the Fund to such broker or dealer provided that (i) the goods or services are of demonstrable benefit to the Fund, and (ii) the transaction execution is consistent with best execution standards and the brokerage rates are not in excess of customary full service brokerage rates.

Goods and services may include research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, clearing and custodian services and investment-related publications. The goods and services which the Investment Manager receives will not include any goods and services prohibited from time to time by any code or guidelines issued by any relevant regulatory authority.

The Fund may be deemed to be paying for these services with “soft” dollars. Although the Investment Manager believes that the Fund will demonstrably benefit from the services obtained with soft dollars generated by trades, the Fund does not benefit from all of these soft dollar services. The Investment Manager and other accounts managed by the Investment Manager or its affiliates also derive substantial direct or indirect benefits from these services, particularly to the extent that the Investment Manager uses soft dollars to pay for expenses the Investment Manager would otherwise be required to pay itself.

The relationships with brokerage firms that provide soft dollar services to the Investment Manager may influence the Investment Manager’s judgement in allocating brokerage business and create a conflict of interest in using the services of those brokers to execute transactions. The brokerage commissions paid to those firms, will not, however, differ materially from, nor will they be in excess of, customary full brokerage commissions payable to other firms for comparable services.

TAXATION

GENERAL

The following is based on the Fund's understanding of certain aspects of the law and practice currently in force in the Cayman Islands. The comments below are based on laws, regulations, guidelines, published administrative rulings and judicial decisions currently in effect, all of which may change or be subject to different interpretations, possibly with retroactive effect. Any such changes could adversely affect the comments made below. There can be no guarantee that the tax position at the date of this Memorandum or at the time of an investment will endure indefinitely.

In view of the number of different jurisdictions where local laws may apply to Shareholders, the comments below do not address the tax consequences to potential investors of the purchase, ownership and disposition of Participating Shares. Prospective investors are urged to consult their own tax advisers in determining the possible tax consequences to them under the laws of the jurisdictions of which they are citizens, residents or domiciliaries, jurisdictions in which they conduct business and jurisdictions in which they purchase, hold, redeem or dispose of Participating Shares. The comments below do not constitute tax advice.

CAYMAN ISLANDS

The Fund is not subject to any income, withholding or capital gains taxes in the Cayman Islands.

The Fund is registered as an exempted company, limited by shares, under Cayman Islands law. As such, it has received an undertaking from the Government of the Cayman Islands that, for a period of 20 years from the date of the undertaking, no law subsequently enacted in the Cayman Islands that imposes any tax to be levied on profits, income, gains or appreciations will apply to the Fund or its operations.

Shareholders will not be subject to any income, withholding or capital gains taxes in the Cayman Islands with respect to their Participating Shares and dividends received on those Participating Shares, nor will they be subject to any estate or inheritance taxes in the Cayman Islands. There are no exchange controls in the Cayman Islands.

OTHER JURISDICTIONS

It is possible that certain dividends, interest and other income received by the Fund from sources within certain countries may be subject to withholding taxes imposed by such countries. The Fund may also be subject to capital gains taxes or other taxes in some of the countries where it purchases and sells securities or otherwise conducts business. It is impossible to predict in advance the rate of tax that will be paid since the amount of the assets of the Fund to be invested in various countries is uncertain.

COMPLIANCE WITH AUTOMATIC EXCHANGE OF INFORMATION LEGISLATION

US Foreign Account Tax Compliance Act

FATCA requires certain "Foreign Financial Institutions", including the Fund, to report on assets held by US person. Failure to do so could result in the Foreign Financial Institution being subject to a withholding tax (currently at the rate of 30 per cent) on certain payments. Payments subject to withholding under these rules generally include gross US-source dividend and interest income, gross proceeds from the sale of property that produces dividend or interest income from sources within the

US and certain other payments made by or through "Participating Foreign Financial Institutions" to "recalcitrant account holders" and "Non-participating Financial Institutions" (so called "foreign pass thru payments").

The Cayman Islands Government has entered into a Model 1 intergovernmental agreement with the United States (the ***US IGA***) and implemented domestic regulations (the ***Cayman US FATCA Regulations***) to facilitate compliance with FATCA. The US IGA provides that Cayman Islands Financial Institutions, including the Fund, which comply with the Cayman US FATCA Regulations (and through them the US IGA) will be treated as satisfying the due diligence and reporting requirements of FATCA and accordingly will be "deemed compliant" with the requirements of FATCA. To comply with its obligations under the Cayman US FATCA Regulations, the Fund will be required to identify whether Participating Shares are held directly or indirectly by "Specified US Persons" (as defined in the US IGA) and report information on such Specified US Persons to the Cayman TIA. The Cayman TIA will in turn report relevant information to the United States Internal Revenue Service (***IRS***). If the Fund is not able to comply with its reporting requirements under the US IGA (whether due to a failure of one or more Shareholders to provide adequate information or otherwise), the Fund could be deemed to be a "Non-participating Financial Institution" as a result of "significant non-compliance". In such a situation the withholding tax under FATCA could be imposed on US-sourced amounts paid to the Fund.

OECD Common Reporting Standard requirements regarding tax reporting

The "Common Reporting Standard" (***CRS***) was developed by the OECD to be an international standard for the automatic exchange of financial account information between relevant jurisdictions. Jurisdictions committed to the CRS (each a ***Participating Jurisdiction***) will either be a signatory to the multi-lateral competent authority agreement (***MCAA***) or will sign bilateral competent authority agreements with certain other Participating Jurisdictions.

Under the MCAA (or the relevant bilateral agreement), Participating Jurisdictions will become ***Reportable Jurisdictions*** once they have implemented appropriate domestic legislation, put in place the necessary administrative and IT infrastructure (both to collect and exchange information and to protect confidentiality and safeguard data) and provided the necessary notifications for exchange. Participating Jurisdictions will have to collect and exchange relevant information with relevant Reportable Jurisdictions.

The Cayman Islands Government is a signatory to the MCAA and has implemented CRS through the Tax Information Authority (International Tax Compliance)(Common Reporting Standards) Regulations (As Revised) (the ***CRS Regulations***). Under the CRS Regulations, the Fund will be required to make an annual filing to the Cayman TIA in respect of Shareholders who are tax resident in a Reportable Jurisdiction and/or whose "Controlling Persons" are tax resident in a Reportable Jurisdiction (unless one or more of the limited exemptions in the CRS Regulations apply).

Implications for Shareholders

In order to comply with the US IGA, the MCAA (or any relevant bilateral agreement) and the relevant domestic legislation (collectively ***AEOI Legislation***), the Fund may be required to disclose certain confidential information provided by Shareholders to the Cayman TIA, which in turn will report the information to the relevant foreign fiscal authority. In addition, the Fund may at any time require a Shareholder to provide additional information and/or documentation which the Fund may be required to disclose to the Cayman TIA.

If a Shareholder does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund being subject to any withholding tax or other liability or being required to withhold amounts from distributions to be made to any Shareholder, the Fund may take any action and/or pursue any remedy at its disposal. Such

action or remedy may include the compulsory redemption of some or all of the Participating Shares held by the Shareholder concerned or the conversion of such Participating Shares into Participating Shares of another Class.

To the extent the Fund incurs any costs or suffers any withholding as a result of a Shareholder's failure, or is required by law to apply a withholding against the Shareholder, it may set off such amount against any payment otherwise due from the Fund to the Shareholder or may allocate such amount to the Participating Shares held by such Shareholder. No Shareholder affected by any such action or remedy shall have any claim against the Fund for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with the AEOI Legislation.

Shareholders are encouraged to consult their own advisors regarding the possible application of the AEOI Legislation and the potential impact of the same, on their investment in the Fund.

FINANCIAL INFORMATION AND REPORTS

FINANCIAL YEAR

The financial year of the Fund will end on 31 December in each year.

FINANCIAL STATEMENTS

The books and records of the Fund will be audited as at the end of each financial year by the Auditors. The first audit will be for the period beginning on the commencement of the operations of the Fund and ending on 31 December 2024 unless the Fund is able to take advantage of an extended first audit period or any relevant audit waiver or exemption under current CIMA rules. The financial statements of the Fund will be presented in US Dollars and prepared in accordance with US GAAP, unless the Directors otherwise deem appropriate.

As a regulated mutual fund, the Fund is required to file copies of the audited financial statements of the Fund with CIMA within six months of the end of each financial year unless the Fund is able to take advantage of an extended first audit period or any relevant audit waiver or exemption under current CIMA rules.

AUDITORS

The Auditors for the Fund are Grant Thornton Ireland. The audited financial statements will be signed off in the Cayman Islands by Grant Thornton Attest (Cayman) LLP. The Auditors are paid a customary fee for providing auditing services to the Fund.

REPORTS TO SHAREHOLDERS

Each Shareholder will be provided with a copy of an annual report that will include audited financial statements within six months of the end of each financial year of the Fund. Shareholders will also be provided with a semi-annual report on the investment performance of the Fund.

GENERAL

THE FUND

The Fund is an exempted company incorporated with limited liability under the Companies Act. Its constitution is defined in the Articles. The Fund's objects, as set out in its memorandum of association, are unrestricted and so include the carrying on of the business of an investment company.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the memorandum of association and articles of association of the Fund. The liability of a Shareholder is limited to the amount, if any, unpaid on its Participating Shares. As Participating Shares may only be issued if they are fully paid, a Shareholder will not be liable for any debt, obligation or default of the Fund beyond its investment in the Fund.

SHARE CAPITAL OF THE FUND

The Fund has an authorised share capital of US$50,000 which is made up of 100 Management Shares of US$0.01 par value each and 4,999,900 participating shares of US$0.01 par value each which may be issued in different classes.

The Directors are authorised under the Articles to resolve from time to time the class to which participating shares are to be designated.

Subject to the provisions of the Articles and the Companies Act, the Fund may increase or reduce its authorised share capital, divide all or any of its share capital into participating shares of a smaller amount or combine all or any of its share capital into participating shares of a larger amount.

The Articles provide that unissued participating shares are at the disposal of the Directors who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine. All participating shares will be issued in registered form only.

There are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on the holders of participating shares or Management Shares. No capital of the Fund is under option or agreed conditionally or unconditionally to be put under option.

RIGHTS OF THE MANAGEMENT SHARES

The Management Shares are held by the Investment Manager.

The Management Shares do not participate in the profits and losses of the Fund and carry no right to dividends. On the winding up of the Fund, the holder of the Management Shares is only entitled to receive its paid-up capital of US$0.01 per Management Share. Management Shares are not redeemable.

Except as described under "Variation of rights attaching to a Class" below, the holder of the Management Shares has the right to vote (to the exclusion of the holders of the Participating Shares) in respect of all matters relating to the Fund. However, the holder of the Management Shares may, at any time, resolve to relinquish irrevocably its right to appoint and remove Directors and in that event, such right will vest in the holders of the Participating Shares to be exercised by ordinary resolution (being a resolution passed by a majority of votes cast).

RIGHTS OF THE PARTICIPATING SHARES

Participating Shares confer the following rights on Shareholders:

- **As to voting**. The holders of Participating Shares have no right to vote except as described under "Variation of rights attaching to a Class" below and, if the holder of the Management Shares resolves to relinquish its right to appoint and remove the Directors, on any resolution to appoint or remove a Director.

- **As to income**. The holders of Participating Shares have the right to receive dividends declared in respect of the relevant Class. Participating Shares within each Class carry an equal right to such dividends as the Directors may declare.

- **As to redemption**. The holders of Participating Shares have the right to redeem their Participating Shares on the terms set out in this Memorandum and the Articles.

- **As to capital**. The holders of Participating Shares have the right on the winding up or dissolution of the Fund, to participate in the surplus assets of the Fund (being the full amount of the assets of the Fund other than the paid-up capital of US$0.01 per Management Share) in proportion to the aggregate Net Asset Value per Share of the Participating Shares held by each of them.

VARIATION OF RIGHTS ATTACHING TO A CLASS

The rights attaching to Participating Shares of any Class, as described above, may be varied with the consent in writing of Shareholders holding two-thirds of the Participating Shares of the Class affected by the proposed modification or with the sanction of a resolution passed at a meeting of the holders of Participating Shares of the Class affected by not less than two-thirds of the votes cast.

Seven days' prior notice will be given of any meeting of the holders of Participating Shares of the relevant Class. The quorum will be one or more persons holding (or representing by proxy) not less than one-third of the issued Participating Shares of the relevant Class. The Directors may treat two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration. At any meeting, all voting will be on a poll and each holder who is present in person or by proxy will have one vote for every US$1.00 of the aggregate Net Asset Value of the Participating Shares held.

The rights attaching to Participating Shares of any Class may be varied without the consent of Shareholders if, in the opinion of the Directors, the variation does not have a material adverse effect on the rights.

Any resolution by the holder of the Management Shares to relinquish its right to appoint and remove Directors will not be deemed to modify the rights attaching to any Class.

SIDE LETTERS

The Fund and/or the Investment Manager may from time to time, each in consultation with the Board, enter into side letters or other similar agreements (collectively, Side Letters) with one or more Shareholders that provide such Shareholder(s) with additional and/or different rights (including, without limitation, with respect to the Management Fee, the Performance Fee, Hurdle Rate, the Lock-Up Period, access to information, minimum investment amounts and liquidity terms) than such Shareholder(s) have pursuant to this Memorandum and the Articles; provided that the Investment Manager shall not cause the Fund to enter into any Side Letter with any investor or prospective investor without the approval of the Directors. The Fund may issue a separate Class or Series of

Participating Shares for such Shareholder(s). The Investment Manager may enter into such Side Letters with any party as the Investment Manager may determine, subject to the discretion of the Directors. Neither the Fund nor the Investment Manager will be required to notify any or all of the other Shareholders of any such Side Letters or any of the rights and/or terms or provisions thereof, nor will the Fund or the Investment Manager be required to offer such additional and/or different rights and/or terms to any or all of the other Shareholders.

CONSOLIDATION OF SERIES

A new Series of Participating Shares of each Class will be issued on each Subscription Day on which Participating Shares of that Class are issued. As soon as practicable after the last Valuation Day in each Calculation Period, the Participating Shares of each Series of each Class whose performance has given rise to a Performance Fee in respect of the relevant Calculation Period (and where there is no outstanding Subscription Fee) will be consolidated into a single Series of the relevant Class, being the oldest Series in respect of which a Performance Fee is paid for the relevant Calculation Period (the ***Original Series***). The High Water Mark for the consolidated Series will be based on the Net Asset Value of the Original Series as at the last Valuation Day in the relevant Calculation Period, after the making of the Performance Fee. Such consolidation shall take place by way of the compulsory redemption of Participating Shares of the Series to be consolidated and an issue of an appropriate number of Participating Shares of the Original Series.

AMENDMENTS TO THE ARTICLES

Except as described under "Variation of rights attaching to a Class" above, the holder of the Management Shares may, by special resolution, amend the Articles.

WINDING UP AND TERMINATION

The Fund has been formed with unlimited duration and may be terminated, wound up and dissolved in accordance with the Articles or otherwise pursuant to a formal liquidation procedure under the Companies Act or any other applicable bankruptcy or insolvency regime. This may include a voluntary liquidation started by started by a special resolution of the holder of the Management Shares.

The Articles provide that the business of the Fund shall continue for so long as the Fund holds assets, irrespective of whether the Directors have determined that the Fund shall not acquire any further investments. Accordingly, the investments of the Fund may be managed for the sole purpose of realising all investments in anticipation of the termination of the business of the Fund (the ***Realisation***). Unless the Directors consider it is in the best interests of the Fund that it be placed into liquidation under the Companies Act, the Realisation shall be managed by the Directors, together with, if the Directors so determine, the Investment Manager. If the Directors determine that the Investment Manager is to manage the Realisation, the appointment of the Investment Manager will continue on the terms of the agreement then in force unless the Directors determine otherwise.

GENERAL MEETINGS

As a Cayman Islands exempted company, the Fund is not required to hold annual general meetings of Shareholders.

DIRECTORS' REPORT

The Fund has not, since its incorporation, commenced operations, declared any dividends or made up any accounts. The Fund does not have, nor since its incorporation has it had, any employees, nor is it expected to have any in the future.

Since its incorporation the Fund has not been, nor is it currently, engaged in any litigation or arbitration. So far as the Directors are aware, no litigation or claim is pending or threatened against the Fund.

CAYMAN ISLANDS REGULATION

Mutual Funds Act

The Fund is registered as a mutual fund under section 4(3) of the Mutual Funds Act and is therefore regulated under that law. In connection with its initial registration under the Mutual Funds Act, the Fund has filed with CIMA a copy of this Memorandum and certain details of this Memorandum, as required by the Mutual Funds Act. The Fund has also paid the prescribed initial registration fee as required by the Mutual Funds Act.

The Fund's continuing obligations under the Mutual Funds Act are (i) to file with CIMA prescribed details of any changes to this Memorandum, (ii) to file annually with CIMA accounts audited by an approved auditor and an annual return containing certain key statistical data, and (iii) to pay the relevant prescribed annual fee.

As a regulated mutual fund, the Fund is subject to the supervision of CIMA. At any time, CIMA may instruct the Fund to have its accounts audited and to submit them to CIMA within a specified time. Failure to comply with any supervisory request by CIMA may result in substantial fines. CIMA has wide powers to take certain actions if certain events occur. For instance, it has wide powers to take action if it is satisfied that a regulated mutual fund (i) is or is likely to become unable to meet its obligations as they fall due, or (ii) 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 (i) the power to require a Director to be replaced, (ii) the power to appoint a person, at the expense of the Fund to advise the Fund on the proper conduct of its affairs, and (iii) the power to appoint a person, at the expense of the Fund, to assume control of the affairs of the Fund, including for the purpose of terminating the business of the Fund. CIMA also has other remedies available to it including applying to the courts of the Cayman Islands for approval of other actions, and requiring the Fund to re-organise its affairs in a manner specified by CIMA.

Segregation Rule

The Fund is required to comply with the Rule on Segregation of Assets – Regulated Mutual Funds (***Segregation Rule***) which obliges, among other things, the Fund to ensure the safekeeping of its assets. The overriding requirement of the Segregation Rule is that the Fund must ensure that no service provider uses assets of the Fund to finance their own or any other operations in any way, although this will not prohibit the ordinary operations of the Fund in terms of executing its investment strategy, paying appropriate fees and otherwise holding assets as appropriate for investment funds of this type. In addition, the Fund has consented or will consent to the transfer and reuse of assets on customary terms under its service agreements with relevant service providers such as any prime broker or similar, which is restricted by relevant regulatory limitations, and does not constitute the financing of either of their own operations. It is necessary to ensure that verification, based on information provided by the Fund and available external information, that the Fund holds title to relevant assets and maintenance of a record of those assets, is carried out by the Investment Manager either independently from the portfolio management function or otherwise, to the extent that any conflict of interest arises between the Fund and the Investment Manager as a result of the Investment Manager carrying out verification pursuant to the requirements of the Segregation Rule, that the Investment Manager will use all reasonable efforts to identify, manage, monitor and disclose any such conflict of interest.

Requests for Information

The Fund, the directors or any of their respective 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 (eg, by CIMA), either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Act (as revised), or by the Cayman TIA, under the Tax Information Authority Act (Revised) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, Fund, the directors and any of their respective agents, may be prohibited from disclosing that the request has been made.

Cayman Islands Data Protection

The Data Protection Act (2021 Revision) (***DPA***) imposes legal requirements on the Fund based on internationally accepted principles of data privacy. The DPA governs the use of personal data by Cayman Islands entities. It also addresses extra-territorial storage and transfer of personal data.

The Fund has prepared a document outlining the data protection obligations of the Fund and the data protection rights of investors (and individuals connected with investors) under the DPA (***Fund Privacy Notice***). The Fund Privacy Notice is contained within the Subscription Agreement.

Prospective investors should note that, by virtue of making investments in the Fund and the associated interactions with the Fund and its affiliates and/or delegates (including completing the Subscription Agreement, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Fund with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Fund and its affiliates and/or delegates (including, without limitation, the administrator) with certain personal information which constitutes personal data within the meaning of the DPA. The Fund shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Administrator, the Investment Manager and others, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that they have read in detail and understood the Fund Privacy Notice and that the Fund Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Fund. The Subscription Agreement contains relevant acknowledgements, representations and warranties.

Oversight of the DPA is the responsibility of the Cayman Islands Office of the Ombudsman. Breach of the DPA by the Fund could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Beneficial Ownership Regime

The Cayman Islands Beneficial Ownership Transparency Act 2023 (the ***BOTA***) establishes the framework for the beneficial ownership regime applicable to all entities registered in the Cayman Islands, including the Fund. Under the BOTA, the Fund is classified as a "legal person" and must comply with its provisions.

The key requirements of the BOTA are that all entities must categorise themselves, identify their registrable beneficial owners or senior managing officials and ensure that beneficial ownership

information is adequate, accurate, and up-to-date. Additionally, entities must issue restriction notices when necessary.

As the Fund is registered under the Mutual Funds Act (2025 Revision), it may either:

- provide relevant beneficial ownership information to its Cayman Islands registered office provider; or

- provide to its registered office provider the required details of either a Cayman Islands licensed fund administrator or another entity licensed or registered under a Cayman Islands regulatory statute (the ***Contact Person***), who must have operational access to the necessary beneficial ownership information of the Fund.

(a) The registered office provider must then file either the beneficial ownership register or the Contact Person's details with the Cayman Islands competent authority, which is the General Registrar. If the Fund opts to engage a Contact Person, the Contact Person must be capable of providing the competent authority with any requested beneficial ownership information within the specified timeframe in any request from the competent authority.

Economic Substance

Under the International Tax Co-operation (Economic Substance) Act (As Revised) (the ***Economic Substance Act***), all companies and partnerships must file an annual notification as to their status under the Economic Substance Act. The Fund is classified as an "investment fund" under the Economic Substance Act and is therefore exempt from the requirements of the Economic Substance Act.

ANTI-MONEY LAUNDERING COMPLIANCE OFFICER AND MONEY LAUNDERING REPORTING OFFICER

The Fund has appointed an Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer in accordance with the requirements of the anti-money laundering regulations of the Cayman Islands. Further information relating to the appointments is available from the Investment Manager on request.

MATERIAL CONTRACTS

The following contracts, which are or may be material, have been entered into by or in respect of the Fund:

(a) an investment management agreement between the Fund and the Investment Manager pursuant to which the Investment Manager was appointed to provide certain investment management services to the Fund;

(b) an administration agreement between the Fund and the Administrator pursuant to which the Administrator was appointed to provide administration services to the Fund; and

(c) the Custody Agreement.

These contracts are summarised in the section headed "Management and Administration" above.

CONSTITUTIONAL MATTERS

The Fund will be terminated, wound up and dissolved in accordance with Articles or otherwise pursuant to a formal liquidation under the Companies Act or any other applicable bankruptcy or insolvency regime. Copies of the Articles, together with copies of the Fund's annual or periodic reports

as detailed in this Memorandum, are available upon request from the Investment Manager. The Fund will not generally issue any certificates in respect of its Shares and the Shares are not expected to be listed on any stock exchange.

ENQUIRIES

Enquiries concerning the Fund and this offering (including information concerning subscription procedures) should be directed to the Investment Manager at the address set out in the Directory.

APPENDIX - RESTRICTIONS ON DISTRIBUTION

Brazil: The Participating Shares of the Fund may, in the future, be the subject of a Brazilian Depositary Receipt (***BDR***) program sponsored by a Brazilian depositary institution authorized to operate by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – ***CVM***). The creation, registration, offering, and distribution of BDRs in Brazil is subject to Brazilian law, including CVM regulations. Any such BDR program must comply with the applicable rules issued by the CVM, including, where relevant, CVM Resolution No. 182 of May 11, 2023 (as amended), and the rules and procedures of the relevant Brazilian stock exchange (e.g., B3 S.A. – Brasil, Bolsa, Balcão).

This Memorandum is not intended to constitute a public offering, placement, distribution or sale of Shares or BDRs in Brazil. The Fund has not been and will not be registered with the CVM, nor will it be authorized to carry out any public offering of securities in Brazil. Any offer or sale of Shares or BDRs in Brazil will be made in compliance with applicable Brazilian laws and regulations, including private placement exemptions under CVM rules.

Investors in Brazil should be aware that:

- this Memorandum has not been and will not be submitted to or approved by the CVM;
- the Fund is not subject to the supervision of the CVM or any other Brazilian regulatory authority;
- any BDRs representing Participating Shares of the Fund will be offered and traded in Brazil only in accordance with applicable regulations and through duly authorized intermediaries;
- the rights and obligations of holders of BDRs may differ from those of holders of Shares of the Fund, and any investment decision should be made on the basis of careful review of all applicable terms and conditions;
- the offering of BDRs does not imply any recommendation by the CVM or any regulatory authority in Brazil as to the merits of an investment in the Fund.

This Memorandum may not be used in connection with any offer or sale of securities to the public in Brazil without compliance with applicable registration requirements under Brazilian law.

THIS MEMORANDUM MAY INCLUDE PARTICULARS GIVEN IN COMPLIANCE WITH THE LISTING REGULATIONS OF THE APPLICABLE STOCK EXCHANGE ON WHICH THE PARTICIPATING SHARES ARE LISTED FOR THE PURPOSE OF GIVING INFORMATION WITH REGARD TO THE FUND. THE DIRECTORS COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN MISLEADING.

.

Cayman Islands: No invitation may be made to the public in the Cayman Islands to subscribe for the Participating Shares.

Generally: The distribution of this Memorandum and the offering of Participating Shares may be restricted in certain jurisdictions. The above information is for general guidance only, and it is the responsibility of any person or persons in possession of this Memorandum and wishing to make application for Participating Shares to inform themselves of, and to observe, all applicable laws and

regulations of any relevant jurisdiction. Prospective applicants for Participating Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

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